

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8753 HOUSE RESOURCES

-2-

accidents. Because coal accounts for such a large volume and tonnage compared to other HNS cargoes, in effect, coal industry receipts would be subsidizing other more hazardous HNS industries. Moreover, some argue that coal presents such a minimal risk to the marine environment that it should be excluded altogether from the HNS Convention.

On the other hand, others argue that while the environmental risks posed by coal may not be significant, coal should be included in the Convention because it poses some safety risks through fire, spontaneous combustion, or explosion. This is important because the draft HNS Convention covers personal injury and death and property damage, not just environmental or pollution damage. Moreover, some maintain that the exclusion of coal could undermine the fundamental structure of the Convention. Specifically, it is argued that many other substances that are defined as "HNS" by the Convention could make similar, or better, claims than coal for exclusion on scientific or safety grounds. Excluding coal could require a review of all HNS substances on a singular and individual basis for their respective hazards in comparison to coal. As the HNS list is very long this would be a burdensome task, especially if the scheduled 1996 diplomatic conference on the HNS Convention is to become a reality.

Other methods of reducing or eliminating the potential inequity to the coal industry and receivers without excluding coal completely from the HNS Convention are being considered. These include a so-called "separate account" procedure under which the coal industry and receivers would pay only minimal administrative costs if transporters maintain a good safety record.

During the past few months the interagency working group on HNS has focused heavily on the question of whether coal should be included in the HNS Convention but has not yet taken an official position. The Coast Guard has also been in contact with the National Mining Association, the Coal Exporters Association, and other countries considering this issue and has shared their views with the group. We continue to debate this important issue and are carefully reviewing all options. We expect that this issue will be discussed at the next session of Legal Committee of the International Maritime Organization (IMO), to be held in London from April 3-7, 1995.

In preparation for this IMO meeting, a Shipping Coordination Committee (SHC) meeting will be held on March 16, 1995, from 1:00 p.m. until 3:00 p.m., at Coast Guard

Headquarters, Room 2415, 2100 Second Street, SW, Washington D.C. The purpose of the SHC meeting is to solicit public comment on the various issues set for discussion before IMO Legal Committee to assist the U.S. Delegation in preparing its official negotiating positions. Please inform your constituent that he is invited to attend. If he cannot he may provide comments to Commander Steve Poulin at (202) 267-0094 or fax: (202) 267-4496.

I hope this information is helpful in responding to your constituent's concerns. If you need further assistance on this or any other matter, please let us know.

Sincerely,

Wendy R. Sherman

Wendy R. Sherman
Assistant Secretary
Legislative Affairs

President: R. B. Stiles
711 H Street, Suite 600
Anchorage, Alaska 99501
Tel. (907) 276-6868
Fax. (907) 276-2395



Secretary: Charles P. Boddy
122 First Avenue, Suite 302
Fairbanks, Alaska 99701
Tel. (907) 452-2625
Fax. (907) 451-6543

ALASKA COAL ASSOCIATION

THE ALASKA COAL ASSOCIATION SUPPORTS HOUSE RESOLUTION NO. 7

House Resolution No. 7 urges the U.S. Senate to not ratify an International Maritime Organization (IMO) convention which would designate coal as a hazardous and noxious material.

Designation of coal by the IMO as a hazardous and noxious material would have the net effect of placing coal in a pool of materials against which an additional handling fee per unit of weight is assessed by the IMO each time the coal is loaded onto or unloaded from a vessel. The proceeds from these fees would be used to cover the cost of marine spills of these materials in excess of insurance limits.

The Alaska Coal Association strongly opposes the designation of coal as a hazardous and noxious material for the following reasons:

- Coal spills in the marine environment present no hazard to marine flora and fauna and the cleanup of such spills have never exceeded the insurance limits for such spills.
- Such a designation would arbitrarily place coal in a pool with other materials, which materials, if spilled in the marine environment, may represent a hazard to the marine environment and the spills may be very costly to cleanup.
- The U.S. Coast Guard places no such designation on coal because coal spills are not hazardous to the environment. Imposition of this hazardous and noxious designation by an United Nations (the IMO) Organization is clearly overreaching.
- The fees assessed against coal would increase the costs to the coal/energy consumer without providing any additional benefit to anyone or to the environment.

Designation of coal by the IMO as a hazardous and noxious material is clearly an attempt to address a non-problem and such a designation is opposed by coal producers, shippers and users throughout the world.

The Alaska Coal Association greatly appreciates the Alaska Legislature taking a strong stand in opposition to an arbitrary and unwarranted action by the IMO.

Alaska State Legislature

Chairman - Economic Development Committee

Anchorage
716 W. 4th Ave.
Anchorage, AK 99501
(907) 258-8199

State Capitol
Juneau, AK 99801-1182
(907) 465-4945

REPRESENTATIVE
JERRY SANDERS
District 19

Official Business

COMMITTEES
Labor and Commerce
Transportation

March 21, 1995

Representative Joe Green Chair
House Resources Committee,
State Capitol, Room 24
Juneau, Alaska 99801

Dear Representative Green:

I respectfully submit this request for hearing on HR 7, "A resolution opposing a proposed international convention classifying coal as a hazardous and noxious material."

Your consideration of the request is appreciated

Sincerely,



Representative Jerry Sanders, Chair
House Special Committee On Economic Development

HSCR

1

9-LS1576\C
Cook
2/27/96

CS FOR HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE SPECIAL COMMITTEE ON OIL AND GAS

A RESOLUTION

1 **Disapproving Executive Order No. 92.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the governor, under authority of art. III, sec. 23, Constitution of the State
4 of Alaska, has proposed in Executive Order No. 92 to combine the functions of the division
5 of oil and gas and the division of geological and geophysical surveys into a division of oil,
6 gas, and geology; and

7 **WHEREAS** the Alaska State Legislature believes the functions of the division of
8 geological and geophysical surveys as outlined in AS 41.08.020 would be diluted in a
9 consolidation with the division of oil and gas; and

10 **WHEREAS** certain efficiencies can be accomplished by incorporating the division of
11 geological and geophysical surveys within the division of mining and water management; and

12 **WHEREAS** art. III, sec. 23, Constitution of the State of Alaska, provides that unless
13 disapproved within 60 days of a regular session by resolution concurred in by a majority of
14 the members of the legislature in joint session, an executive order becomes effective at a date
15 designated by the governor;

16 **BE IT RESOLVED** by the Alaska State Legislature that Executive Order No. 92 is
17 disapproved.

JOINT SENATE/HOUSE RESOURCES COMMITTEE
February 27, 1996
11:10 A.M.

SENATE MEMBERS PRESENT

Senator Loren Leman, Chairman
Senator Drue Pearce, Vice Chairman
Senator Steve Frank
Senator Rick Halford
Senator Robin Taylor
Senator Georgianna Lincoln
Senator Lyman Hoffman

SENATE MEMBERS ABSENT

All Members Present

HOUSE MEMBERS PRESENT

Representative Joe Green, Chairman
Representative Scott Ogan, Vice Chairman
Representative Bill Williams
Representative Pete Kott
Representative Alan Austerman
Representative John Davies
Representative Don Long
Representative Irene Nicholia

HOUSE MEMBERS ABSENT

Representative Ramona Barnes

SENATE COMMITTEE CALENDAR

SENATE SPECIAL CONCURRENT RESOLUTION NO. 1
Disapproving Executive Order No. 92.

SENATE SPECIAL CONCURRENT RESOLUTION NO. 2
Disapproving Executive Order No. 95.

PREVIOUS SENATE COMMITTEE ACTION

SSCR 1 - No previous action to consider.

SSCR 2 - No previous action to consider.

HOUSE COMMITTEE CALENDAR

HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1
Disapproving Executive Order No. 92.

BILL: HSCR 1 SHORT TITLE: DISAPPROVING EXECUTIVE ORDER 92
BILL VERSION:
SPONSOR(S): SPECIAL COMMITTEE ON OIL AND GAS

CURRENT STATUS: (H) RLS STATUS DATE: 2/28/96

TITLE: Disapproving Executive Order No. 92.

| | | | |
|----------|------|-----|-------------------------------------|
| 01/26/96 | 2540 | (H) | READ THE FIRST TIME - REFERRAL(S) |
| 01/26/96 | 2540 | (H) | RESOURCES, FINANCE |
| 02/05/96 | 2625 | (H) | RES RPT 3DP 3NR |
| 02/05/96 | 2625 | (H) | DP: GREEN, OGAN, AUSTERMAN |
| 02/05/96 | 2625 | (H) | NR: NICHOLIA, WILLIAMS, KOTT |
| 02/05/96 | 2625 | (H) | ZERO FISCAL NOTE (DNR) |
| 02/05/96 | | (H) | RES AT 8:00 AM CAPITOL 124 |
| 02/05/96 | | (H) | MINUTE(RES) |
| 02/21/96 | 2844 | (H) | RETURN TO RES COMMITTEE |
| 02/27/96 | | (H) | RES AT 11:00 AM CAPITOL 124 |
| 02/28/96 | 2900 | (H) | RES RPT CS(RES) 5DP 3DNP |
| 02/28/96 | 2900 | (H) | DP: AUSTERMAN, KOTT, OGAN, WILLIAMS |
| 02/28/96 | 2900 | (H) | DP: GREEN |
| 02/28/96 | 2900 | (H) | DNP: LONG, DAVIS, NICHOLIA |
| 02/28/96 | 2900 | (H) | ZERO FISCAL NOTE (H.RES/LEG) |
| 02/28/96 | 2900 | (H) | ZERO FISCAL NOTE (DNR) 2/5/96 |
| 02/28/96 | 2900 | (H) | REFERRED TO FINANCE |
| 02/28/96 | 2942 | (H) | FIN REFERRAL WAIVED PD Y24 N14 |
| 02/28/96 | 2942 | (H) | REFERRED TO RULES |

(9)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 26, 1996

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/5/96

The RESOURCES Committee considered:

HSCR 1

HOUSE SPECIAL CONCURENT RESOLUTION NO. 1

DISAPPROVING EXECUTIVE ORDER 92

Disapproving Executive Order No. 92.

recommends it be replaced with the following committee substitute [] the same title [] a new title

[] additional referral to Committee [] attached amendment(s)

ADOPTS: Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [] fiscal note(s)

[x] zero fiscal note(s) DNR [] zero fiscal note(s)

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Contains handwritten signatures and checkmarks.

CHAIR'S SIGNATURE

Handwritten signature of the chair.

LEGISLATIVE REFERENCE LIBRARY

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3808
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 400
Juneau, Alaska 99801-2105

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

Mary Pagenkopf

House Resources
2-5-96 8:13am
HSCR 1



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

House Special Committee On Oil & Gas

State Capitol
Juneau, AK 99801-1182

MEMORANDUM

DATE: February 2, 1996

TO: Representative Joe Green, Co-Chairman
Representative Bill Williams, Co-Chairman
House Resources Committee

FROM: Representative Norman Rokeberg, Chairman
House Special Committee on Oil & Gas

SUBJECT: Executive Order No. 92

A handwritten signature in dark ink, appearing to read "N. Rokeberg", is written over the "FROM:" line of the memorandum.

Executive Order No. 92 consolidates the Division of Oil and Gas with the Division of Geological and Geophysical Surveys located within the Department of Natural Resources. The testimony before the House Special Committee on Oil & Gas indicated that there is no consensus regarding whether the consolidation outlined in Executive Order No. 92 is the correct configuration of the two divisions.

Remarks during public testimony indicates there are both good and bad consequences if the consolidation goes forward. As a result of committee testimony, the members of the committee voted to introduce a special resolution to oppose the consolidation in order to expedite the process and move the executive order to the appropriate authorized committee.

In addition we checked with Legislative Legal on the proper procedure for handling a resolution opposing an executive order. The legal memorandum we received stated that under Uniform Rule 21 joint standing committees must consider executive orders.

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

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

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.

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 has 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 lo 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, DGGs 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 DGGs 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 DGGs 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 DGGs 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.

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

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 reflects 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.

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 8, 1996

FURTHER REFERRALS:

Resources
Finance

Date of Committee Action: 1/25/96

The HOUSE SPECIAL COMMITTEE ON OIL AND GAS Committee considered:

EO 92

EXECUTIVE ORDER NO. 92

Transferring duties in the Department of Natural Resources to consolidate the division of oil and gas and the division of geological and geophysical surveys into a division of oil, gas, and geology in that department.

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee

[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) ① DNR

[] fiscal note(s) _____

[] zero fiscal note(s) _____

[] zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|----|-----|-------------------------------------|----|
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

CHAIR'S SIGNATURE

[Signature]

1-25-96

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSHSCR 1

Title: Disapproving Executive Order 92

Sponsor: House Special Committee on Oil & Gas

Requestor: _____

Dept. Affected: Legislature

BRU: All

Components: _____

Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractual | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supplies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants, Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|
| General Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Federal Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

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

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

The estimated savings reflected in EO 92 will not be achieved in the manner proposed by the Governor.

Prepared by:

Jeffrey Logan

House Resources Committee

Jeffrey Logan

Date: 26-FEB-96

Phone:

Phone: 465-6547

FISCAL NOTE

No. 1
 Bill Version: EO 92
 (H) Publish Date: 1-8-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: Consolidation of DNR Divisions BRU: Resource Development
 Component: Oil & Gas Development
 Sponsor: Rules Committee Geological Development
 Requestor: Governor Knowles Component Serial No. 439/1031

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY97 | FY98 | FY99 | FY00 | FY01 | FY02 |
|-------------------------------|------|------|------|------|------|------|
| 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 |

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 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)

Anticipated fiscal savings through consolidation of the Division of Oil & Gas with the Division of Geological and Geophysical Surveys has been included in the Governor's FY97 operating budget. The Oil & Gas Development component shows an anticipated savings of \$25.0 in general fund, and the Geological Development component shows an anticipated savings of \$25.0 in general fund/program receipts.

Prepared by: Nico Bus *Nico Bus* Phone: 465-2406
 Division: Support Services Date: 4-Jan-96
 Approved by Commissioner: _____ Date: 4-Jan-96
 Agency: Natural Resources *Nico Bus for John Alford*



Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

House Special Committee On Oil & Gas

State Capitol
Juneau, AK 99801-1182

MEMORANDUM

DATE: February 2, 1996

TO: Representative Joe Green, Co-Chairman
Representative Bill Williams, Co-Chairman
House Resources Committee

FROM: Representative Norman Rokeberg, Chairman
House Special Committee on Oil & Gas

SUBJECT: Executive Order No. 92

A handwritten signature in dark ink, appearing to read "NR", is written over the "FROM:" line of the memorandum.

Executive Order No. 92 consolidates the Division of Oil and Gas with the Division of Geological and Geophysical Surveys located within the Department of Natural Resources. The testimony before the House Special Committee on Oil & Gas indicated that there is no consensus regarding whether the consolidation outlined in Executive Order No. 92 is the correct configuration of the two divisions.

Remarks during public testimony indicates there are both good and bad consequences if the consolidation goes forward. As a result of committee testimony, the members of the committee voted to introduce a special resolution to oppose the consolidation in order to expedite the process and move the executive order to the appropriate authorized committee.

In addition we checked with Legislative Legal on the proper procedure for handling a resolution opposing an executive order. The legal memorandum we received stated that under Uniform Rule 21 joint standing committees must consider executive orders.

Sec. 41.08.010. Division of geological and geophysical surveys. There is established in the department a division of geological and geophysical surveys under the direction of the state geologist. (§ 1 ch 93 SLA 1972)

Sec. 41.08.015. State geologist. The commissioner shall appoint the state geologist, who must be qualified by education and experience to direct the activities of the division. (§ 1 ch 93 SLA 1972)

Sec. 41.08.017. Hydrological and seismic hazard data declared to be of public interest. (a) Systematic collection, recording, evaluation, and distribution of data on the quantity, location, and quality 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.

(b) Systematic collection, evaluation, archival, and distribution of geologic data and information on earthquakes, volcanic eruptions, and engineering geology and identification of potential seismic, volcanic, and other geological hazards throughout the state are in the public interest and necessary to orderly, safely, and cost-effective development in the state. (§ 1 ch 41 SLA 1977; am § 1 ch 101 SLA 1983; am § 3 ch 36 SLA 1987)

Sec. 41.08.020. Powers and duties. (a) The state geologist shall conduct geological and geophysical surveys to determine the potential of Alaskan land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction materials; the potential geologic hazards to buildings, roads, bridges, and other installations and structures; and shall conduct such other surveys and investigations as will advance knowledge of the geology of the state. With the approval of the commissioner, the state geologist may acquire, by gift or purchase, geological and geophysical reports, surveys, and similar information.

(b) In addition, the division of geological and geophysical surveys shall:

(1) collect, record, evaluate, and distribute data on the quantity, quality, and location of underground, surface, and coastal water of the state;

(2) publish or have published data on the water of the state;

(3) require the filing with it of the results and findings of surveys of water quality, quantity, and location;

(4) require of water well contractors, the filing with it of basic water and aquifer data normally obtained, including but not limited to well location, estimated elevation, well driller's logs, pumping tests and flow measurements, and water quality determinations;

(5) accept and spend funds for the purposes of this section, AS 41.08.017, and 41.08.035 and enter into agreements with individuals, public or private agencies, communities, private industry, state agencies, and agencies of the federal government;

(6) collect, evaluate, and distribute geologic data on seismic events and engineering geology of the state;

(7) identify potential seismic hazards that might affect development in the state;

(8) inform public officials and industry about potential seismic hazards that might affect development in the state. (§ 1 ch 93 SLA 1972; am § 2 ch 41 SLA 1977; am § 7 ch 175 SLA 1980; am § 2 ch 101 SLA 1983; am § 4 ch 36 SLA 1987)

Cross references. — For declaration of sources, see § 1, ch. 175, SLA 1980, in the legislative policy on geothermal re- Temporary and Special Acts.

Sec. 41.08.025. Accounting and disposition of receipts. [Repealed, § 28 ch 90 SLA 1991. For current law, see AS 37.05.142 — 37.05.144.]

Sec. 41.08.030. Printing and distribution of reports. The state geologist shall print and publish an annual report and such other special and topical reports and maps as may be desirable for the benefit of the state, including the printing or reprinting of reports and maps made by other persons or agencies, where authorization to do so is obtained. Reports and maps may be sold and all money received from these sales shall be paid into the general fund. (§ 1 ch 93 SLA 1972)

Sec. 41.08.035. Regulations. The department may adopt regulations relating to and providing for the systematic collection, recording, and distribution of data on the water of the state. (§ 3 ch 41 SLA 1977)

Sec. 41.08.040. Cooperation with other agencies. The state geologist, with the consent of the commissioner, may enter into cooperative agreements with federal, state, and local governmental agencies to perform geological and geophysical surveys, studies, investigations, and services. (§ 1 ch 93 SLA 1972)

HSCR

2



AGAINST
E.O. 95

KUSKOKWIM GUIDE SERVICE

PETE SHEPHERD REG. GUIDE
1012 GALENA STREET FAIRBANKS, ALASKA 99709
PHONE (907) 474-4685 RADIO (907) 345-1160
FAX (907) 474-9173

FAX TRANSMITTAL SHEET

TO

COMPANY: House ResourcesATTENTION: Representative GreenFAX NUMBER: 465-4316RE: HSCP-2 DisapprovingExecutive Order No. 95DATE: Feb. 26, 1996FROM: Peter E.K. ShepherdPAGE 1 OF 2 (INCLUDES COVER)

MESSAGE:

Dear Representative Green,

February 26, 1996

I have been a registered guide for nearly 30 years and have witnessed the potential for an estimated half-billion dollar source of income for Alaskans eroded by over-regulation of the industry and non-management of the wildlife resource. Governor Knowles' Executive Order No. 95, transferring the duties of the sunsetted Big Game Commercial Services Board to the Department of Commerce, will further jeopardize the survival of the guiding industry. Furthermore, and just as significant, is the obvious trashing of the sunset act and executive usurpation of legislative functions.

I assure you that my concerns are shared by many guides and outfitters who wish to see reform in guide regulation, redefined professional standards, and restoration of industry oversight by an entity other than the Department of Commerce. I pledge my support and professional advice to any legislator(s) willing to introduce a bill that can clear up the current impasse involving the guiding industry. I sincerely hope you will join your fellow legislators and vote against Executive Order No. 95.

Best Regards,

Peter E.K. Shepherd

Peter E.K. Shepherd

Dear Representative Green

Do you believe the provisions for sunseting boards and commissions should be eliminated? Do you believe that the Executive Branch has the legal authority to reinstate all of the functions and regulatory powers of a sunsetted board or commission? If so, the DO NOTHING and ALLOW EXECUTIVE ORDER NO. 95 TO BECOME LAW.

On the other hand, if you believe that sunseting is a legitimate process and gives the legislature appropriate checks and balances in the burgeoning regulatory practices of the Executive Branch or if you believe that the Executive Branch should honor legislative intent, then you should bring Executive Order No. 95 to a vote and cast your vote against approval.

The stated purpose of Executive Order No. 95 is to transfer the responsibility for licensing and regulation of big game guides from the sunsetted Big Game Commercial Services Board to the Department of Commerce and Economic Development. Nobody should have an argument with the Governor's statement that licensing and regulation of the guiding industry is in the best interest of the State of Alaska. What should concern us, however, is the method in which Governor Knowles has usurped legislative powers and abandoned any pretense that the legislature is the body that makes the law and the Executive Branch is the body who enforces the law.

In June, 1995, after the 1995 legislative session, Governor Knowles entered Administrative Order No. 159 by which the Department of Commerce and Economic Development assumed all the functions of the sunsetted Big Game Commercial Services Board. Governor Knowles now seeks your approval of that illegal and unconstitutional act, and is hoping for your inaction on Executive Order No. 95.

Administrative Order No. 159 and Executive Order No. 95 in effect, does away with the sunset act. Article 3, 23 of the Alaska Constitution prohibits the Executive Branch from using an Administrative Order when doing so changes the law or statutes. Governor Knowles clearly violated this prohibition and continued the functions of the Big Game Commercial Services Board. Executive Order No. 95 asks that you approve this on a constitutional procedure and has its own "savings clause" that approves of the acts conducted illegally during the interim.

It appears that the legislature needs to take control of this serious situation. There does not appear to be any reason why the Governor should not be forced to work with the legislature on very important issues of boards and commissions. The Governor should not be allowed to run rough-shod over the sunseting process. These issues extend far beyond the current sitting legislature and the current sitting Governor. Your support for disapproving Executive Order No. 95 is your support for returning legislative power back to the legislature. There is no reason this administration or any legislator could not introduce legislation to clear up the current conflict involving the guiding industry. The method chosen by the current administration, however, is clearly and simply wrong.

State of Alaska - Boards and Commissions Membership Roster

BIG GAME COMMERCIAL SERVICES (042)

| Member | Appointed | Reappointed | Term. E. |
|--|-----------|-------------|----------|
| Vacant Public | | | 06/30/9 |
| Vacant Commercial Use Permit Holder/Restricted | | | 06/30/9 |
| * Glen Alsworth Transporter/restricted 2425 Merrill Field Drive Anchorage, AK 99501 | 08/29/89 | 08/15/90 | 06/30/9 |
| Pater R. Buist Guide-Outfitter P.O. Box 71561 Fairbanks, AK 99707 | 08/01/91 | | 06/30/9 |
| Richard Burley Board of Game/Restricted 1185 Coppet Street Fairbanks, AK 99709 | | 11/15/93 | 06/30/9 |
| Glenn W. Fredericks Native landholders rep. 1400 Virginia Court Anchorage, AK 99510 | 10/28/92 | | 06/30/9 |
| Paul E. Johnson Guide-outfitter P.O. Box 22 Elfin Cove, AK 99825 | 08/29/89 | 07/13/92 | 06/30/9 |
| * Thomas N. Scarborough Public P.O. Box 80868 Fairbanks, AK 99708 | 08/01/91 | 06/30/93 | 06/30/9 |
| Eric C. Stirrup Transporter/Restricted P.O. Box 4123 Kodiak, AK 99615 | 09/24/91 | | 06/30/9 |

Term expired 6/30/95

Term expired 6/30/95

* Board members who recommended the termination of the BGCSB.

**AS OF JUNE 30, 1995 THE BOARD OF NINE
MEMBERS HAD FOUR VACANCIES AND
TWO MEMBERS RECOMMENDING
SUNSET.**

GOVERNOR MADE NO APPOINTMENTS.



KUSKOKWIM GUIDE SERVICE

PETE SHEPHERD REG. GUIDE
 1012 GALENA STREET FAIRBANKS, ALASKA 99709
 PHONE (907) 474-4685 RADIO (907) 345-1160
 FAX (907) 474-9173

FAX TRANSMITTAL SHEET

| | | |
|-----------------------------------|--|--|
| TO | | DATE: <u>Feb 1, 1996</u> |
| COMPANY: <u>Senate</u> | | FROM: <u>Peter E.K. Shepherd</u> |
| ATTENTION: <u>Senator Halford</u> | | PAGE <u>1</u> OF <u>2</u> (INCLUDES COVER) |
| FAX NUMBER: <u>(907) 465-4928</u> | | |
| RE: <u>Executive Order No. 95</u> | | |

MESSAGE: Dear Senator Halford, February 1, 1996

I have been a registered guide for nearly 30 years and have witnessed the potential for an estimated half-billion dollar source of income for Alaskans eroded by over-regulation of the industry and non-management of the wildlife resource. Governor Knowles' Executive Order No. 95, transferring the duties of the sunsetted Pin Game Commercial Services Board to the Department of Commerce, will further jeopardize the survival of the guiding industry. Furthermore, and just as significant, is the obvious trashing of the sunset act and executive usurpation of legislative functions.

I assure you that my concerns are shared by many guides and outfitters who wish to see reform in guide regulation, redefined professional standards, and restoration of industry oversight by an entity other than the Department of Commerce. I pledge my support and professional advice to any legislator(s) willing to introduce a bill that can clear up the current impasse involving the guiding industry. I sincerely hope you will join your fellow legislators and vote against Executive Order No. 95.

Best Regards,

Peter E.K. Shepherd
 Peter E.K. Shepherd

Rock,
 This is the text and
 statement I have sent
 to all Interior Republicans.

Pete

Dear *Rick*

Do you believe the provisions for sunseting boards and commissions should be eliminated? Do you believe that the Executive Branch has the legal authority to reinstate all of the functions and regulatory powers of a sunsetted board or commission? If so, the DO NOTHING and ALLOW EXECUTIVE ORDER NO. 95 TO BECOME LAW.

On the other hand, if you believe that sunseting is a legitimate process and gives the legislature appropriate checks and balances in the burgeoning regulatory practices of the Executive Branch or if you believe that the Executive Branch should honor legislative intent, then you should bring Executive Order No. 95 to a vote and cast your vote against approval.

The stated purpose of Executive Order No. 95 is to transfer the responsibility for licensing and regulation of big game guides from the sunsetted Big Game Commercial Services Board to the Department of Commerce and Economic Development. Nobody should have an argument with the Governor's statement that licensing and regulation of the guiding industry is in the best interest of the State of Alaska. What should concern us, however, is the method in which Governor Knowles has usurped legislative powers and abandoned any pretense that the legislature is the body that makes the law and the Executive Branch is the body who enforces the law.

In June, 1995, after the 1995 legislative session, Governor Knowles entered Administrative Order No. 159 by which the Department of Commerce and Economic Development assumed all the functions of the sunsetted Big Game Commercial Services Board. Governor Knowles now seeks your approval of that illegal and unconstitutional act, and is hoping for your inaction on Executive Order No. 95.

Administrative Order No. 159 and Executive Order No. 95 in effect, does away with the sunset act. Article 3, 23 of the Alaska Constitution prohibits the Executive Branch from using an Administrative Order when doing so changes the law or statutes. Governor Knowles clearly violated this prohibition and continued the functions of the Big Game Commercial Services Board. Executive Order No. 95 asks that you approve this on a constitutional procedure and has its own "savings clause" that approves of the acts conducted illegally during the interim.

It appears that the legislature needs to take control of this serious situation. There does not appear to be any reason why the Governor should not be forced to work with the legislature on very important issues of boards and commissions. The Governor should not be allowed to run rough-shod over the sunseting process. These issues extend far beyond the current sitting legislature and the current sitting Governor. Your support for disapproving Executive Order No. 95 is your support for returning legislative power back to the legislature. There is no reason this administration or any legislator could not introduce legislation to clear up the current conflict involving the guiding industry. The method chosen by the current administration, however, is clearly and simply wrong.

SENATOR RICK HALFORD
FAX 465-4928

REF SSCR2

DEFEAT GOVERNORS ILLEGAL ORDER ON COMMERCIAL SERVICES GUIDE
BOARD ACTION
WE CAN NOT CLEAR UP THIS MESS UNTIL THIS IS DONE

DON AND KAY SISSON
SISSON GUIDE BOARD
PO BOX 670707
CHUGIAK, AK. 99567
PH. 688-2802

Mr. Sam
1438 Luke St

Snyder

479-2170

| Date POM Sent | Constituency | Bill Number | Response | Subject | Distribution | Affiliation | Reg Voter |
|---------------|--------------|-------------|----------|---------|--------------|-------------|-----------|
| 02/26/96 | N | SSCR 2 | Opposes | | 16 | | Y |

I SUPPORT YOUR DISAPPROVAL TO EXECUTIVE ORDER 95 AND YOUR SUPPORT OF SSCR2 AND HSCR 2. THANK YOU.

Mr Brent
8920 Lakehurst Drive

Hudson

243-0308

| Date POM Sent | Constituency | Bill Number | Response | Subject | Distribution | Affiliation | Reg Voter |
|---------------|--------------|-------------|----------|---------|--------------|-------------|-----------|
| 02/26/96 | N | SSCR 2 | Supports | | 16 | | U |

PLEASE LET ME STRONGLY EXPRESS MY SUPPORT FOR SSCR2 THAT WOULD DO AWAY WITH EO 95. I FEEL THAT GOV KNOWLES DID NOT FOLLOW THE GUIDELINES OF THE LAW IN USING THIS EO AND I REALIZE THAT THERE WERE PROBLEMS WITH THE OLD GUIDE BOARD BUT AT LEAST IT PROVIDED A WAY FOR THE GUIDING INDUSTRY TO SOLVE PROBLEMS BEFORE A PANEL AND A FEW PEERS. THANK YOU FOR YOUR TIME IN LISTENING TO MY CONCERNS ON THIS ISSUE. SINCERELY,
BIL HUDSON

Mr Tom
Box 2772

Hundley

745-2084

| Date POM Sent | Constituency | Bill Number | Response | Subject | Distribution | Affiliation | Reg Voter |
|---------------|--------------|-------------|----------|---------|--------------|-------------|-----------|
| 02/26/96 | N | SSCR 2 | Supports | | 60 | Master | U |

GUIDE LICENSING NEEDS GENUINE REFORM. NOTHING BENEFICIAL WILL EVER OCCUR IF THE A.P.H.A. MANIPULATES THE STATE AND KEEPS THE DIVISION OF LICENSING CONFUSED AND STUMBLING AROUND LIKE A DRUNKEN FOOL. NOBODY SPENDS THOUSAND OF DOLLARS LOBBYING JUNEAU OVER CONCERN FOR A CARIBOU. IT'S ABOUT MONEY, SUPERCUBS, AND RUTHLESS MEN WHO WANT POWER.

THOMAS N. SCARBOROUGH
1676 TAROKA DRIVE
FAIRBANKS, ALASKA 99709
(907) 479-3412

February 20, 1995

Senator Rick Halford
State Capitol - Room 508
Juneau, Alaska 99801-1182

Re: House Bill No. 102, An Act extending the termination date of the Big Game Commercial Services Board.

Dear Rick:

The providing of Big Game Commercial Services has become an extremely complicated system of rules and regulations administered by both the State of Alaska and the Federal Government. The State of Alaska Department of Commerce and Economic Development, Division of Occupational Licensing is the Administrative agency assigned to administer Big Game Commercial Services. The Federal Agencies consisting of Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Forest Service and National Park Service as land managers directly interact with those providing Big Game Commercial Services. Private Land Holders as land managers also are required to provide land use permits.

Big Game Commercial Services is generally viewed by the public as the Big Game Hunting Guide Industry. Actually the State Statutes are much broader than this. They include any one providing:

1. Ground, water or air transportation to big game hunters. Transporter license required.
2. Guide-outfit hunting for a specific marine mammal. Special license required. (I do not believe any license have ever been issued)
3. Big Game Commercial Services service for compensation, other than a guide-outfitter, marine mammal guide-outfitter or transporter. Commercial use permit required.

A Board consisting of 9 members is appointed by the Governor for the purpose of licensing and regulating the above activities. Make up of Board is stipulated by statute. The State Departments of Fish and Game, Department of Natural Resources and Department of Public Safety are to provide technical assistance.

Sen. Halford Ltr. cont. Re: House Bill No. 102, An Act extending the termination date of the Big Game Commercial Services Board.

The history of previous Big Game Commercial Services prior to 1989 was to create a closed fraternity for a select number of Big Game Guides. This system was found to be unconstitutional by the Alaska Supreme Court. The result was a revised set of statutes for Big Game Commercial Services. These have proved to be very cumbersome to work with by the Board and costly to the industry. Some members of the Big Game Guiding industry have worked diligently to find some legal way to return the system back to that similar to 1989. This has caused confusion and in my opinion a lot of wasted effort.

The Federal Agencies have been quite cooperative with working with the Board. With the exception of the Department of Public Safety, other State agencies have ignored the Big Game Commercial Services industry. This includes the Dept. of Fish and Game. The attitude of ADF&G is hard to understand as approximately 80 % of State of Alaska funds dedicated to wildlife management are generated by this industry.

The Dept. of Commerce has supplied one staff person to deal with Big Game Commercial Services. Overall the fees (taxes) paid by the industry amounts to about \$400,000 per year. Actual expenditures by the Dept. of Commerce including charges by Attorney Generals staff for legal assistance totals only about \$200,000.

The Big Game Guiding industry has been estimated to generate upwards of 100 million dollars of business per year. This must be considered a portion of the tourist industry. Most of this money is spent right here in Alaska. Very different to the major providers of tourist services. The State of Alaska provides the tourist industry with 7 to 10 million dollars each year for advertising. None of these dollars are used to promote the Big Game Guiding (hunting) industry.


It can be concluded very quickly that Big Game Services is an important industry to Alaska. It can also be quickly seen that the State of Alaska Government agencies have little interest in Big Game Guiding even though this is a 100 million dollar renewable industry. Something different must be done.

I believe the only solution is to establish a private (or quasi private) board. This Board could then represent the Big Game industry. It could also have a staff which could truly service the industry and achieve cooperation from

Sen. Halford Ltr. cont. Re: House Bill No. 102, An Act extending the termination date of the Big Game Commercial Services Board.

involved State and Federal agencies. A change in some state statutes may be required to achieve a private board to oversee Big Game Commercial Services. Obviously the fees required of the industry must be revised. A simple way to achieve this would be to sunset the current Board and then set up a process to revise the statutes next legislative session. This would force the industry to reevaluate where it is at today and what might be done to correct the current situation. I believe with proper management this could be a renewable industry to Alaska of several times what it is today. This will not occur unless major changes are made.

Sincerely,


Thomas N. Scarborough

cc to: DOC



Tom Hundley
Registered Guide - Outfitter

Senator Rick Halford
State Capitol, Juneau, Alaska 99801-1182

5/1/95

Concerning: Guide legislation/Senate Finance Committee Members

Honorable Rick Halford:

My family and I want you to know that we fully support your effort to bring accountability into the guide licensing program. Rick, without your sense of historical perspective on guiding issues, it would be very easy for the legislature to be misled by those wanting to use the BGCSB/Guide Board as an advocacy tool for drafting regulations for personal gain. Some in this industry have become quite adept at ignoring the law, they will be sending their hacks and carpetbaggers to Juneau to try to twist your arm and make an end run around the Legislature, just as they've always done.


I live in a world where there is a wrong and a right, integrity does mean something, and when it comes to big game guiding in Alaska - it means everything - irregardless of the pressures to ignore the law. You haven't forgotten this fact, Senator and I admire you for holding fast to principles.

We need genuine statutory changes which limit and set legal and justifiable priorities for the Guide Board. Unless sweeping changes are made to the Statutes which empower the Board, I would hope that your office not allow the guide legislation to pass through the Senate Finance Committee. No more funding for illegal and arbitrary guide area programs which enslave men to wrongfulness and force all of us to cheat to get by. A horrible legacy has been woven by the Guide Board over the past 20+ years. I am 40 years old and have been guiding since I was a skinny kid with hair in the 1970's. I find it difficult to forgive the state for what has been allowed to occur in my lifetime and find it even harder to imagine why any thinking person would want this corruption to continue.

Quote:

"There is nothing worse, nothing more destructive of respect for the government and the law of the land than passing laws which cannot be enforced". - Albert Einstein.

My Highest Regards,


Tom Hundley
Guide-Outfitter

THOMAS N. SCARBOROUGH
1676 TAROKA DRIVE
FAIRBANKS, ALASKA 99709
(907) 479-3412

April 29, 1995

Senator Rick Halford
State Capitol - Room 508
Juneau, Alaska 99801-1182

Re: House Bill No. 102, An Act extending the termination date of the Big Game Commercial Services Board.

Dear Rick:

The providing of Big Game Commercial Services has become an extremely complicated system of rules and regulations administrated by both the State of Alaska and the Federal Government. The Federal Agencies consisting of BLM, U.S. F & WS, U.S. FS and the NPS as land managers directly interact with those providing Big Game Commercial Services. State of Alaska Dept. of ADF&G and DNR also dictate how Services are provided. Private land holders are required to provide land use permits.

The Big Game Guiding industry is expected to help fund all of the above Agencies for management and enforcement through user fees and licence fees (taxes). These fees must be passed on to the clients. Alaska may now be the most expensive place in the world to obtain Professional Big Game Guiding services.

In addition the Big Game Commercial Services Board has no legal function in the management of the wildlife utilized by the providers of Big Game services. This responsibility is mandated to the Alaska Department of Fish and Game by Alaska State Statutes.

I believe the only solution is to establish a private (or quasi private) board. This Board and staff could then truly represent the Big Game industry. A change in some state statutes may be required to achieve a private board to oversee Big Game Commercial Services. Obviously the fees required of the industry must be revised. A simple way to achieve this would be to sunset the current Board and then set up a process to revise the statutes next legislative session. This would force the industry to reevaluate where it is at today and what might be done to correct the current situation. I believe with proper management this could be a renewable industry to Alaska of several times what it is today. This will not occur unless major changes are made. If no changes are made this industry will be regulated and taxed out of existence with the loss of millions of dollars of revenue to Alaskans

Sincerely,

Thomas N. Scarborough



LOST CREEK RANCH

Les & Norma Cobb
P. O. Box 84334
Fairbanks, Alaska 99708
(907) 672-3999

October 9, 1995

RECEIVED
OCT 10 1995
Ans'd.....

Rick Halford
PO Box 670190
Chugiak, Ak 99567

Dear Rick,

I have written you in the past. I'm the 43 yr. old who for the past 5 years has tried to obtain a hunting guide license. The guy who operates a horse guest ranch 150 miles NW of Fairbanks.

The reason I wish a guide license was to help save my guest business by being able to add hunting to it. I've lived in the Minook Valley 23 years, 19 miles south of Rampart. My closest neighbors are 20 miles so my area would be good for a hunting guide service.

The problem as I have stated before, the past guide board is corrupt and not fair or honest. We need a system that will be fair to all Alaskans. Not just the few who have the license and controls the governing laws.

I will back you up in changing the present law to be honest and fair. But for me to open up and tell what I personally have seen, experienced, and was affected by would only jeopardize my chances of obtaining a guides license in the future. Because you alone cannot guarantee change. The people who are normally hurt are the little guys at the bottom, like me.

Please let me state again, the future of my little tourist business depends on my obtaining a game guide license.

Enclosed is our brochure.

Thank you for your work on these matters!!!

Les Cobb

RAY ATKINS

Guide and Outfitter

RECEIVED

OCT 10 1995

Ans'd.....

October 4, 1995

Senator Rick Halford
State Capitol
Juneau, AK 99801-1182

Dear Senator Halford:

RE: Big Game Commercial Service Board

Thank you for your letter of August 23, 1995.

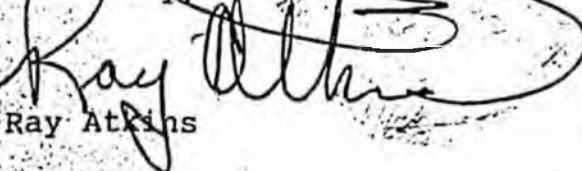
I believe a simple program as you list in your item #2 would be best for the State and the industry.

I remeber years ago when you came to me asking that I not protest your application to work in Unit 13, I did not protest. I do not believe anyone should be able to say who can and who can't work as long as the people are ethical and qualified.

Personally I would like to see a five year apprenticeship program with a schhol for guides at the end of it before being certified, so a person really has a part of themselves in the license.

I would also like to see that all convicted felons be refused or licenses revoked, so one could feel he was backing honest people. If you are going to let felons work in this business, I believe they should not be able to run their business while in prison, i.e. book hunts.

Sincerely,


Ray Atkins

White
Ray Atkins

CANTWELL

ALASKA

99722

RECEIVED
OCT 05 1995
Ans'd

ALASKA - RUSSIA

Lazer's Guide Service

HCO1 Box 6877 Palmer, Alaska 99645 ☎ (907) 745-3006 / Fax

26 years experience in Alaska

Dear Rick,

Sept. 26, 95

Thankyou for going to bat for the silent majority. The BGCSB was a monster out of control. Everybody generally believes we need less government but it never happens.

I beleive in a simple one type of guide business license for big game guiding, at a reasonable fee.

The liability insurance, first aid, CPR, native land permission, Federal land permission, etc. should be optional- up to the guide to get if he wants. The state should not be a caretaker for these other parties.

A guide should be able to recommend anyone for a asst. guide license too, as it was in the past.

These are ridiculous, taxation by the government :

- 1 \$ 100. commercial use license
- 2 \$ 100. for each guide area. (3 areas = \$ 300.00)
- 3 \$ 350. to camp on State land.
- 4 \$ 200. guide license (\$ 25.00 would cover all the paperwork.)
- 5 \$ 25. business license.

I believe that the guide who books the hunt should guide the client, with the help of one or two asst. guides. No guide areas would be needed. There would be no way for the guide to be in more than one area at a time. Not 3 guide areas with 10 asst. guides, 3 or 4 planes, taking 15, 20, plus Brown bear in 2 weeks!

I hear that APHA (seems they're the only ones the newspaper quotes), only have a membership of appox. 10 % of all the guides yet they take 75% of all the non-resident hunters. So who is really Raping the game!

ALASKA - RUSSIA

Lazer's Guide Service

HCO1 Box 6877 Palmer, Alaska 99645 ☎ (907) 745-3006 / Fax

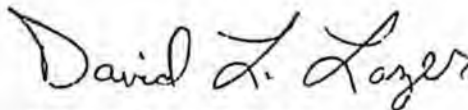
26 years experience in Alaska

Heres a simple story. Alaska Peninsula, guide area 9-26 (south of Wildman lake to Pt. Moler and inland from the ocean appox. 20 mile). State land appox. 20 x 50 mile. 1993, 11 guides signed up for it. At least 2 of these 11 guides, Mel Gilles, and Don Johnson have exclusive Federal areas adjoining this state land. They can hunt bear on Fed. land and also come and hunt in 9-26 competing against 9 other guides. But the 9 guides can't go and hunt on their Fed. land. And who knows which land they claim the bears were actually shot on !

We're all pretty busy now till early Dec. Then the shows Jan.----- March. If you're going to be arround in Dec. or having any meettings please let me know.

We (the guides) are the only union where the members never get to vote. A Board simply tells us when to jump and how high. Sure they have open meetings and let us speak but then at lunch they decide what they are really going to do. I'm just sick and tired of all this CRAP !!!

Sincerely



David L. Lazer

(p.s. and I typed this letter myself)

RECEIVED

NOV 21 1995

11/14/95

Ans'd.....

Dear Senator Halford,

I'm writing in regard to the guiding regulations. I'm in favor of simplifying and/or eliminating most of what I consider needless or redundant regulations.

ADF+G already has the ability to keep track of game taken through harvest tickets and big game tag records and protect the resource through the regulation process. It's difficult enough to keep track of the logistics of a hunt without having an array of paperwork from various agencies to contend with.

I would like to eliminate the mandatory insurance requirement. I think insurance actually encourages lawsuits. Hunt insurance is available for hunters who are so inclined.

I think the additional aircraft coverage is unfair. It's forced me to charter my clients and only use my own plane

for hauling gear. This really cuts down on the flexibility and quality of the hunt.

Right now the state is faced with declining revenues. Guided hunts bring a lot of money into state coffers, both directly through license and tag fees and indirectly by pumping money into the economy. I believe the state should be encouraging guides to operate by simplifying the rules.

An argument can be made that ~~by~~ making it more expensive and complicated to operate limits the number of guides and lessens the pressure on the resource. I think the opposite often occurs. Because of the increased costs it forces the operator to book more hunts to turn a profit.

Bush Alaska is particularly in need

really cuts down
quality of the
faced with
ed hunts
state
ough license
by n.

RECEIVED
FEB 10 1992
BUREAU

2

of more job opportunities. Guiding is a perfect choice. Rural residents would have a job close to home and the meat stays in the village.

Unfortunately, many bush residents, though skilled in all aspects of woodcraft, lack the familiarity or education to deal with the complicated paperwork involved. The present regulations actively discourage them from getting in the business. Frankly the system caters to bookkeepers or accountants - not woodsmen.

I would be in favor of a simple licensing by game management unit after an apprentice period. This would weed out total neophytes or ~~more~~ incompetents. I strongly oppose any mandatory insurance.

I've probably rambled as long enough. I appreciate your addressing

this problem. Please keep it as simple
as possible.

Sincerely,
Steve O'Brien

Box 42
Manley Hot Springs
Alaska 99756

672-3362

RECEIVED
SEP 26 1995
Ans'd.....

September 20, 1995

Senator Rick Halford
P. O. Box 670190
Chugiak, AK 99567

Dear Rick:

Thank you for your recent update on the status of guiding and the board. I was totally in support of your position last session to sunset the Big Game Commercial Services Board.

In my opinion, the ability to enjoy exercising the privilege of one's guide license has steadily deteriorated since the advent of exclusive areas during the 70s. This is due to the meddling and intrusive regulations that have shackled us in recent years. The myriad fees, permits and regulations are discouraging, confusing, do nothing to improve the quality of the profession, and make it very difficult for "part time" guides to contract with clients.

You asked what I, as a guide, want out of the next legislative session. Please, not more of what we have had. I want a minimum of regulation and overlapping agency interference. A simple licensing by game management unit and an objective test similar to what we had in the 60s would be satisfactory. I don't see any reason for the government to require insurance, permit areas, operating plans, and the like. An appropriately constituted board can deal with ethical and regulatory issues, as they do with other licensed professionals.

September 20, 1995
Senator Halford
Page 2

I hope you will continue to resist the forces that want to take us back to what we have had for the past 15 or 20 years.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Browning", with a long horizontal line extending to the right.

Lee Browning
Reg. Guide 176



RECEIVED
OCT 30 1995
Ans'd.....

Alaskan Hunting at its Finest

Oct. 20, 1995

Hardy Rick,

I've never written to any politicians but I just wanted to show my support to you on what you are trying to do with BGCS. I agree with you that they have overstepped their reason for being, and the result has been higher fees for guides and incredible excess in paperwork.

I operate both a wilderness tourist business and a hunting business. The difference in government meeting, paperwork and government fees are like night and day. The only reason hunting guides are under such heavy scrutiny is BGCS. In working (or trying) with a new man at DNR, I could access state land with my tourist business, unregulated, but as a guide trying to be honest my fees and bonds have gone up 4000% in 3 yrs! This state employee who hands out permits admitted to me they are ^(DNR) targeting hunting guides and only because of BGCS. They collect 0 fees from the ecotourist outfits, but wanted hunting guides to eat fee changes from \$100 yr to \$1000 yr and bonds from \$1000 to \$4700 in one yr.



Dick Lounsbury
Registered Guide & Outfitter
601 West 20th Avenue
Anchorage, Alaska 99503
Phone (907) 272-5126

RECEIVED
NOV 29 1995
Ans'd.....

November 21, 1995

Senator Rick Halford
P.O. Box 670190
Chugiak, Alaska 99567

Dear Senator Rick Halford

I am writing in response to your letter of August 23, 1995 concerning the sunset of the Big Game commercial Services Board. There is an obvious need to create a more simple means of licensing Big game Guides.

During the past 40 years I have had involvement in big Game Guiding. I have seen the licensing requirements evolve from a simple practical process to the most intrusive bureaucratic process imaginable under the Big Game Commercial Services Board. It would be interesting to see who needed and used all of the data collected by this make work bureaucracy.

The big game guiding industry is under too much regulation. The regulation should not be more than for sports fishing, water fowl guiding or any other outdoor adventure business.

I would suggest that with the statutory requirements to comply with that a simple licensing by game management unit after a 3 year apprentice period and an objective test would be reasonable. Abolish the existing Assistant Guide licensing requirements. A letter of recommendation from a Registered Guide should suffice for an assistant guide License.

Thank you for your efforts in attempting to reduce the regulation and bureaucracy

Very truly yours,

Dick Lounsbury

BRANHAM ADVENTURES

A L A S K A

P.O. Box 180184 • Anchorage, Alaska 99510 U.S.A.
Phone (907) 243-4901 • Fax (907) 243-4907FAX #: 907-465-4928

Date: January 17, 1996

PAGES: one

Reply To Fax: 907-243-4907

From: Dennis Branham

TO:
Senator, Rick Halford

I really don't know what new has transpired regarding Guides, and Guide control Boards, assigned areas etc., Please send me anything you might have on the above. Also I want you to know that I will be on your side and would back anything that you might be able to do regarding the guiding situation.

Regarding your letter of Aug. 23, 1995 I would like to see the whole industry revamped with a waiting period for getting a license and for recommendation for the license also ~~but~~ ^{out} the discrimination against Guides for cost of camp sites or base camps, license fees, paper work etc., Over the years it has skyrocketed both in cost and paperwork.

Please advise if I can do anything to help regarding the Guide laws. Rick I may be the oldest active Guide in the State now.

Thanks for your efforts.

Dennis Branham
Master Guide # 2

Dennis W. Confer
2509 Kilkenny Circle
Anchorage, AK 99504
338-3099

RECEIVED
SEP 20 1995

Ans'd.....

Senator Rick Halford
State Capitol
Juneau, AK 99801-1182

Sep 7, 1995

REF: Your Aug 23/95 Letter to Guides

SUB: Big Game Guide licensing, board, regulations; WHAT I WANT

Thank you for the information and the opportunity to provide input.

I am totally against excessive regulation and licensing requirements.

I am FOR a simple licensing by game management unit after a 3 year apprentice period and an objective test and low fees.

I am FOR simplifying the regulations so that you don't need a lawyer for interpretation. I believe that most guides use common sense, courtesy and consideration and ethical guiding as a rule and we can do without excessive government meddling.

I believe waterfowl and fishing guides should not need anything more than a business license to practice.

I have spent over 30 years of work in government and can see great wasted effort in excessive regulation. I am a retired USAF Major and MBA and feel very qualified to judge regulations.

Respectfully,



Dennis W. Confer

Ellis Big Game Guides

Guiding and Outfitting

Guides:
LYNN ELLIS
TERRY ELLIS
CAREY DAVIS
RED ILER

MILE 42 NABESNA RD.
SRA BOX 1455 - SLANA, AK 99586
PHONE (907) 822-3426
FAX (907) 822-5519

Guides:
BILL & LORENE ELLIS
COLE & CHRISTY ELLIS
KIRK & GENNIE ELLIS

September 18, 1995

RECEIVED

SEP 26 1995

Ans'd.....

Senator Rick Halford
P. O. Box 670190
Chugiak, Alaska 99567

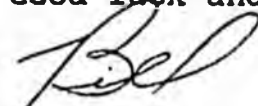
Hi Rick:

Well here we (as in the guides) are again!

I sure wish I could see some good coming out of this. Sure hope you can pull it off. But, in all honesty, every time the guide issue comes up we get shoved back a damned mile. I get the feeling that once you earn a guide license you immediately become a "second class citizen".

However, it is worth a try. I would like to see it as it was before. They tried to make us so damn perfect and in compliance with every bureaucracy that the state and feds could come up with.

Good luck and good hunting,



Bill Ellis

P. S. Guess I got carried away and didn't address the issue as the learned people say. I would like to see the #2 idea that was in your letter.

Please Reply Via Airmail or FAX

SHEEP

MOOSE

GOAT & BEAR HUNTS

FISHING

FLOAT TRIPS

PHOTO TRIPS

There will also be those who think the de-regulation of hunting guides would make the treatment of all types of guides consistent.

Next legislative session we will have a clear slate – no board, no regulations, no legal authority for department action. What do you want?

1) A board like the last one tied to the Department of Natural Resources, federal land managers, the Federal Aviation Administration and the Coast Guard requiring insurance, permit areas, operating plans, reports and all other obstacles invented by their prior regulations?

②) A simple licensing by game management unit after a 3 year apprenticeship period and an objective test?

3) A combined, all-purpose guiding statute for fishing, hunting and all other personally guided outdoor adventure businesses?

4) A business license only; just like a fishing or waterfowl guide?

5) Something else...?

Whatever you think, this fall is the time to be heard. Special interests and big operators will be heard. They will hire lobbyists and lawyers and travel to Juneau.

If nothing else, write your opinion on the back of this letter and send it back to me at Post Office Box 670190, Chugiak, AK 99567. Don't let this decision be controlled by others.

Sincerely,

Rick Halford
RICK HALFORD

5 SEPT. 95

PLEASE NOTE:

RH:kg

1. I SPEAK FOR ALASKA SAFARIS - BROOKS RANGE ARCTIC HUNTS, REGISTERED GUIDES EUGENE M. WITT #0968, EUGENE M. WITT, II, #644, & PATTON G. WITT #503.

2. WE FAVOR NUMBER ② CIRCLED ABOVE. ALTERNATE CHOICE IS NUMBER 4) ABOVE.

3. WE CERTAINLY OPPOSE PAST & PRESENT OVER REGULATION BY THE GUIDE BOARD & BIG GAME COMMERCIAL SERVICES BOARD, AS UNNECESSARILY COSTLY, TIME CONSUMING & HARASSING. WE HAVE THE SAME TROUBLE WITH FISH & WILDLIFE (FED?) WITH OUR ASSIGNED AREAS ARC-11 & 18 IN THE ARCTIC NATL. WILDLIFE REFUGE, WHERE WE HAVE BEEN 28 YRS.

Eugene M. Witt



ATTN: SENATE FINANCE
COMMITTEE MEMBERS

WOODS OUTFITTING

WAYNE WOODS • P.O. Box 3037 • Palmer, Alaska 99645 • Phone 907-376-3662 • Fax 907-743-8269

5-2-95

Dear Senator,

I am a life long Alaskan who has supported a family through the guiding profession over the last fifteen years.

As a small business, I am finding it increasingly difficult, if not impossible to operate in compliance with current B.G.C.S.B. regulations.

The guide area system that I am forced to deal with is having a negative effect on the quality of service that I can provide, and does nothing to protect the health of the resource upon which I depend. I would like to see the Board return to ensuring that fully qualified individuals are being licensed, rather than implementing a flawed area management system that seems to change on a whim.

I have invested my entire adult life in this business, and it is becoming over-regulated to the point where I must consider

WILDERNESS & WILDLIFE



WOODS OUTFITTING

WAYNE WOODS • P.O. Box 3037 • Palmer, Alaska 99645 • Phone 907-378-3832 • Fax 907-745-8283

a change of employment to protect my families' future. Some basic changes are required to protect the health of the guide industry - failing that, please sunset the Guide Board and allow the 400 guides that do not agree with this system to survive.

Sincerely,

Wayne Woods

Dennis W. Confer
2509 Kilkenny Circle
Anchorage, AK 99504
338-3099

Senator Rick Halford
State Capitol Mail Stop 3100
Juneau, AK 99801-1182

May 5, 1995

Dear Senator Halford:

I received your April 27 letter to guides relative to the Big Game Commercial Services Board.

I totally agree with your assessment of the unnecessary provisions of the Board, excessive licensing provisions, need for deregulating guiding and deleting unconstitutional provisions. I am appalled at the waste and the abuses of the system. A guide today needs a lawyer to interpret the excessive requirements which are subject to much interpretation and contain too much "legalese".

I have legally outfitted nearly 800 happy hunters in Alaska with perhaps 2% with misgivings since 1981. There are some that would love to put me out of business and I have been persecuted and prosecuted, I believe, for those reasons through conspiracy and collusion. I fought to keep things simple to no avail in 1987-89.

My son will qualify to become a full registered guide this year. He loves the outdoors, guiding, and clients and the clients and guides he works for love him. But, he doesn't have a chance to go on his own for many years. He won't qualify for a decent guide use area for years because some want to keep it all for themselves. Lack of sufficient income will probably cause him to take up other work, not lack of game or clients.

There are likely many assistant guides and guides like him that cannot express their views which are similar to yours because they might not get employment in guiding and they need their \$100-125 a day for their 12-15 hour days on the \$1,000 a day hunts.

Free enterprise should be permitted in the guiding system and competition should be the factor that sets fair prices and standards.

Sincerely,



Dennis Confer

My background is financial: MBA Mich State; retired USAF controller - budget officer - auditor; retired municipal controller.

To: Senator Rick Halford.
From: Steven L. Morris.
HB 102.

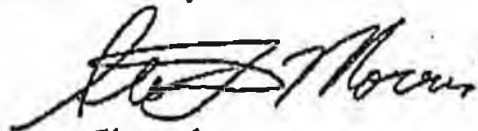
5-3-95.

Rick Halford,

Concerning HB 102, I would like to express my concerns to you regarding the Big Game Commercial Services Board. I believe it is high time this board was put to rest. The action of the board to reinstate the 3 guide use area was direct denial of the Owsichuk decision. The board would like to think that the Owsichuk decision never happened. When I attended the first meeting of the APHA after the Owsichuk decision. I heard one member of the APHA make the statement, " We have to do the same thing and call it something different, and see how long we can get away with it this time" referring to Guide areas.

The commercial services board or something similar to it, should only concern themselves with the license aspect of the guiding industry; Giving exams, disciplinary action, etc. This current board and the APHA believe that it is their job to regulate the guiding industry for the sake of game management, I believe that is the job of the Dept. of F & G. Please do not get me wrong, I believe in proper game management, I don't believe guides are game managers. Guided hunts only account for 10% of the game harvested in the state. Think about that figure for awhile, 10% of the game harvested in the state is by guided hunts. I have asked several biologist about that percentage and they all agree that it is a close number. How can there be so much focus on a area system to manage over harvest, when the other 90% are not bound to areas.

I hope you continue to stand off the special interest groups that are pushing for continuation of this commercial service board. I for one am a registered hunting guide who would like to see it abolished. Hopefully we can start managing the game by the numbers method instead of managing the people by a boundary system. Remember the Owsichuk decision was a 6-0 unanimous decision made by this States Supreme court judges, it will prevail. The conception of the second generation guide areas was no different. The state is asking for more trouble and our current commercial service board and their actions are the responsible party for it. Please reject HB 102.



Sincerely,
Steven L. Morris
Registered guide # 671.
P.O Box 190342
Anchorage, Ak 99519
907-243-4868 / 265-1553.

May 3, 1995

The Honorable Rick Halford
The State Senate
Juneau, Alaska

Dear Rick:

I received your letter dated April 27, 1995. I agree with you.

Keep up the good work.

Robert T. Fritts, Jr.
Registered Guide

MAY 1995

KNIKTUK OUTFITTERS FAX

fax number 907-895-1003
phone number 907-895-5285

TO: Senator Rick Halford

FAX NUMBER: 907-465-4928

FROM: Bob Wener

May 01, 1995

PAGES SENT: 2

REMARKS:

Dear Senator Halford,

RE Big Game Commercial Services Board

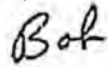
As a licensed Guide I am in favor of sunsetting the BGCSB. This board has continuously voted against the full time guide with regulations that make it impossible to operate a full time business.

Guide use areas are crippling all guides and the F&G. Example; All guides should be able to hunt the Mulchatna Caribou herd which is growing so rapidly that it is out growing its range and will certainly crash soon if enough animals are not taken, but, guide use areas prevent guides that are not licensed in that area, like I am, to come in with clients and hunt. The same goes for unit 20D and Unit 13 on the overpopulation of Bears.

The only reason for Guide use areas was for Bear hunting in Unit 9 and Kodiak where to many guides were operating, when we could as guides, hunt anywhere. This could have been protected by emergency closure or other methods, not by issuing guide use areas for the whole State.

We need a new BGCSB, and by sunsetting this one, maybe the next one will pay attention to the Guide industry and not the APHA "old timers". If this board keeps going we will have the same "good old boys club" we had before.

Thank you,



Bob Wener

P.O. Box 882 Delta Jct., AK 99737

SPECIALIZED

GUIDE SERVICE

BUD WILLARD • LICENSED GUIDE & OUTFITTER

P.O. BOX 875532 • WASILLA, ALASKA 99687 • PHONE 907-376-2212

5/4/95

Dear Senator Halford,

I would like to thank you for your efforts against H.B. 102.

I feel the same way you do on these issues. I have seen the Big Game Commercial Services Board do things you would not believe.

Please stand firm against the "good ole boy" network. They have money and power but they are not right.

Thanks again,

Bud Willard



May 13, 1995

RECEIVED

JUN 03 1995

Ans'd.....

Senator Ric Halford
Alaska State Senate
State Capitol
Juneau, Ak 99801-1182

Dear Senator,

In response to your April 27, 1995 letter to guides.

I'm a 43 year old class A guide, who has lived in the bush of Alaska 34 years 150 miles NW of Fairbanks. I maintain a box # in Fairbanks for purposes of mail year round. I own a guest ranch with horses taking people out in our area mountains. Not making a living at it. I've decided to get a guides license over the past 5 years to help me in my area make ends meet. This being a terrible struggle because of the present regulations as they are.

I'm in agreeance with most things you stated in your letter. I'm very aware of the corruption within the organization. Let's say first hand.

I'll support anyone who wishes to take on and try to straighten out the problems of the game guide business. It should be fair for all parties concerned and not just a chosen few.

Basic fairness first,

Les Cobi
Po Box 84334
Fairbanks, Ak 99708



Roland Hammack

Guide Outfitter

Box 82

Chitina, Alaska 99566

May 3, 1995

Dear Senator Hallford

Thanks for sending the information on APHA & BG&SC I agree with you. I don't have much faith in them. The APHA was selling guide areas for select members when the exclusive areas were in place, because I got a letter by mistake one time about selling an area near Fairbanks for Jay Trager.

I started guiding for Don Johnson in 1975. The exclusive areas were already in then and I knew I'd probably never get an area, but went ahead and got my registered license in 1984 because Don was starting to have bad heart problems, and Warren his son said I should get it if Don didn't make it the board would decide it up and he'd help me get a part. Don lasted 11 more years.

In 1986 I was contacted by Keith Johnson a APHA member and maybe on the board about a area he had ~~to~~ ^{for} sell. His maps showed a big area about thirty or forty miles across, a bill of sell for his cabin, landing strips, corral, tents & lanterns etc. I thought the exclusive area law was forever. So I thought if I was ever to get in the guiding business I'd have to follow the rules. At the Guide board meeting in April 1987 to transfer the area, most of the area was joint use and they wouldn't transfer joint use, so the area I got I can walk across in six or seven hours at the most. The cabin ~~and~~ turned out to be a park service public use cabin. He lied to me and had sold other areas I was told. He got a lawyer to have my home auctioned off. I had to sell it before the auction date at a big loss. I paid \$70,000 for the cabin & the area plus his lawyer and interest came to \$82,000 and was ~~on~~ against the contention for two or three years. I got a worthless Bill of sale, two Coleman lanterns and tents that

that I hauled to the dump. Everything else belongs to the Park Service. I have a Park Service permit to guide but can't transfer it. I was forced to buy some private land in the area because the board decide in 1988 or 1989 that guides had to have a base camp in the area, and the cabin was Park Service property and I couldn't register it through them, I built a cabin for base camp and live there.

I pay the Park Service \$500 plus 3% of Gross, the state use area even though there is no state land here, guide insurance, workman comp (one assistant guide) aircraft insurance and if I take more than six hunters I'm over hunting the area.

I have only the one area. I put in for an area near Port Moller on the refuge, planning to have a bear area with Warren Johnson whom I work for during bear season and was part of his & Don Johnsons area. But they selected me and Larry Rivers saying only two guides could guide there. I dropped my part part letting Warren stay in business and letting Larry Rivers move in who had never guided in that certain area.

I have had lots of false hopes, wasted efforts trying to comply, the mapping, the B.S., trying to stay with the laws in the system and keeping my word.

Me and my wife work a cafe in Chitina during the summer, if you ever get here stop at the St. H. Cafe and its on the house. Good luck

Richard Hammack

Katmai Guide Service

JOE KLUTSCH, MASTER GUIDE

2-27-1996

Representative Joe Green
State Capitol
Juneau, Alaska 99801

Dear Representative Green,

Today you will consider a vote which could recommend overturning Governor Knowles executive order 95. The current guide law and associated regulation package are the product of seven years of extremely hard work. A bipartisan task force appointed by Governor Cowper worked for over a year taking extensive input from lawyers, land and resource managers, legislators, members of the guiding industry and the general public to craft a draft guide law in the wake of a state supreme court decision which ruled that the guide area component of the former law was unconstitutional. The legislature labored for two more years to pass a bill. Then the Big Game Commercial Service Board (created by the new state law) worked diligently for three more years to design a regulation package that finally brought order to a beleaguered industry. The issue of regulating guiding in Alaska has been chewed beyond the bone.

The House approved extending the Big Game Commercial Service Board by a 39 yea vote last session. Two extension bills died in Senate Committee without debate and the Board was sunsetted. You have received a guide industry survey which clearly indicates that the vast majority of operating guides favors retaining the current regulation package and working to improve it. The system is designed to provide accountability and insure that lawful and ethical guiding is the standard in Alaska. Every licensed guide - new or old is on precisely the same footing with respect to their ability to access the system and conduct business. High quality of experience by the client, reducing the potential for conflicts with other users, and protection of the wildlife resource are the ultimate objectives of this system.

To deregulate guiding to a simple licensing status makes absolutely no sense at this juncture in Alaska's history - especially in light of the other resource allocation issues that remain unresolved. Before you vote on this resolution,



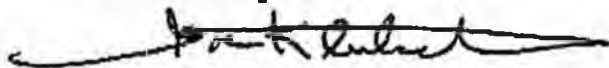
I urge you to ask yourself these questions:

1. Do those of your constituents who hunt (subsistence or non-subsistence) really think that deregulating guiding is in their best interest?
2. Do those of your constituents who don't hunt think that that would be a good idea - especially those who enjoy watching wildlife?
3. Do you or your constituents believe it is in the best interest of Alaska's game resources to create a situation where "combat hunting" could occur as is the case with a number of sport and commercial fisheries?

A few peoples personal agenda's can not be allowed to stand in the way of what is right for the future of the guiding industry, for your own hunting and non-hunting constituents, and for the thousands of clients who travel to Alaska and expect a quality experience provided by professional ethical operators, and most of all for the wildlife resource that defines the unique character of Alaska.

If there is not a willingness on the part of key individuals to maintain the current system through legislation, then I urge you to let the Executive order stand. A washed out substitute will not be in anyone's interest. Your careful consideration of these points is greatly appreciated.

Sincerely,



Joe Klutsch

c.c. all members of the House and Senate Resources Committees



CRESCENT LAKE LODGE
ALASKAN BIG GAME HUNTING & FISHING
Doug Carney
Registered Guide - Outfitter



2.6 Feb, 96

Dear Congressman

As you know Rick Halford is sponsoring a bill - # SSCR2 to streamline and simplify regulations applying to guide-outfitters. This will, in my opinion, allow guide-outfitters to more effectively serve their clients as well as eliminate a large amount of unnecessary obstacles, paperwork, and untold hours of labor by government employees.

I and many of my fellow guide outfitters support this bill and we urge you to give it your support when it comes to a vote. We would be interested in knowing your stance on this issue & the bill. Also we would like to be informed as to how you vote.

Thank you —

Doug Carney

ALASKA PROFESSIONAL HUNTERS ASSOCIATION
BOX 91932 Anchorage, Alaska 99509-1932

Nineteenth Alaska State Legislature
State Capitol Building
Juneau, Alaska 99810-1182

RE: "HOUSE AND SENATE CONCURRENT RESOLUTION NO. 2"

Dear Legislator,

February 23, 1995

Despite the best efforts of the Alaska Professional Hunters Association, and the House of Representatives who pass HB-335 in record time last session, one Senator effectively held HB-335 in Committee until adjournment not even giving the Senate a chance to vote. Consequently, the Big Game Commercial Services Board was terminated on June 30, 1995. With the Board no longer existing, all Guide-Outfitter regulations would have also ceased to exist, had Governor Knowles not intervened with Administrative Order 159, transferring the Board's duties to the Department of Commerce.

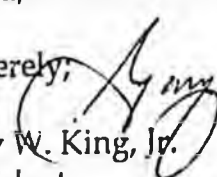
The Alaska Professional Hunters Association again finds itself in the political arena as the Nineteenth Alaska State Legislature is about to act on "HOUSE AND SENATE CONCURRENT RESOLUTION NO. 2" and the future of the guiding industry in Alaska.

Last session many legislators were lead to believe that APHA did not represent the interests of the majority of the working guides in our state. So that there would be no misrepresentation or misunderstanding about the real wishes of the guiding industry again this session, APHA conducted an extensive survey of ALL licensed Registered and Master Guide-Outfitters. The results of that survey are attached to this letter.

APHA compiled this information to illustrate to you that the Guide-Outfitters in Alaska really do; favor the current regulation package, support the current registration Guide Use Area system and applaud Governor Knowles' Executive Order No. 95. The Governor's order is intended to maintain stability in our profession, not take power from the legislature. It was our urging that caused the Governor to take this action.

The working Guide-Outfitters of Alaska now urge you to vote N O! on "HOUSE AND SENATE CONCURRENT RESOLUTION NO. 2". Let us work with the Department of Commerce to continue to improve our regulations. Don't send us back to the drawing board, to re-create the wheel. We don't have the time or money, and neither do you!

Sincerely,


Gary W. King, Jr.
President
Alaska Professional Hunters Association

Guide - Outfitter Survey 1996

Introduction: The following survey was conducted by the Alaska Professional Hunters Association for the purpose of polling the guiding industry to establish a consensus of opinion with regard to important issues facing the guiding industry.

Further, APHA wanted to verify for its own purposes, and illustrate to the legislature, that it not only represents the interests of its membership, but also the interests of the majority of the active licensed Guide-Outfitters in Alaska. This survey was mailed to all Registered and Master Guide-Outfitters licensed by the State of Alaska on Dec. 20, 1995. Figures are based upon the 147 responses which were received before Feb. 20, 1996.

1. Understanding that the Supreme Court ruled against an exclusive guide area system, do you support the current registration guide area system as a means to distribute hunting pressure by guide-outfitters ?
(98) Yes { 67% } (40) No { 27% } (9) No Response { 6% }
2. Do you feel that requiring a Guide-Outfitter and Assistant Guide-Outfitter to have First Aid and CPR training is in the best interest of the public?
(125) Yes { 85% } (19) No { 13% } (3) No Response { 2% }
3. Are you a member of the Alaska Professional Hunters Association?
(79) Yes { 54% } (68) No { 46% }
4. In light of the other qualifications required of an applicant for an Assistant Guide-Outfitters license under current regulations, do you feel that the requirement for a written test is necessary to qualify an assistant guide-outfitter applicant for licensing?
(53) Yes { 36% } (91) No { 62% } (9) No Response { 2% }
5. Current regulations require that an applicant obtain land use permission, from the land manager where he plans to hunt, prior to being issued that land as a Guide Use Area. Do you feel that authorization to conduct guided hunting services, from the land manager, should be prerequisite to receiving a Guide Use Area?
(78) Yes { 53% } (63) No { 43% } (6) No Response { 4% }
6. Which guide-outfitter license do you hold?
(116) Registered Guide { 79% } (31) Master Guide { 21% }