

ALASKA LEGISLATURE COMMITTEE FILES

1995-1996

8672

8978 SENATE RESOURCES

**SB**

**245**

TONY KNOWLES  
GOVERNOR



P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 26, 1996

The Honorable Drue Pearce  
Senate President  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

245

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that streamlines the process for annual oil and gas lease sales on the North Slope. This bill changes the method of making best interest findings for leasing onshore areas of the North Slope. These changes are part of the Administration's continuing effort to make the state's oil and gas leasing program competitive in the international market, while ensuring that development occurs in an environmentally responsible manner.

Area-wide oil and gas lease sale are permitted under current law with no statutory acreage limitation for the sales. This gives the commissioner of the Department of Natural Resources broad discretion in determining what acreage to place in the state's five-year oil and gas leasing program. But best interest findings are now done for each individual lease sale. Under this proposal, the department will not have to issue a new best interest finding before each North Slope sale; a single best interest finding would be made for all area tracts offered over the 5-year sale period. This increases the certainty that oil and gas leases will be offered each year.

This new process will not prevent the Department of Natural Resources from amending a best interest finding. The department will analyze any new information and revise a finding as necessary. Another aspect of this bill would allow the state to put land in the annual lease sale as the state receives title from the federal government by requiring only that the acreage has been subject to a best interest finding in the previous five years, instead of having actually been offered for sale.

This proposal for area-wide leasing ensures sound environmental development of the North Slope under a streamlined process -- providing industry the certainty of annual lease sales and regulatory efficiency, and providing the state the benefits of jobs and enhanced development opportunities. I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles".

Tony Knowles  
Governor

# FISCAL NOTE

No. 1

Bill Version: SB 245

## STATE OF ALASKA 1996 LEGISLATIVE SESSION

BILL (S) Publish Date: 1/26/96

Revision Date: \_\_\_\_\_ Dept Affected Natural Resources  
 Title: An Act relating to best interest findings in BRU: Resource Development  
oil and gas leasing for the area onshore and north of... Component: Oil & Gas Development  
 Sponsor: Rules Committee  
 Requestor: Governor Knowles Component Serial No. 439

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

FUND SOURCE		(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02	
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY98) cost: \$ none anticipated

POSITIONS		FY97	FY98	FY99	FY00	FY01	FY02
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)

Areawide lease sales are permitted under current law. There is no statutory acreage limitation for oil and gas lease sales and the commissioner has broad discretion in determining what acreage to place in the state's five-year oil and gas leasing program. However, under the proposed AS 38.05.035(e)(6)(I), the Department of Natural Resources will not have to issue a new best interest finding before each yearly North Slope sale. Therefore there is no fiscal impact.

Prepared by: Ken Boyd, Director Phone: 269-8800  
 Division: Oil & Gas Date: 24-Jan-98  
 Approved by Commissioner: [Signature] Date: 24-Jan-98  
 Agency: Natural Resources

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**SB**

**247**

# FISCAL NOTE

STATE OF ALASKA

BILL  
NO.:

SB 247

## 1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An Act relating to the fish and game fund; BRU: Fish & Wildlife Protection  
amending Rules 79(b) and 82(b)(2),... Component: Enforcement & ISU  
 Sponsor: Senators Taylor and Sharp  
 Requestor: S. Resources COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
Code Revenue						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	0-	-0-	-0-


Estimate of current year (FY 96) impact: \$ 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.)**

No fiscal impact. The Division of Fish & Wildlife Protection receives no revenue from the Federal Aid To Fish and Wildlife Restoration Programs nor from the sale of licenses.

Prepared By: Captain Richard Graham, Operations Commander Phone: 269-5589  
 Division: Fish & Wildlife Protection Date: 03/19/96  
 Approved by Commissioner:  Date: 3/19/96  
 Agency: Ronald L. Otte, Department of Public Safety

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB247

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: An Act relating to the fish and game fund BRU: Administration and Support  
 Component: Administrative Services  
 Sponsor: Senators Taylor and Sharp  
 Requester: Senate Resources COMPONENT SERIAL NO. 479

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

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (1004)</b>						
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**FUND SOURCE** (Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts	(977.5)	(977.5)	(977.5)	(977.5)	(977.5)	(977.5)
1003 GF Match						
1004 GF	2,177.5	2,177.5	2,177.5	2,177.5	2,177.5	2,177.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1024 Fish & Game Fund)	(1,200.0)	(1,200.0)	(1,200.0)	(1,200.0)	(1,200.0)	(1,200.0)
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

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

To maintain department services and programs at existing levels, general funds will be necessary to offset the decrease in fish and game and federal funding.

Federal receipts are currently collected as indirect overhead to fund such items as accounting services, personnel and payroll services, budgeting services, procurement and contracting services, and data processing services.

Fish and Game funds are currently used to pay for the costs of administering the license system such as printing license stock, postage for mailing stock to vendors, and paying vendor compensation for licenses sold.

Prepared by: Kevin Brooks Kevin Brooks, Director  
 Division: Administration  
 Approved by Commissioner: George Bruner  
 Agency: \_\_\_\_\_

Phone: 465-6091  
 Date: 3/13/96  
 Date: 3/22/96

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 247

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Restrict use of fish & game fund BRU: Sport Fish  
 Component: Sport Fish  
 Sponsor: Senator Taylor  
 Requester: Senate Resources COMPONENT SERIAL NO. 464

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

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( 1002 )</b>	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)	(6,139.8)
1003 GF Match						
1004 GF	14,134.1	14,134.1	14,134.1	14,134.1	14,134.1	14,134.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Fish and Game Fund 1024)	(8,359.6)	(8,359.6)	(8,359.6)	(8,359.6)	(8,359.6)	(8,359.6)
<b>TOTAL</b>	(365.3)	(365.3)	(365.3)	(365.3)	(365.3)	(365.3)

Estimate of any current year (FY96) cost: \$ 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 pages for assumptions made in fund source calculations. The \$365.3 net loss in FUND SOURCE is the result of lowered overhead costs paid to Division of Administration. These overhead costs are calculated based on the amount of Federal Funds expended by Division of Sport Fish. A reduction in ability to use Federal money is related to a direct reduction of overhead cost for the division.

With implementation of SB 247 the Division of Sport Fish will not be able to fully utilize available Federal funds and will be forced to revert \$6,139.8 of the \$8,397.7 available. This is shown in CHANGE IN REVENUES above. Since the State of Alaska receives the maximum allowable DJ/WB funding, other states have already been suggesting that funding formulas be changed to lower our share of DJ/WB money. By not fully utilizing this money it will supply those states more ammunition for that battle.

Prepared by: Kevin Delaney *Kevin Delaney* Phone: 465-4180  
 Division: Sport Fish Date: 3/19/96  
 Approved by Commissioner: *[Signature]* Date: 3-20-96  
 Agency: Fish and Game

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Assumptions used in analyzing SB 247.

- Division of Sport Fish will operate all projects at proposed FY 97 levels
- Headquarters and Regional Supervision and Management projects other than Access Coordination projects can not receive funding from either the Fish and Game fund or Federal DJ/WB fund.
- Research and Technical Services (RTS) projects can not be funded with either the Fish and Game fund or Federal DJ/WB fund.
- All hatchery projects and access projects can be funded with moneys from the Fish and Game fund and/or the Federal DJ/WB fund.
- Regional "Salmon Projects", "Resident Species Projects, and "Shellfish/BottomFish/Personal Use Projects" can not be funded with Fish and Game funds and/or Federal DJ/WB funds.
- All projects which can no longer be funded with Fish and Game funds and/or Federal DJ/WB funds would have to receive General Fund moneys.
- Division of Administration (ADF&G) receives 6% overhead on all federal money we expend. Currently this is paid with federal money, but from this point forward, would have to be paid using General Fund money.

Current FY 97 Funding Sources and Funding Sources With Senate Bill 247

FY 97 Sport Fish Projects		Current Funding Sources				Funding Sources With SB 247				
Project # / Title	Total \$	F&G*	Fed*	Prog*	CIP*	F&G*	Fed*	Prog*	CIP*	GF*
54 Headquarters	1228.1	1113.3	99.9	15.0	0.0	0.0	0.0	15.0	0.0	1213.1
64 Boating Access	362.5	36.9	110.6	0.0	215.1	36.9	110.6	0.0	215.1	0.0
55 RTS	1865.1	1029.8	835.3	0.0	0.0	0.0	0.0	0.0	0.0	1865.1
56 SE Supervision	1379.8	1379.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1379.8
57 SE Salmon	1604.1	401.0	1203.1	0.0	0.0	0.0	0.0	0.0	0.0	1604.1
58 SE Resident Sp	498.9	124.7	374.2	0.0	0.0	0.0	0.0	0.0	0.0	498.9
64 SE Access	50.0	12.5	37.5	0.0	0.0	12.5	37.5	0.0	0.0	0.0
91 SE Hatcheries	1150.0	442.7	487.8	220.4	0.0	442.7	487.8	220.4	0.0	0.0
59 SC Supervision	2088.3	2037.5	50.8	0.0	0.0	0.0	0.0	0.0	0.0	2088.3
60 SC Salmon	2676.4	841.0	1835.4	0.0	0.0	0.0	0.0	0.0	0.0	2676.4
61 SC Resident Sp	507.4	126.8	380.5	0.0	0.0	0.0	0.0	0.0	0.0	507.4
62 SC Shellfish &	267.3	124.2	143.2	0.0	0.0	0.0	0.0	0.0	0.0	267.3
64 SC Access	97.4	24.4	73.1	0.0	0.0	24.4	73.1	0.0	0.0	0.0
90 SC Hatcheries	1607.0	392.8	1178.3	36.0	0.0	392.8	1178.3	36.0	0.0	0.0
69 IN Supervision	942.7	942.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	942.7
70 IN Salmon	124.1	31.0	93.1	0.0	0.0	0.0	0.0	0.0	0.0	124.1
71 IN Resident Sp	831.4	207.8	623.5	0.0	0.0	0.0	0.0	0.0	0.0	831.4
64 IN Access	32.5	8.1	24.4	0.0	0.0	8.1	24.4	0.0	0.0	0.0
92 IN Hatcheries	461.6	115.4	346.2	0.0	0.0	115.4	346.2	0.0	0.0	0.0
<b>Total</b>	<b>17775.8</b>	<b>9392.4</b>	<b>7896.9</b>	<b>271.4</b>	<b>215.1</b>	<b>1032.8</b>	<b>2257.9</b>	<b>271.4</b>	<b>215.1</b>	<b>13998.6</b>
Admin Ovrhead**			500.8							135.5
<b>Grand Total</b>	<b>18276.6</b>	<b>9392.4</b>	<b>8397.7</b>	<b>271.4</b>	<b>215.1</b>	<b>1032.8</b>	<b>2257.9</b>	<b>271.4</b>	<b>215.1</b>	<b>14134.1</b>

\*F&G is the Fish and Game Fund; Fed is Federal Funds; Prog is Program Receipts; CIP is Capital Improvement Project Funds; GF is General Funds.

\*\*Fees paid to Department of Fish and Game, Division of Administration for overhead related to federal funding.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 247

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Restrict Use of Fish & Game Fund BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 Sponsor: Senator Taylor  
 Requester: Senate Resources COMPONENT SERIAL NO. 473

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES (1002)</b>	<b>(4,500.0)</b>	<b>(7,954.0)</b>	<b>(7,954.0)</b>	<b>(7,954.0)</b>	<b>(7,954.0)</b>	<b>(7,954.0)</b>
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**FUND SOURCE**

(Thousands of Dollars)

	(7,954.0)	(7,954.0)	(7,954.0)	(7,954.0)	(7,954.0)	(7,954.0)
1002 Federal Receipts						
1003 GF Match						
1004 GF	15,623.5	15,623.5	15,623.5	15,623.5	15,623.5	15,623.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1024 Fish & Game Fund)	(7,669.5)	(7,669.5)	(7,669.5)	(7,669.5)	(7,669.5)	(7,669.5)
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

	0	0	0	0	0	0
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)

Assumptions: (1) The legislation will become effective at the beginning of FY97. (2) To maintain department services and programs at existing levels, General Funds will be provided to offset funding cuts in Fish & Game Fund and Federal Aid revenues. (3) Federal Aid apportionments and license/tag revenues will remain constant for foreseeable future.

Secs. 2 and 3 of the bill restrict utilization of federal aid and license/tag revenue for costs of personnel (\$10,411.1) and in areas where game populations are subject to preferences among consumptive uses that are not valid under the state constitution or state law. Virtually all game populations trespass on federal lands that are "subject" to subsistence preferences not valid under state law. Accordingly, this bill would preclude expending Fish & Game Fund and Federal Aid revenues on all wildlife management programs throughout the state. Only expenditures of program receipts (\$110.2) would be unaffected by this bill.

These limitations on Federal Aid spending would cause the department to revert \$4,500.0 in FY97 and to revert the entire Federal Aid apportionment (approx. \$8,000.0) each year thereafter. Reverted funds would be redistributed to the other 49 states.

Prepared by: Ken Taylor, Deputy Director  
 Division: Wildlife Conservation  
 Approved by Commissioner: [Signature]  
 Agency: Alaska Department of Fish and Game

Phone: 465-6192  
 Date: 3/20/96  
 Date: 3-20-96

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 1/30/96

FURTHER: Finance

Date of 5-Day Notice: 3-12-96  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-28-96

The Resources Committee considered SB 247

Relating to the fish and game fund.

*Fiscal notes  
to CS (Re)  
to come  
3-21-96*

and recommends:

- be replaced with \_\_\_\_\_ CS SB 247 (RES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Peance</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			
<i>Richard Halford</i>	<input checked="" type="checkbox"/>				
<b>CHAIR:</b> <i>[Signature]</i>	<input checked="" type="checkbox"/>	<b>CHAIR:</b> <i>[Signature]</i>			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill



# Alaska State Legislature

Official Business

State Capitol  
Juneau AK 99801

MEMO

TO: George Utermohle  
Legal Counsel  
via fax: X2029 two pages

FROM: Annette Kreitzer, Aide to  
Senate Resources Committee

DATE: March 25, 1996

RE: CS SB 247 (RES)

---

Please prepare a FINAL Resources committee substitute for SB 247 incorporating amendment LS1707F.1 dated 3/25/96.

An amendment to that amendment changed the word "protection" to preservation on lines 5 and 10 of the amendment. (Amendment attached).

No other changes were made to the version adopted by the committee, LS1606F. Please have the FINAL CS delivered to Senate Resources Chairman, Senator Loren Leman in Room 115 of the Capitol. Thanks.

AMENDMENT #1

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: CSSB 247( ), version "F"

1 Page 2, line 8:

2 Delete "or"

3 Page 2, line 13, following "tags;": ✓

4 Insert "or"

5 (D) construction and <sup>preservation</sup> protection of shooting ranges;" ✓

6 Page 3, line 27:

7 Delete "or" ✓

8 Page 4, line 1, following "tags;":

9 Insert "or"

10 (D) construction and <sup>preservation</sup> protection of shooting ranges;" ✓

no objection ; AM #1 carries

9-LS1606F  
Utermohle  
3/20/96

CS FOR SENATE BILL NO. 247( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS TAYLOR, Sharp, Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act restricting the use of certain funds deposited in the fish and game  
2 fund; amending Rules 79(b) and 82(b)(2), Alaska Rules of Civil Procedure, and  
3 relating to the powers and duties of the commissioner of fish and game; and  
4 providing for an effective date."

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

6 \* Section 1. AS 16.05.050 is amended by adding a new paragraph to read:

7 (20) to cooperate with sportsmen's organizations and other  
8 organizations to increase game populations in the state and to introduce new  
9 populations into suitable habitat.

10 \* Sec. 2. AS 16.05.130(a) is repealed and reenacted to read:

11 (a) Notwithstanding any other law to the contrary, except as provided in (c)  
12 of this section, money accruing to the state from sport fishing, hunting, and trapping  
13 licenses or tag fees shall be expended only as provided by appropriation. The  
14 legislature shall make a separate appropriation for each project to be funded from

1 money subject to this subsection. Money subject to this subsection

2 (1) shall be used only for projects that provide for

3 (A) intensive management of sport fish stocks and game  
4 populations for maximum sustained yield by human harvest;

5 (B) propagation, reintroduction, restocking, transplantation,  
6 manipulation of habitat, predator removal, hunter education, public access to  
7 sport fishing and hunting areas, or restoration of sport fish and game resources;  
8 or

9 (C) direct benefits to purchase of sport fishing, hunting, and  
10 trapping licenses and tags that increase sport fish stocks and game populations,  
11 increase human harvests of sport fish and game, or decrease predation upon  
12 sport fish and game taken by purchasers of sport fishing, hunting, and trapping  
13 licenses and tags; and

14 (2) may not be

15 (A) expended for projects in an area where consumptive uses  
16 of sport fish and game are not allowed;

17 (B) expended, borrowed, or otherwise used for a purpose not  
18 authorized under this subsection;

19 (C) expended for costs of personnel or administration, other  
20 than costs of personnel or administration directly incurred in conjunction with  
21 projects allowed under this subsection; or

22 (D) expended for costs of construction, other than costs of  
23 construction projects that are consistent with (1) of this subsection and that are  
24 for

25 (i) facilities used solely for the propagation of sport fish  
26 or game for restocking, enhancement, or transplantation;

27 (ii) shooting ranges; or

28 (iii) facilities to improve public access to areas where  
29 consumptive uses of sport fish and game may occur.

30 \* Sec. 3. AS 16.05.130(b) is amended to read:

31 (b) Money accruing to the state from waterfowl conservation tag fees from

1 hunters may not be diverted to a purpose other than (1) the [CONSERVATION AND]  
2 enhancement of waterfowl; (2) the acquisition, by lease or otherwise, of wetlands that  
3 are important for waterfowl and for consumptive uses [PUBLIC USE] of waterfowl  
4 in the state; and (3) projects related to consumptive uses of waterfowl  
5 [WATERFOWL RELATED PROJECTS APPROVED BY THE COMMISSIONER;  
6 (4) THE ADMINISTRATION OF THE WATERFOWL CONSERVATION  
7 PROGRAM; AND (5) EMERGENCIES IN THE STATE AS DETERMINED BY THE  
8 GOVERNOR]. The department shall maintain a state waterfowl tag fee account within  
9 the fish and game fund to permit separate accounting records for the receipt and  
10 expenditure of money derived from the sale of waterfowl tags. [THE DEPARTMENT  
11 SHALL PREPARE A REPORT BEFORE APRIL 15 OF EACH EVEN-NUMBERED  
12 YEAR FOR THE PUBLIC AND THE LEGISLATURE ON THE USE OF MONEY  
13 DERIVED FROM WATERFOWL CONSERVATION TAGS AND LIMITED  
14 EDITION PRINTS. THE DEPARTMENT SHALL NOTIFY THE LEGISLATURE  
15 THAT THE REPORT IS AVAILABLE.]

16 \* Sec. 4. AS 16.05.130 is amended by adding new subsections to read:

17 (e) Except as otherwise required by federal law, federal funds received by the  
18 state through the federal aid to fish restoration program or the federal aid in wildlife  
19 restoration program may not be expended except as provided by appropriation. Funds  
20 subject to this subsection

21 (1) shall be used only for projects that provide for

22 (A) intensive management of fish stocks and game populations  
23 for maximum sustained yield for human harvest;

24 (B) propagation, reintroduction, restocking, transplantation,  
25 manipulation of habitat, predator removal, hunter education, public access to  
26 sport fishing and hunting areas, or restoration of sport fish and game resources;  
27 or

28 (C) direct benefits to purchasers of sport fishing and hunting  
29 licenses and tags by increasing sport fish stocks and game populations,  
30 increasing human harvests of sport fish and game, or decreasing predation upon  
31 sport fish and game taken by purchasers of sport fishing and hunting licenses

1 and tags; and

2 (2) may not be

3 (A) expended for projects in an area where consumptive uses  
4 of sport fish and game are not allowed except for construction projects that are  
5 consistent with (1) of this subsection and that are for

6 (i) facilities used solely for the propagation of sport fish  
7 or game for restocking, enhancement, or transplantation;

8 (ii) shooting ranges; or

9 (iii) facilities to improve public access to areas where  
10 consumptive uses of sport fish and game may occur;

11 (B) expended, borrowed, or otherwise used for a purpose not  
12 authorized under this subsection; and

13 (C) expended for costs of personnel, administration, or  
14 construction except for construction projects that are consistent with (1) of this  
15 subsection and that are for

16 (i) facilities used solely for the propagation of sport fish  
17 or game for restocking, enhancement, or transplantation;

18 (ii) shooting ranges; or

19 (iii) facilities to improve public access to areas where  
20 consumptive uses of sport fish and game may occur.

21 (f) The department shall prepare an annual report of expenditures from the fish  
22 and game fund and provide the report to each member of the legislature. The report  
23 must contain a detailed accounting of expenditures and a description of the proportion  
24 of the fund expended for each project and of the benefits of each project to purchasers  
25 of hunting, trapping, and sport fishing licenses.

26 (g) A person may bring a civil action in a court of competent jurisdiction  
27 against a state agency or public official for an injunction to compel compliance with  
28 this section or to compel remedial action to correct the consequences of a violation of  
29 this section. A public official is not immune from suit under this section.

30 (h) A person who brings an action under (g) of this section and who prevails  
31 in the action is entitled to recover the full, true, and actual costs of litigation, including

1 100 percent of actual attorney fees.

2 (i) In this section,

3 (1) "harvestable surplus" means the estimated number of animals that  
4 is equal to the number of offspring born in a population during a year less the number  
5 of animals in the population that die during the year from all causes other than  
6 predation or human harvest;

7 (2) "high level of human harvest" means the harvest of one-third or  
8 more of the harvestable surplus of an animal population by humans;

9 (3) "intensive management" means management, in accordance with the  
10 sustained yield principle, of an identified big game prey population or fish stock to  
11 enhance, extend, and develop the population or stock to maintain high levels or  
12 provide for higher levels of human harvest, including control of predation and  
13 prescribed or planned use of fire and other habitat improvement techniques, but not  
14 including restrictions on methods or means of taking fish or game, access to fish or  
15 game, or human harvest of fish or game;

16 (4) "maximum sustained yield" means the achievement and  
17 maintenance in perpetuity of a high level of human harvest on an annual basis of  
18 game, other than mammalian predators, and of fish.

19 \* Sec. 5. AS 16.05.340(a)(17)(B) is amended to read:

20 (B) The Board of Game shall by regulation exempt the  
21 requirement of a waterfowl conservation tag for waterfowl hunting in areas of  
22 the state not likely to benefit from programs described in AS 16.05.130(b)(2)  
23 and (3) [AS 16.05.130(b)(2) - (4)].

24 \* Sec. 6. AS 16.05.130(d) is repealed.

25 \* Sec. 7. AS 16.05.130(h), added by sec. 4 of this Act, has the effect of amending Rules  
26 79(b) and 82(b)(2), Alaska Rules of Civil Procedure, by providing that a person who prevails  
27 in an action under AS 16.05.130(g) is entitled to recover the full, true, and actual costs of  
28 bringing and prosecuting the action, including 100 percent of actual attorney fees.

29 \* Sec. 8. AS 16.05.130(h), added by sec. 4 of this Act, providing for the recovery of the  
30 full, true, and actual costs of litigation, including 100 percent of actual attorney fees by a  
31 prevailing plaintiff in an action brought under AS 16.05.130(g), takes effect only if sec. 7 of

1 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,  
2 Constitution of the State of Alaska.

3 \* Sec. 9. This Act takes effect July 1, 1996.



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**cc:Mail for: Annette Kreitzer**

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**Subject:** Re: Amendment to SB 223  
**From:** Tok LIO at LAA\_ANC 3/20/96 3:14 PM  
**To:** Annette Kreitzer at JNU\_CAPITOL

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Am interested in the CS about the Fish and Game fund to TOK LIO 883-5021.

ed Use of Fish & Game Fund. I'll get it to the office to be faxed to the sites on line. Anyone else who is interested, leave me a cmail with your fax number and I'll get a copy to you.

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**cc:Mail for: Annette Kreitzer**

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**Subject:** Re: Amendment to SB 223  
**From:** Petersburg LIO at L.AA\_ANC 3/20/96 3:24 PM  
**To:** Annette Kreitzer at JNU\_CAPITOL

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Annette,

Petersburg would like a copy of the CS for sb 247.....We would also like to thank you for the terrific job you are doing with the Sen. Resource agenda information!... Just want you to know how much we appreciate and use this "uptodate" information. Olivia

\_\_\_\_ Reply Separator \_\_\_\_\_

Subject: Amendment to SB 223  
Author: Annette Kreitzer at JNU\_CAPITOL  
Date: 3/20/96 2:56 PM

Attached is one possible amendment to SB 223 - Approve Closing Situk River to Mineral Entry.

Also, there will be a committee substitute handed out at the hearing on SB 247-Restricted Use of Fish & Game Fund. I'll get it to the office to be faxed to the sites on line. Anyone else who is interested, leave me a cmail with your fax number and I'll get a copy to you.



## Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

### The Alaska Environmental Lobby is opposed to SB 247

SB 247 is an "Act restricting the use of certain funds deposited in the fish and game fund".

The 3/18/96 work draft version of the Bill would set aside "money accruing to the state from sport fishing, hunting, and trapping licenses or tag fees" to be expended by the legislature only on projects that provide "direct benefits to purchasers of sport fishing, hunting, and trapping licenses and tags..."

If the Bill's objective was an equitable distribution of user fees it would suggest new fees for non consumptive use. It does not. What it does suggest is that consumptive use is the highest and best use of wildlife resources at the exclusion of all other interests.

The Bill eliminates State funding of any project designed to provide direct benefits to Alaskans engaged in non consumptive use of the State's wildlife resources.

Projects that the Bill does provide for entail "intensive management" which the Bill defines to include predator control. We're not talking about restrictions on urban hunters riding ATV's here. We're talking about wolf control.

Wolf control as a management tool is controversial. Many game biologists believe wildlife populations are too dynamic and complicated to be controlled by man. Deep snow can cause heavy browsing by limiting movement. Heavy browsing might reduce plant vigor and that could result in food supply loss. Next would come movement from the area or population crash. Too large a population can do the same thing. Game biologists are reassessing harvest numbers of the Nelchina herd at present because of steady unwanted growth. The Nulchatna herd has exploded in size from 20,000 animals in 1991 to close to 200,000 at present.

Once a population crashes predator control - along with habitat manipulation through set fires-might aid in recovery, but that doesn't mean the predator was the problem to begin with.

SB 247's intention for additional oversight of the department's expenditures is not inherently a bad goal, so long as the reporting doesn't halt action on timely issues.

In a similar vein, the Bill's language pointing out "a person may bring a civil action...against a state agency or public official" coupled with language assuring a potential plaintiff that if they prevail they are "entitled to recover the full, true, and actual costs of litigation, including 100% of actual attorney fees" can only have a chilling effect on resource management. Similar language in CS SB 262 "B" version, has moderated its tone somewhat by exempting members who serve on the Board of Game from such suits, but the closing sentence in \*Section 3 (g) of SB 247 -A public official is not immune from suit under this section.-can serve no other purpose but to intimidate.

Although the tone of this Bill is disturbing, the focus on consumptive use of wildlife resources at the exclusion of other uses is it's most disappointing aspect. Alaskans have the right to expect the state's natural resources to be managed for the benefit of more than one interest group.

3/20/96





LEGISLATIVE INFORMATION OFFICE  
119 N. CUSHMAN, SUITE 101  
FAIRBANKS, AK 99701  
452-4448

DATE: 3/21/96

Please accept the enclosed original(s) of written  
testimony for the

Senate Roundtable (SB 24?) teleconference scheduled on

3/20/96. A copy of this testimony was  
transmitted to your committee via fax.

Thank you,

*Fran/Flut L10*

To: Senator Taylor

Date: March 20, 1996

Subject: SB 247

From: Peter Shepherd, 1012 Galena St., Fairbanks, AK 99709

I support SB 247 and would like to commend Senators Taylor and Sharp for their efforts on this bill.

It is indeed unfortunate that it has become necessary to promulgate law mandating the dispensing of fish and game funds. However, I have witnessed over a number of years the mounting influence of changing public values on the attitudes of the ADF&G leadership towards those who provide the operational revenues. It is unconscionable that the fish and game funds are being used in ways that subvert the interests of the paying hunting and trapping public.

In general, a non-contributing public, many who embrace a philosophy that rejects human consumptive use, are those most vocally demanding the Department reframe from intensive management programs. In all due respect to these opposing public values, ADF&G and the State Board of Game should still act within the framework established by Alaska constitutional law. I suggest that any <sup>regulatory</sup> concessions made to these demands are patently unconstitutional on the part of ADF&G and the Board of Game.

In my opinion there is no moral or legal reason that fish and game funds be used to decrease opportunities, promotion, and enhancement of traditional consumptive uses of renewable wildlife resources on a sustained yeild basis. Until such a time that other sources of funding are provided by the non-consumptive public, present uses of the fish and game fund are justifiably assignable to those outlined in SB247.

Thank You,

*Peter Shepherd*

Peter Shepherd

MAR 27 1996



# Alaska State Legislature

Please enter into the record my testimony to the Senate Resources  
 committee name  
 committee on SB 247, dated 3/20/96  
 bill/subject

As a lifelong Alaskan and a consumptive user of Fish and Game resources for more years than I care to admit to, I wish to express the strongest possible support for S.B. #247.

I think it is vitally important to use funds generated by sportsmens' and sportswomens' license fees, tags, and permits to directly benefit consumptive users.

I don't claim to be a legal expert, but from what I see in the State Constitution, it appears that the Department of Fish and Wildlife is mandated to manage fish and wildlife resources in a manner that provides the highest possible sustained yield for consumptive users.

From the projects and programs generated by administrative positions within the Department over the last few years, it would appear that this mandate has been subverted and in some cases deliberately ignored.

The passage of S.B. #247 would go a long way toward squelching these departures from that mandate. Respectfully,  
 Signed: \_\_\_\_\_

Testifier

*Lee A. Stoner*  
*(Lee A. Stoner)*

Representing (Optional)

940 Soriano Dr, Wasilla, Alaska 99654

Address

(907) 376 9488

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Resources  
committee name

committee on S.B. #247, dated March 20, 1996.  
bill/subject

I am a housewife and mother of two married to a lifelong Alaskan who has provided our family with fish and game for years. I and my children have grown to prefer wild fish and game over domestic. I buy a license each year and each fall we have a family hunt to further the heritage of hunters.

I feel it is important that S.B. #247 be passed so that I and my family will be able to hunt and fish on a continuing basis.

Signed: Andra L. Steiner  
Testifier

Representing (Optional)

940 Linn Lane Dr. Waiella

Address

(907) 376-9488

Phone No.

Testimony from Department of Fish and Game on SB 247

Geron Bruce  
March 20, 1996

The Department of Fish and Game opposes SB 247. This bill would fundamentally change the way the management of fish and wildlife resources for personal and recreational use is conducted by restricting the manner in which the two most important sources of funds used to manage wildlife and sport fishing resources can be used. These two sources of funding are the federal aid funding, of which the department received about \$18 million in FY96, and the revenues from the sale of fishing and hunting licenses and tags. The department receives about \$19 million from this source.

Modern, scientific management of sport fishing and wildlife resources in the U.S. owes its beginning to these federal aid programs. The Federal Aid in Wildlife Restoration Act, also known as the Pittman-Robertson Act, was enacted in 1937. This act, along with its counterpart for sport fishing, collects revenue at the national level which is then distributed to the individual states to fund state fish and wildlife management agencies. The federal aid programs also require state hunting and fishing licenses and tag fees to be dedicated to the support of the

sport fishing and wildlife management programs conducted by each state. The motivation to dedicate these funds to fish and wildlife management involved more than just a desire to establish a predictable source of funding. It also was a conscious attempt to insulate fish and wildlife management activities from the changing winds of political life. The hope of those who created the federal aid programs for sport fish and wildlife was that by establishing professional, scientifically sound management agencies and insulating them to some extent from the emotion and argument of the political process that fish and wildlife populations could be restored and managed on a sustained basis for present and future generations. By and large this hope has been realized. Because of its success the majority of outdoor sportsmen and women have steadfastly supported these programs and the reasoning behind the decision to dedicate funding for them.

Senate Bill 247 has two major impacts on the present way of managing fish and wildlife. The first is that it takes the decision-making authority on how the available funds should best be spent to manage fish and wildlife away from the biological staff trained to make those decisions and gives it to the legislative body. It does this by requiring that each project which spends money from these

two funding sources must be authorized by a separate appropriation. This not only takes the decision-making authority out of the hands of the professionals, but it also limits the ability of the staff to respond during the year to changing circumstances and priorities. By going to a project-by-project appropriation process, there is also a danger that the process of building a management program for fish and wildlife will become more like the process that is used to build the state's capital budget. This could have the effect of tremendously politicizing state fish and wildlife management and would not be in the best interests of Alaska's fish and wildlife or the people who use them.

The other impact about which we are concerned is the strict limitations on what the fish and game fund and the federal aid funds can be spent for under this legislation. Successful management of fish and wildlife depends on being able to perform several functions successfully.

- 1) The managers have to conduct an accurate inventory of the fish and wildlife populations on a continuous basis and make a determination of what can be harvested as well as determine what management techniques can be used to enhance fish and wildlife populations.

2)The habitat necessary to support healthy fish and wildlife populations capable of sustaining human use must be maintained.

3)There must be good public process that allows Alaskans to be involved in the decisions affecting their fish and wildlife resources.

4)The policies and regulations adopted must be implemented by the department's staff in an effective and successful manner.

This legislation removes the ability of the department to use fish and game funds and federal aid funds to accomplish some of these functions. Without all those functions, the department cannot conduct an effective management program. Consequently, you can see from our fiscal notes that those vital functions that we could no longer fund with these two fiscal notes, we have proposed moving to general funds. So while the Governor and the Legislature is looking for ways to cut general fund spending, this legislation will increase it by about \$30 million.

The department is also opposed to the definitions of "high level of human harvest," "intensive management," and "maximum sustained yield." These definitions have appeared in a number of bills including Senate Bill 77 and we have previously testified why the department opposes them, so I won't repeat that testimony today.

I have with me today representatives from the three divisions which submitted fiscal notes and I will be asking them to help me answer any questions about the fiscal impact of this legislation that you have.

Thank you for the opportunity to testify.

To: Senator Taylor

Date: March 20, 1996

Subject: SB 247

From: Peter Shepherd, 1012 Galena St., Fairbanks, AK 99709

I support SB 247 and would like to commend Senator's Taylor and Sharp for their efforts on this bill.

It is indeed unfortunate that it has become necessary to promulgate law mandating the dispensing of fish and game funds. However, I have witnessed over a number of years the mounting influence of changing public values on the attitudes of the ADF&G leadership towards those who provide the operational revenues. It is unconscionable that the fish and game funds are being used in ways that subvert the interests of the paying hunting and trapping public.

In general, a non-contributing public, many who embrace a philosophy that rejects human consumptive use, are those most vocally demanding the Department reframe from intensive management programs. In all due respect to these opposing public values, ADF&G and the State Board of Game should still act within the framework established by Alaska constitutional law. I suggest that any concessions made to these demands are patently unconstitutional on the part of ADF&G and the Board of Game.

In my opinion there is no moral or legal reason that fish and game funds be used to decrease opportunities, promotion, and enhancement of traditional consumptive uses of renewable wildlife resources on a sustained yield basis. Until such a time that other sources of funding are provided by the non-consumptive public, present uses of the fish and game fund are justifiably assignable to those outlined in SB247.

Thank You.

*Peter Shepherd*

Peter Shepherd

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To	SEN LORAL LEMAN	1 /
From	FBX L10	
Co	SRES STATE	
Dept.		
Phone #		
Fax #		



## ALASKA OUTDOOR COUNCIL

4506 Robbie Rd.  
JUNEAU, AK. 99801  
(907) 463-3830

Mar. 20, 1996

Senator Robin Taylor  
Alaska State Legislature  
Juneau, Ak. 99801

Dear Senator Taylor:

The Alaska Outdoor Council appreciates your continuing interest in promoting traditional wildlife management in Alaska. We support your efforts to create an impetus through legislation for the Alaska Department of Fish and Game to once again take up important management concerns for Alaska's consumptive users of fish and wildlife.

We believe SB 247, "An Act relating to the fish and game fund", is an important component in the effort to re-establish traditional management of fish and game here in Alaska. For the past fifteen years consumptive users have continually endured the onslaught of an uninformed vocal minority bent on eliminating hunting and trapping opportunities. Although the Alaska Outdoor Council has traditionally supported the Department's budget and has tried to maintain a working relationship with leadership and staff, our efforts were increasingly frustrated by an apparent shift within some levels to accommodate non-consumptive uses at the expense of consumptive uses. We realize that a significant portion of that policy shift has been, and continues to be at the direction of an unsympathetic Administration.

Although we recognize the use of our dollars for some projects which may not appear to readily benefit hunters, trappers, and fishermen do have some merit, the opposition who also benefits from those expenditures has never recognized the contribution outdoorsmen have made to their benefit, and for the most part continues to oppose projects and programs beneficial to wildlife and humans. It is for that reason we have become increasingly reluctant to have our money spent in those arenas.

The AOC is still more than willing to work with the Department and the Administration to resolve some of the areas of concern to consumptive users of our wildlife resources; however, we must see some movement toward those items which we feel are important. Traditional management of wildlife, including predator

management, an educational effort structured to enlighten a broader segment of the public about wildlife management and the role consumptive uses play therein, better efforts to communicate with the consumptive user public, and more judicious use of consumptive use dollars in arenas which may not appear to have a direct cost/benefit ratio.

At the moment the membership of the Alaska Outdoor Council is supporting the effort on the part of those legislators who wish to reduce the Department's budget. We would prefer to return to our traditional role of fully supporting their budget; however, until the Department and the Administration can produce tangible assurances that our concerns are being given serious consideration, backed up with appropriate action, we feel there aren't many alternatives for us right now. We remain hopeful continuing dialogs with Departmental leadership will prove productive and that we will once again be more closely involved in supporting their efforts. Recent discussions we have had with the Commissioner and Divisional heads leads us to believe they are genuinely interested in our concerns and would like to accommodate such to the best of their ability. Any movement in our direction would be welcomed, and would quite likely result in much improved relations.

The Alaska Outdoor Council believes legislation, such as SB 247, has become necessary to help define the ADF&G's primary role in wildlife management. More importantly, such legislation will provide the groundwork for moving Alaska back toward traditional wildlife management.

Once again, the members of the Alaska Outdoor Council would like you to know how appreciative we are for your efforts on our behalf. If there is anything we can do to further assist you in this important effort, please let us know.

Sincerely,



Eddie Grasser

cc: Sen. Loren Leman ✓  
Sen. Drue Pearce  
Sen. Steve Frank  
Sen. Rick Halford  
Sen. Georgianna Lincoln  
Sen. Lyman Hoffman  
Sen. Bert Sharp  
Sen. Mike Miller

## ALASKA WILDLIFE CONSERVATION ASSN.

1625 Old Steese Hwy. - Fairbanks, AK 99701 - (907) 456-1992

November 10, 1995

Wayne Regelin, Director  
State of Alaska  
Department of Fish and Game  
Division of Wildlife Conservation  
P.O. Box 25526  
Juneau, AK 99802-5526

Dear Director Regelin:

The Alaska Wildlife Conservation Association is becoming increasingly outraged at the current direction of the Department, which can only be categorized as an all out attack, indeed a declaration of war on Alaska's consumptive users. We, along with other statewide users groups, met with you and Commissioner Rue in Fairbanks and were astounded by the Commissioner's and your stated unwillingness to manage Alaska's resources on a sustained yield basis. We have written to the Commissioner, subsequent to this meeting, and by his silence he has assented to our conclusions of the Department's statements and representations at that meeting.

Since that meeting, we have been apprised of a material misrepresentation by the Department concerning the source of funding for a Fish & Game office building scheduled for construction in Fairbanks. We also discovered that the Department has misappropriated hundreds of thousands of dollars from the Division of Wildlife Conservation into the Subsistence and Habitat Division Projects and Personnel salaries. This misappropriation is patently illegal. Moreover, the Department has violated the public trust (if not the law) by diverting an additional \$900,000 of funds specifically allocated and authorized for intensive management projects which were also diverted into salary for existing personnel. These misappropriations have outraged not only Alaska's license purchasers, who directly provide nearly 100% of your budget, but also the Legislature, who will hold the Department strictly accountable.

Our membership is dedicated to the return of abundance of Alaska's wildlife populations, is also shocked by the Department's advocacy of the preservationist's proposals at the November Board of Game meeting. Though the Department's biologists testified that there was no biological problem nor justification and that due to separation of user groups that there was no actual conflict among users, you recommended the closure of 236 square miles of the Alaskan Peninsula to hunting. The Board of Game, manipulated by you, voted to close this area even though you admitted in your testimony that the only issue was one based solely on a misperception resulting from purposeful misinformation and disinformation by animal rights extremists. Because these groups oppose any biological based wildlife management, we must vigorously challenge your decision.

Wayne Regelin

Page 2

Aligning the Department with the animal rights extremists and advocating for them violates your own policy and principle of management adopted by you in your August 28, 1995, memorandum. On page 2, of that document, you state that,

Biological base - we will always maintain a biological bottom line in making resource management decisions... (emphasis added)

In discussing your conflicting responsibilities, you state at page 4 that,

"...we will present this information in an unbiased, professional fashion, providing the Board of Game and others our honest assessment of available data and management options. We will neither advocate for any particular management regime, nor oppose any management strategy that is biologically sound, consistent with state law and administration policies.

By advocating the closure of a land mass nearly the size of the State of Rhode Island without biological basis or user conflict violates your stated policy and, most certainly, violates the public trust which the Department no longer deserves.

Also alarming, as disclosed in your August 29, 1995, memorandum is the fact that you have established a social science program within the Division of Wildlife Conservation. You state that, "while biology and the environment set limits on the range of viable management options, the "right" option to select is often a matter of social values, not biology." What statutory authority allows the Department (and not the Board of Game) to evaluate, utilize and advocate social values rather than biology in the wildlife management decision process? Your constitutional mandate is to manage Alaska's wildlife resources for sustained yield by human harvest. There seems to be no social value other than consumptive uses that is necessary to satisfy that requirement.

The AWCA submits that the business of the Department of Fish & Game is to provide sound biological management to increase Alaska's wildlife to provide for abundance. Because Alaskan's now harvest less than 2% of the annual harvestable surplus we can categorically state that Alaskan's demand a larger allocation of the resource and are not interested in "feeling better" about harvesting less! Social engineering should be left in the classroom and certainly has no place within the Alaska Department of Fish & Game.

An abundance of wildlife is the answer to the divisive subsistence dilemma. The Department can accomplish this by providing higher allocations to human harvest of increasing wildlife populations. When other states routinely harvest 30 to 60% of their big game populations each year

Wayne Regelin

Page 3

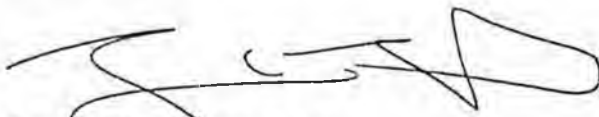
Alaska's harvest of 2%, with precipitous decline in the last five years, demonstrates that your Department is failing to provide sustained yield.

In an attempt to increase one wildlife population, the Board of Game, in its March 1995 meeting, directed the Department to resume predator control in Game Management 20A on January 1, 1996. This effort is aimed to provide relief to the Delta caribou herd which remains at risk sustaining much higher calf predation than other caribou herds. The AWCA hereby requests a copy of the implementation plan which the Department is planning on initiating this January. If no progress is planned, we demand to know why. After all, \$900,000 was appropriated for intensive management projects this year.

The governor suspended the previous GMU 20A program shortly after his inauguration and then solicited the Academy of Sciences to conduct further review. The governor has now had nearly a year to receive an answer from the Academy. Hopefully, this project is nearing completion as the January deadlines approaches. However, AWCA has received information that the Academy has not even agreed to perform this task because those charged with the project in Alaska have failed to provide definitions of the key terms (cost effectiveness, popular support, scientifically sound) by which the Academy is to evaluate these programs. Is this correct? Also, please confirm whether the Academy is requesting \$300,000 to perform this review, and whether the funding would come from Alaska's Fish & Game Fund.

As a result of our meeting with you and the Commissioner, and our discovery of the misrepresentations, misappropriation, and violations of public trust set forth above, attached is a list of questions which we need answered so that we can evaluate the Department's current direction based upon your response and not rumor or anecdote. We trust that you will provide this information because Commissioner Rue indicated that you would answer our inquiries. Your prompt attention in this matter is necessary, warranted and appreciated. Should we not hear from you by December 15, 1995, we will proceed as we believe necessary.

Sincerely,



Lynn E. Levengood, Esq.  
Executive Director, AWCA

cc: Commissioner Rue

### A.W.C.A. QUESTIONS

1. What predator control plans will the Department implement pursuant to the directions of the Board of Game in Game Management 20A beginning January 1996? When does the plan begin implementation and if no program is planned what is the basis and authority for your decision?
2. Why does the Department oppose SB-77 and HB-170?
3. Why does the Department oppose sustained yield being defined in statute?
4. Is the current human harvest level of big game in the State of Alaska meeting the Department's human harvest goal? In this regard, Commissioner Rue indicated his belief that the Department had population and harvest goals for all big game populations. We are requesting copies of these goals as written.
5. Why have you testified that the Department cannot provide 1/3 of the annual harvestable surplus to be allocated for human harvest?
6. Because the Commissioner indicated his belief that consumptive uses are a privilege and not guaranteed by the Alaska Constitution, please define or explain the Department's position on what the sustained yield mandate in our constitution means.
7. Why did you create a human dimensions group involved in social engineering? By what authority does the Department believe it can undertake this function and what funding source does the Department anticipate utilizing for these activities? Please consider this correspondence a Freedom of Information request for all information, plans, memorandums, and proposals concerning the implementation or the establishment of this Human Dimensions/Social Engineering group including any projects, programs or actions assigned to them.
8. Please furnish AWCA with any and all material concerning what economic value the Department places upon human consumption of Alaska's wildlife resources.
9. What circumstances or conditions does the Department believe are necessary for the Board to terminate an existing Tier II subsistence harvest/restriction?
10. The Department of Fish & Game's harvest data indicates a severe decline in human harvest of moose, caribou, and sheep in the last five years, what, if any, plan does the Department have to reverse the decline in human harvest? If there is no plan, does the Department wish to increase harvest, and if so, by how much and what means?
11. During the August meeting with the Commissioner, you frequently indicated that you were "managing the system" and also the term bio-diverse management was used. Please define what you mean when you say the Department is "managing the system" and what do you mean by bio-diverse management?

12 Does the Department currently support or oppose one bear per year harvest level in Unit 13?

13 If you oppose, please indicate why. If you support, please indicate at what population level would the Department seek a more restrictive harvest regime? (At the Fall 1992 Board Meeting Ken Prichart indicated that at bear population of 250 grizzly bears in Unit 13 would represent an unthreatened, healthy and viable population.)

14. In regard to the National Academy of Sciences' inquiry, please define the following three terms:

- (a) Scientifically sound;
- (b) Cost effective; and
- (c) Broadly supported by the Alaskan public.

15. Though the AWCA has requested a copy of the official tasking and/or request which the State of Alaska has presented to the National Academy of Sciences, we have yet to receive this information. Please provide any prospectus and all documentation, files, notes, requests, to/from the National Academy of Sciences concerning their independent review.

16. Please explain the Department's position concerning each BRU and project in which the \$900,000 intensive management allocation was spent and how the Department believes those BRU projects qualify as "intensive management."

17. What is the Department's definition of intensive management?

18. Please provide detailed expenditure breakdowns of spending on the following projects: 2465, 2715, 2865, 2805, 2505, 3405, 3605, 3435, 3625, 3805. Also include the objectives and the plans as written for each project.

19. Do you believe the Department has, in the last five years, or is currently utilizing any fish and game fund monies and/or any monies derived from Pittman-Robertson funds or other federal matching monies for any projects or purposes not authorized by the federal program restrictions or A.S. 16.05.130? If yes, please indicate what your belief is based upon.

20. Is the Department committed to returning Alaska to an abundance of wildlife, if so, how does it plan to biologically manage for such an abundance? If not, why not?

To aid in answering the above questions, Harvestable Surplus is defined as:

The number of animals that is equal to the number of offspring born in a game population during the year less the number of animals in the population that die during the year from all causes other than predation or human harvest.

November 2, 1995

Mr. Ralph C. Seekins  
Alaska Wildlife Conservation Assn.  
1625 Old Steese Highway  
Fairbanks, AK 99701

Dear Mr. Seekins:

I received your correspondence of October 4. I believe it is important that the Department of Fish and Game attempt clear and effective communication with all user groups and interests. Certainly, I tried with your group.

I disagree with your summary of what was said at our meeting. The department does manage all of Alaska's wildlife resources on a sustained yield basis in accordance with our constitutional mandate. This administration will enact policies that are in compliance with the Alaska Constitution. Likewise, the department will implement management actions that are in compliance with the Alaska Constitution.

As provided in Alaska statute, the Board of Game and the department work together to authorize and implement predator control programs. The Board of Game adopts population and harvest objectives and determines where and when it will authorize the department to conduct predator control to meet these objectives. Within the authorities granted by the Board of Game in regulation, the Commissioner of Fish and Game may approve expenditure of funds for predator control programs.

This administration will not authorize expenditure of funds for predator control unless the program is scientifically sound, cost effective, and broadly acceptable to Alaska's public. Any management program that does not meet these criteria will not be politically or fiscally sustainable. I assume you would not want government to carry out programs that are not scientifically sound, not cost effective, and not broadly acceptable to Alaskans.

At your request, I have enclosed copies of recent species management reports prepared by the Division of Wildlife Conservation. These documents contain management objectives and data on

Mr. Ralph C. Seekins

2

November 2, 1995

status of populations on a unit, area, or herd basis as is appropriate for the species. I have instructed that your name be put on the mailing list for these documents as they are published.

Sincerely,



Frank Rue  
Commissioner

Enclosures

FR/WR/KT/kt CO1022

**ALASKA WILDLIFE CONSERVATION ASSN.**

1625 Old Steese Hwy. - Fairbanks, AK 99701 - (907) 456-1992

October 4, 1995

**RECEIVED**

Mr. Frank Rue, Commissioner  
DEPARTMENT OF FISH & GAME  
P.O. Box 25526  
Juneau, AK 99802-5526

OCT 9 1995  
DEPT. OF FISH & GAME  
COMMISSIONER'S OFFICE

Re: August meeting with statewide user groups in Fairbanks at  
Commissioners request

Dear Commissioner Rue:

Thank you for meeting with the representatives of Alaska's statewide user groups. In attendance were representatives of Alaska Bow Hunters, the Alaska Trapper's Association, the Fairbanks Hunting Club, the Alaska Wildlife Conservation Association and the Alaska Outdoor Council. Remarkably, in the first five minutes of our meeting you outraged those assembled with your statements concerning the administration's and your unwillingness to manage Alaska's resources on a sustained yield basis (as mandated in Alaska's Constitution), and your belief that consumptive uses are a privilege and not a right guaranteed in our State's Constitution. In reviewing notes taken during this meeting, it became clear to me that you have no intention to manage Alaska wildlife resources for increased productivity. My conclusion is based on your statements as a representative of the Knowles administration. You said:

1. That there will be no predator control programs in 1995 or 1996.
2. That the Department completely opposes Human Harvest Legislation (SB77-HB170).
3. That the Department is incapable of managing Alaska's wildlife for 1/3 human harvest.

4. That hunting (and other consumptive uses) are a privilege, not a right granted by Alaska's Constitution.
5. That the administration (not B.O.G.) will set predator control policy.
6. That the Department knows that trapper wolf harvest will drop by up to 90% in two years and the Department has no intent to increase other harvest.
7. That Department data indicates our game resources, in many areas statewide, are rapidly approaching a complete predator pit situation for which the Department has no corrective plan.
8. That the Department places a higher value on bears and other predators than on human consumptive uses.
9. That the Alaska Constitution does not require the Department to manage game resources (other than bears and wolves) on a sustained yield basis and that human consumptive use is not the highest priority use for game animals.
10. That the Department's plans and goals, under your guidance, is to satisfy "outside" and "inside" Environmentalist, Anti-Hunting demands regardless of what the Alaska constitution or state law (SB77) requires.
11. That, regardless of Alaska Constitution and state law, no predator control will take place unless it is: scientifically sound; cost effective; and broadly acceptable to Alaska's public.

If your recollection differs from that set forth above, please notify me immediately.

Also, at one point in our meeting, you referred to Department state-wide, unit-by-unit population and harvest goals and objectives. Could you please provide us with a copy of those goals and objectives as well as any data you have which would show how close actual population and harvest comes to meeting them.

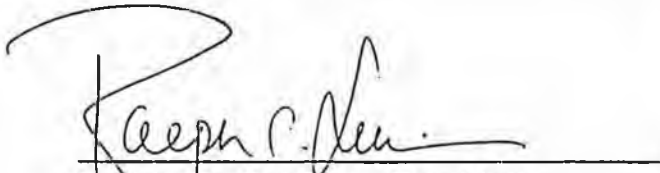
This administration's apparent belligerence and unwillingness to abide by Alaska's Constitution and State statutes necessitates that I repeat our warning that, if you pursue the course you have outlined, we have no recourse but to consider your actions a declaration of war on all Alaska's

Mr. Frank Rue  
October 4, 1995  
Page 3

consumptive users. I will also repeat that you will be held accountable for your actions and that the department and its actions will be closely scrutinized. We will make every effort to require strict compliance with Alaska statutes which mandate intensive management of declining wildlife populations. If your personal philosophy will not allow you to abide by Alaska's Constitution and law, which you have sworn to uphold, then we suggest your resignation would be very appropriate.

Sincerely,

**ALASKA WILDLIFE CONSERVATION ASSOCIATION**

A handwritten signature in cursive script, appearing to read "Ralph C. Seekins", is written over a horizontal line. The signature is fluid and somewhat stylized, with a large initial 'R'.

Ralph C. Seekins, President

DEPARTMENT OF FISH AND GAME  
DIVISION OF WILDLIFE CONSERVATION

P.O. BOX 25526  
JUNEAU, ALASKA 99802-5526  
PHONE: (907) 465-4190  
FAX: (907) 465-6142

December 14, 1995

Mr. Lynn E. Levensgood  
Alaska Wildlife Conservation Association  
1625 Old Steese Hwy.  
Fairbanks, AK 99701

Dear Mr. Levensgood:

Commissioner Rue did respond to the Alaska Wildlife Conservation Association letter of October 4, in which Mr. Seekins summarized the conclusions he drew from our meeting in August. In his response, the commissioner disagreed with many of the statements in the summary and explained that the Department of Fish and Game does manage all of Alaska's wildlife resources on a sustained yield basis in accordance with our constitutional mandates. This letter was sent to Mr. Seekins on November 12. I am enclosing a copy for your information (see attachment 1).

I am sorry you believe the department is working against the best interests of hunters. I disagree and think an examination of the record clearly demonstrates that the Division of Wildlife Conservation works hard to protect and enhance hunting opportunities for Alaskans and nonresident hunters. During the past 18 months the division has recommended, and the Board of Game has taken, the following actions.

- increased season length and numbers of permits for White Mountain caribou
- added eight days to moose season in the northern Wrangell Mountains
- added 20 days to the grizzly bear season in the Nelchina Basin
- created new caribou hunts on the Kenai Peninsula
- created new goat hunts in the Anchorage area
- created an early winter moose hunt in the Matanuska and Susitna valleys
- liberalized the bag limit on Mulchatna caribou
- created a cow moose hunt in the Homer area
- extended the moose season on the west side of Cook Inlet by 10 days
- transplanted ruffed grouse to the Kenai Peninsula

I know you disagree with the department's position on the closing of the McNeil River Refuge to hunting of brown bears. The division did present all pertinent biological

information to the Board of Game in a professional manner. Our biological assessment was that the harvest of three bears per year in the refuge would have no impact on the bear population or bear viewing opportunities in the McNeil Sanctuary. I then discussed the strong public opposition to hunting on the refuge and how the issue was harmful to the image of hunting. I explained how the issue had become a major national animal rights campaign that was turning nonhunters into antihunters. I recommended the Board of Game close the refuge to hunting of brown bears.

I do not believe providing all relevant information to the board to be manipulation of the board. Neither do I believe that I violated my policy of providing information to the board in an unbiased, professional fashion or made a biological unsound decision. A decision not to harvest bears in the refuge did not cause a biological concern. I do believe continued hunting on the refuge would do great harm to hunting in Alaska in the long term.

I do not know what you mean by the statement, "we have been apprised of a material misrepresentation by the department concerning the source of funding for a Fish and Game office building in Fairbanks." This building is funded by Fish and Game Fund (25 percent) and Federal Aid in Wildlife Restoration Funds (75 percent).

You allege that the department illegally "misappropriated hundreds of thousands of dollars from the Division of Wildlife Conservation into the Subsistence and Habitat Division projects and personnel salaries." In FY 96, the Division of Wildlife Conservation transferred via reimbursable service agreement(RSA) \$112,500 to Habitat Division and \$72,800 to Subsistence Division. These funds provided to the Habitat Division were entirely Fish and Game funds. They were used by Habitat Division to work on wildlife issues in the Tongass Land Use Plan and to work on a cooperative project with U.S. Forest Service to identify and mitigate the impacts of timber harvest on wildlife populations. The Subsistence Division received \$23,900 of Fish and Game funds to assess the opinions of residents in GMU 19 on the need for wolf control in the area and \$48,900 from a Capitol Improvement Project to assist the division in completion of a economic analysis of the importance of trapping to rural Alaskans.

Nothing was illegal about these transfers and no diversion of funds occurred. All of the projects funded via RSA provide a direct benefit to wildlife management and they all meet all federal requirements for expenditure of Fish and Game funds.

The legislature provided \$900,000 to the division in FY 96 for intensive management. These funds are being expended to collect biological data in areas identified by the department and the Board of Game as potential candidates for wolf control as required by the intensive management law (AS 16.05.255(g)(1)). Regulations require the department to collect information on ungulate and predator populations before wolf control can occur. We also used some of these funds to evaluate the effects of the wolf control program that was conducted in GMU 20A in 1993 and 1994. The intensive

Mr. Lynn Levengood

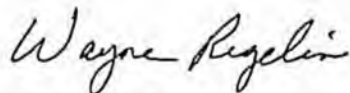
3

December 14, 1995

management appropriation did not include any specific language on how the funds should be expended. I fully briefed the legislative leadership on how I intended to use these funds prior to the beginning of FY 96.

Answers to the 20 questions you asked are attached (see attachment 2).

Sincerely,

A handwritten signature in cursive script that reads "Wayne Regelin".

Wayne Regelin  
Director

## ANSWERS TO QUESTIONS FROM THE ALASKA WILDLIFE CONSERVATION ASSOCIATION

1. The Board of Game authorized wolf control in GMU 20A beginning January 1, 1996. The Governor has directed the department not to implement any wolf control project until the National Academy of Science evaluates the scientific soundness and the cost effectiveness of predator control. The Board of Game has authority to authorize predator control. Implementation of a control project is the decision of the Governor or the Commissioner of Fish and Game.

2. The department opposes SB77 and HB 170 because this proposed legislation would set bad wildlife policy. This bill promotes an extreme position that would mandate widespread wolf control to increase the harvest of ungulates. The public has demonstrated that they will not accept such practices. If such extreme action is mandated by statute, the public will respond through lawsuits, boycotts, and probably federal intervention.

If enacted, this bill would require the department and the Board of Game to attempt to fulfill often unachievable objectives, ignoring accepted scientific standards, and sacrifice other resources and values.

The bill would preempt the Board of Game's allocation responsibilities and exclude the public from the board process. The bill would impede wildlife range expansion and hinder the recovery of depressed populations by requiring annual allocations of "at least one-half of the harvestable surplus" as a priority over herd growth or health of a wildlife population.

3. Sustained yield is a general principle that should not be limited by law. From an ecological perspective, sustained yield for a wildlife population is the number of animals that can be removed from a population year after year without causing a population to decline. Sustained yield is not a unique value for a population, rather there are a variety of sustained yield values each which corresponds to a different management strategy and to various population levels. In Alaska most wildlife populations are managed on the basis of optimum sustained yield to provide maximum public use opportunities for the variety of species in an area. A limiting definition of sustained yield in statute would hamper, not enhance, wildlife management. Also, the Department of Law has reviewed the ramifications of various proposed definitions of sustained yield and strongly oppose such action.

4. Wildlife population management goals and objectives have been established for big game populations throughout Alaska. In most cases, these goals and objectives have been established by the area wildlife biologist with input from the local advisory committees, regional staff, or planning groups. These are generally established on a Game Management Unit, Subunit, or portion of a subunit basis. Exceptions to this include caribou population goals and objectives which are established for each herd, and sheep goals and objectives which are established for portions of their range (i.e., Central Alaska Range, Chugach Mountains, etc.). Management reports are available in the Fairbanks office for each big game species in Alaska. These contain the goals and objectives of each identified big game population, history of the population and its

use, its current status, and management recommendations to meet population objectives if they are not currently being met.

5. The language in SB 77 and HB 170 defines harvestable surplus as the number of offspring born in a game population during the year less the number of animals in the population that die during the year from all causes other than predation or human harvest. This proposed legislation also mandates a high level of human harvest which is defined as the harvest of one-third or more of the harvestable surplus of a game population by humans. This level of harvest may be achievable at times if winter weather is mild for a series of years, but it would require very low levels of predation. Predator populations would have to be extirpated or reduced to such low levels that their populations would not be usable. Such a harvest level would require a substantial harvest of calves. Cow harvest would also be required to meet such a harvest goal and to maintain a reasonable bull:cow ratio.

Sweden has the most productive moose population in the world. They have very mild winters, no predators in most of the country and an abundance of food due to intensive forest management and because moose can eat pine trees. Even in Sweden, under near ideal conditions, they do not harvest at the rates mandated by SB 77. They do manage moose very aggressively and have a high rate of harvest, but one-half of their harvest are four month old calves and 20-25 percent are cows.

I do not think the mandates in SB 77/HB 170 are achievable over the long-term. I think the Board of Game already has ample direction from the legislature regarding its desire for more intensive management and higher levels of harvest.

6. The constitutional mandate is that fish and wildlife are to be "utilized, developed, and maintained on the sustained yield principle subject to preferences among beneficial uses." (Alaska Const., Art. VIII, Sect. 4.) Our department takes this mandate seriously and literally. We take the conservative view that, regardless of the beneficial use allocation, sustainability of the subject wildlife population is the top management goal.

7. I am in the process of creating a Human Dimensions in Wildlife section because it is essential that the Alaska Department of Fish and Game (ADF&G) understand the economic and social values associated with Alaska's wildlife resources. Alaska statutes charge ADF&G to "manage, protect, maintain, improve, and extend the fish, game and aquatic plant resources of the state in the interest of the economy and general well-being of the state" (AS Title 16, Sec. 16.05.020(2)). This charge clearly requires ADF&G to develop an understanding of how fish and wildlife resources contribute to the economy and well-being of the state, and it will be the goal of the Human Dimensions in Wildlife section to provide decision makers with quantitative information regarding that relationship. The unit will be funded from Federal Aid and Fish and Game Fund revenues.

Because we are just beginning to develop the Human Dimension in Wildlife section, few documents related to the section have been written. In addition to my August 29, 1995, memorandum (which you currently have), the only other document that has been sent within the

Division of Wildlife Conservation regarding human dimensions is a June 15, 1994, memorandum from Chris Smith in which he summarizes the work of a team created to provide the division's Program Review Committee with recommendations on the future of human dimensions research. I am enclosing a copy of that memorandum (attachment A).

8. The Division of Wildlife Conservation has been conducting a study for several years to estimate the economic value of wildlife to the state. This study has produced a several documents relative to the economic value of hunting in Alaska:

- An Economic Impact Analysis of the Big Game Hunting Guide Industry in Alaska by John R. Boyce, Daniel W. McCollum, and John A. Morrison (attachment B);
- Alaska Hunters: Their Hunting Trip Characteristics and Economics by Daniel W. McCollum and SuzAnne M. Miller (a 450+ page report available through state libraries or may be purchased; copy of title page enclosed, attachment C);
- Alaska Nonresident Hunters: Their Hunting Trip Characteristics and Economics by Daniel W. McCollum and SuzAnne M. Miller (a 450+ page report available through state libraries or may be purchased; copy of title page enclosed, attachment D).

9. The controlling statute, AS 16.05.258, indicates that a given game population, or subpopulation, which is subject to customary and traditional uses, must be managed under a Tier II regime when the harvestable surplus is insufficient to provide a reasonable opportunity for subsistence uses. Whenever the harvestable surplus is sufficient, the Tier II scheme for limiting participation would no longer be appropriate.

10. Our harvest data indicate that Alaska has not experienced a severe decline in human harvest of moose, caribou, and sheep in the last five years. The estimated statewide moose harvest has remained relatively constant with 7257 reported taken in 1989-90 and 7282 taken in 1993-94 (range 5999-7282). Caribou harvests have increased steadily from 9997 taken in 1989-90 to 17,519 taken in 1993-94. Sheep harvests were stable at about 1400 taken annually until 1992-93 when they declined to 1132 and remained at this level the following year. We believe the effects of the severe winters in the late 80s and early 90s had a significant influence on declining sheep populations throughout Alaska. We heard from several Interior residents that they believed predation was the major cause of the sheep decline, and in spring 1995 we initiated a lamb mortality study in the Central Alaska Range to determine the relative influence of various predators on each year's cohort. This study will continue through 1996.

11. When I refer to "managing the system", I am referring to the interrelationships between moose, caribou, wolves and bears. Management actions directed toward one species will often influence other species and we must be aware of these interactions. I do not recall using the term biodiverse management. I am not familiar with this term and do not know what it means.

12. The department supports the current bear regulations in GMU 13, including the one bear per year bag limit.

13. Current policy of the Board of Game is to maintain at least 350 grizzly bears in GMU 13. Population and harvest goals for all hunted species occurring in GMU 13 will be considered by the board in March, 1997. At this board meeting the department will provide a biological assessment of current status and goals. We may suggest changes to goals or regulations at that time if we think a change is needed.

14 and 15. The National Academy of Science (NAS) was asked by Governor Knowles to consider undertaking a scientific review and cost/benefit analysis of predator control in Alaska. The department is currently in negotiations with the NAS to determine if they will conduct such a review, what specific questions they would address and the cost for such a review. The NAS is interested in this project, but we have not reached agreement on the statement of task (specific questions and products) or costs. If we reach agreement with the NAS, I will spend you a copy of the agreement. It is not appropriate to release this information until an agreement has been reached.

16. This question was addressed in the letter that accompanies these answers (last paragraph on page 2).

17. The department's definitions of intensive management is "management of an identified big game prey population to enhance, extend, and develop the population to maintain high levels of human harvest, including control of predators and prescribed or planned use of fire and other habitat improvement techniques."

18. Information on these projects, including costs, was provided to the AWCA in a letter from Dan Reed to Bill Hagar on November 29, 1995. (I have attached this letter as attachment E.)

19. No. The department has not misused any Federal Aid or Fish and Game Funds. Annual audits of these accounts verify this fact.

20. The Division of Wildlife Conservation is committed to conserving and enhancing Alaska's wildlife. All of the division's programs address this commitment. This commitment includes restoring populations that are depleted and have been identified as important to Alaskans for their use. Examples of current programs designed to restore populations include the Fortymile caribou effort, implementation plans for 19D, 20A, and 20D, prescribed fire plans in Unit 20A, efforts with the Division of Forestry to improve wildlife habitat through various logging practices, efforts with the Alaska Fire Service to identify natural fires that should be allowed to burn and rejuvenate habitat, and transplants of wildlife when and if appropriate for the habitat such as the recent ruffed grouse transplant to the Kenai Peninsula.

# Alaska State Legislature

Chairman,  
Judiciary Committee

Vice Chairman,  
Transportation Committee

Member,  
Resources Committee  
Western Legislative Forestry Task Force



*Senator Robin L. Taylor*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-0713

## Senate Bill 247 Sponsor Statement

This legislation is precipitated by the Department of Fish and Game's policy of using funds raised through consumptive uses of fish and game for non consumptive purposes. It will ensure that this is not the case in the future. The bill provides for suits to be brought by individuals against the department and its employees for violation of its provisions.

This legislation will require the Department of Fish and Game to expend Fish and Game funds for consumptive uses for both sport hunting and fishing. These funds are collected from sportsmen through the purchase of licenses, stamps and tags. It is only proper that the funds provided by these individuals be used to benefit these users of the resource.

Here are the principle points of the bill:

1. Limit the use of fish and game funds to provide for intensive management of sport fish stocks and game populations for maximum sustained yield. It also provides for propagation, reintroduction, restocking, transplantation, manipulation of habitat, predator removal, hunter education, public access to sports fishing and hunting areas, and restoration of sport fish and game resources.
2. Direct benefits to the purchasers of licenses, stamps and tags that increase human harvests of sport fish and game. It would prohibit the expenditure of these funds for non-consumptive uses of sport fish and game.
3. Prohibit the use of these funds for the cost of personnel, administration, and certain kinds of construction projects.
4. Allow funding to continue for facilities that would be used solely for the propagation of sport fish or game for restocking, enhancement, or transplantation. And also continue funding of shooting ranges and facilities to improve public access to areas where consumptive uses of sports fish and game may occur.
5. Defines the terms "harvestable surplus", "high level of human harvest" and "intensive management" for purposes of section 3 of the bill.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

6. Mandates that federal funds received by the state, under the federal aid to fish restoration program or the federal aid in wildlife restoration program, be used for consumptive use purposes except where federal law directs they be used otherwise
7. The Department of Fish and Game must prepare an annual report on expenditures from the Fish and Game Fund to legislators.
8. Provides for the right to bring civil action in the courts to enforce the requirements of AS 16.05.130. If that party prevails in the action, the person is entitled to recover the full, true and actual costs of the litigation.
9. There are also court rule amendments which are necessary to implement the new AS 16.05.130(h) added in the bill.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

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

## MEMORANDUM

February 23, 1996

**SUBJECT:** Sectional Summary of SB 247; An Act relating to the fish and game fund.

**TO:** Senator Robin Taylor

**FROM:** George Utermohle *GU*  
Legislative Counsel

You have requested a sectional summary of SB 247; An Act relating to the fish and game fund.

As a preliminary matter, please note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

**Section 1** of the bill repeals and reenacts AS 16.05.130(a). Revenue received by the state from sport fishing, hunting, and trapping licenses and tag fees may only be expended as provided by legislative appropriation. License and tag revenues may be only used for intensive management projects; for propagation, reintroduction, restocking, transplantation, habitat manipulation, predator removal, hunter education, access to hunting and sport fishing areas, and restoration of game and sport fish resources; or for certain types of projects that directly benefit purchasers of sport fishing, hunting, and trapping licenses and tags. License and tag revenues may not be used for projects in areas where consumptive use of sport fish and game are not allowed, expended in areas where certain preferences among consumptive users of game are in effect, used for a purpose not permitted under this subsection, or expended for the costs of personnel, administration, and certain kinds of construction projects.

**Section 2** of the bill amends AS 16.05.130(b) by changing the uses for which revenue derived from the waterfowl conservation tag fee may be used.

**Section 3** of the bill adds new subsections to AS 16.05.130. Federal monies received under the federal sport fish and wildlife restoration programs may only be used for certain kinds of projects. The Department of Fish and Game shall prepare an annual report of expenditures from the fish and game fund and provide the report to members of the legislature. A person may bring a civil action in the courts to enforce the requirements of AS 16.05.130; if the person prevails in the action, the person is entitled to recover the full,

Senator Robin Taylor

February 23, 1996

Page 2

true, and actual costs of the litigation. The terms "harvestable surplus", "high level of human harvest", "intensive management", and "maximum sustained yield" are defined.

**Section 4** of the bill makes a technical amendment to AS 16.05.340(a)(17)(B) to conform to the amendment of AS 16.05.130(b) by sec. 2 of the bill.

**Section 5** of the bill repeals AS 16.05.130(d), relating to the use of hunting, fishing, and trapping license revenues and federal sport fish and wildlife restoration monies.

**Section 6** of the bill provides for the amendment of certain court rules necessary to implement the new AS 16.05.130(h), as added by sec. 3 of the bill.

**Section 7** of the bill provides that the new AS 16.05.130(h), as added by sec. 3 of the bill, does not take effect unless the amendments of court rules proposed by sec. 6 of the bill are approved by a two-thirds majority vote of both houses of the legislature.

**Section 8** of the bill provides that the bill takes effect July 1, 1996.

GU:glc:pl

96-117.glc

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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

Senate Resources  
3-20-96 3:40pm  
SB247

15:59:27

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:ANC

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:ANC

PUBLIC HEARING

SENATE RESOURCES

LOCATION: ANCHORAGE

SB 255

✓ HENRY

MITCHELL

TESTIFY

SB 255

SB 255

✓ JUDE

HENZLER

TESTIFY

SB 223

✓ JULES

TILESTON

DNR

TESTIFY

SB 223

SB 223

✓ JIM

RICHARDSON

TESTIFY

SB 223

✓ CLIFF

EAMES

AK CNTR ENVIRON

TESTIFY

SB 223

✓ JEFF

PARKER (ALSO SB 247)

TESTIFY

03/20/96

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

15:46:24

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:MAT

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:MAT

PUBLIC HEARING

SENATE RESOURCES

LOCATION: MATSU

SB 247

✓ MR. TONY

RUSS

TESTIFY

SB 247

✓ MR. CARL

BRENT

TESTIFY

03/20/96 15:55:08

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1120

MESSAGE FROM: LIOCJEN IN ANCHORAGE

JNU

RE TCN: 60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

SPONSOR: SENATE RESOURCES

PURPOSE: PUBLIC HEARING

MESSAGE TEXT: MR. LEVINGOOD CALLING FROM AIRPLANE

03/20/96

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

15:43:03

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:KOD

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:KOD

PUBLIC HEARING

SENATE RESOURCES

LOCATION: KODIAK

SB 247

MR. JEFF

STEPHANS

UFMA - KODIAK

TESTIFY

15:45:06

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:ANC

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:ANC

PUBLIC HEARING SENATE RESOURCES

LOCATION:ANCHORAGE

SB 255 *SB 255* HENRY MITCHELL TESTIFY

SB 255 JUDE HENZLER TESTIFY

SB 223 *SB* JULES TILESTON DNR TESTIFY +

SB 223 *SB* JIM RICHARDSON TESTIFY +

SB 223 *223* CLIFF EAMES AK CNTR ENVIRON TESTIFY

SB 223 JEFF PARKER TESTIFY

03/20/96

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

15:37:16

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:KTN

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:KTN

PUBLIC HEARING SENATE RESOURCES

LOCATION:KETCHIKAN

SB 247 MR. NOEL PUTMAN K SPRTS & WLD CLU TESTIFY

03/20/96 16:34:37

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1120

MESSAGE FROM: LIOCLRS IN KODIAK

JNU

RE TCN: 60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

SPONSOR: SENATE RESOURCES

PURPOSE: PUBLIC HEARING

MESSAGE TEXT: ✓ MR STEPHENS TO TESTIFY SB 255 PLS

*Mr. Jeff Stephan*

03/20/96

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

15:42:30

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:FBX

TCN:60569 SCHEDULED FOR:03/20/96 15:30 TO 17:00

FOR:FBX

PUBLIC HEARING SENATE RESOURCES

LOCATION:FAIRBANKS

SB 247 ✓ MR. OLIVER\_(BUD) BURRIS TESTIFY

SB 247 ✓ MR. BILL HAGAR TESTIFY

SB 247 ✓ MR. PETE SHEPHERD TESTIFY

SB 255 *255* MR. VIRGIL UMPHENOUR TESTIFY

**SB**

**255**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 255

Revision Date: \_\_\_\_\_  
 Title: "An act relating to the types of seafood promotions and contracts  
that can be made by the board of the Alaska Seafood Marketing Institute"  
 Sponsor: ADAMS  
 Requestor: Senate Resources

Department: Commerce and Economic Development  
 BRU: Alaska Seafood Marketing Institute  
 Component: Alaska Seafood Marketing Institute

COMPONENT SERIAL NO. 393

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

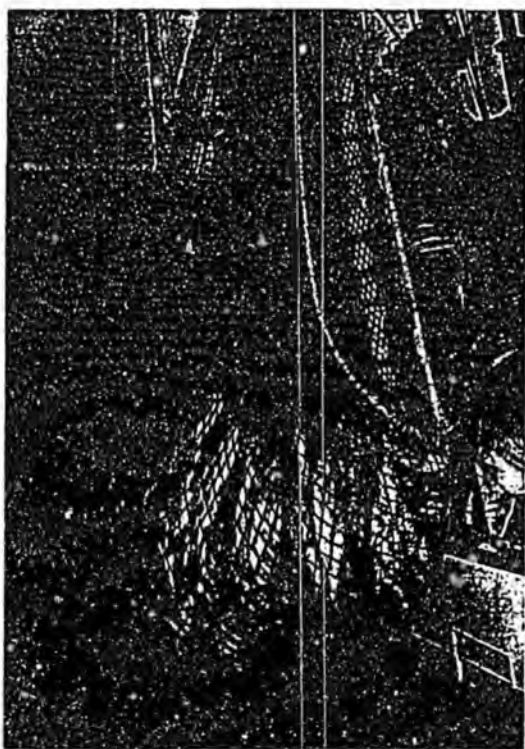
ANALYSIS: (Attach a separate page if necessary)

Prepared by: Dwayne Peoples  
 Division: Alaska Seafood Marketing Institute  
 Approved by Commissioner: William L. Hensley, Commissioner  
 Agency: Commerce and Economic Development

Phone: 465-5571  
 Date: March 14, 1996  
 Date: 3-14-96

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# LOST IN A SEA OF SALMON



Steven Kazdowal

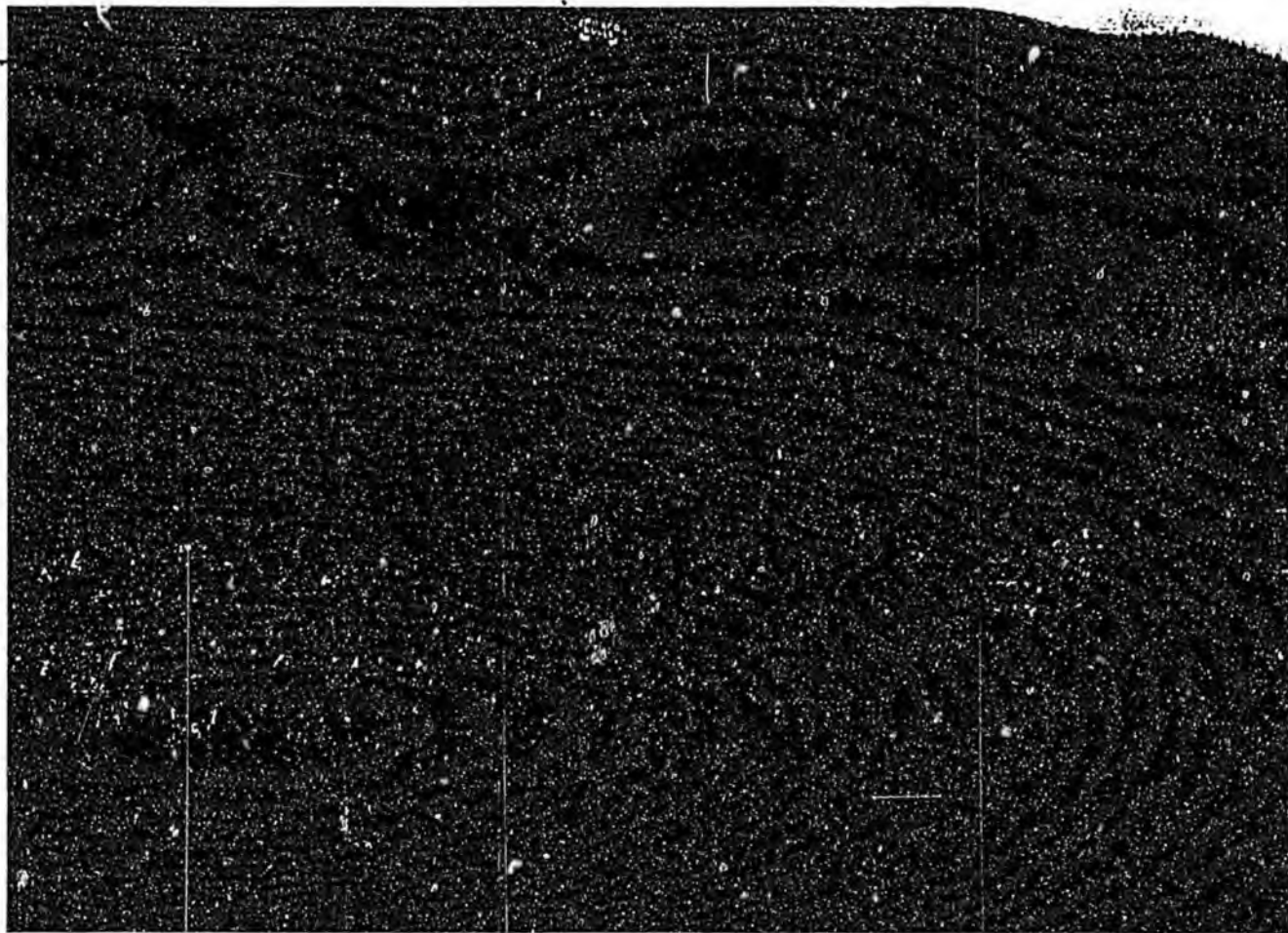
FROM LEFT TO RIGHT: A SEINER IN SOUTHEAST ALASKA HAULS UP A BIG BAG OF CHUMS COMPLIMENTS OF THE STATE'S PROLIFIC HATCHERIES. WILD CHUM SALMON FROM THE YUKON RIVER DRYING ON RACKS (NOTE THE OILY FLESH—IDEAL FOR SMOKING). YUKON FISHERMAN JOE REDINGTON JR. POSES ON A RACK OF DRYING CHUMS. FLORENCE FOLGER DOES A QUALITY CHECK ON SOME SALMON EGGS SOON TO BE TRANSFORMED INTO IKURA, THE WORLD'S BEST SALMON CAVIAR.

## ALASKA'S PRIZED ARCTIC CHUMS LOSE OUT IN A MARKET AWASH WITH CHEAP SALMON

Standing next to a 50-gallon oil drum of boiling chum salmon, Bill Taylor will tell you he's in a dog-eat-dog kind of business. He catches chum salmon, and his dogs eat them. There are 120 sled dogs, coats as shiny as seals, tied on short chains around his trailer. "Dogs are my main business now," says Taylor, who has sold chums from Alaska's upper Yukon River for more than 20 years, but now finds himself without a market. "At least they're not going to waste," he says, stirring his salmon brew to a cacophony of canines.

A market crisis exists not only in Manley Hot Springs, a small Athabaskan village 90 miles west of Fairbanks where Taylor has set up a processing station, but across northern Alaska, from the Yukon River to Kotze-

BY ROGER FITZGERALD



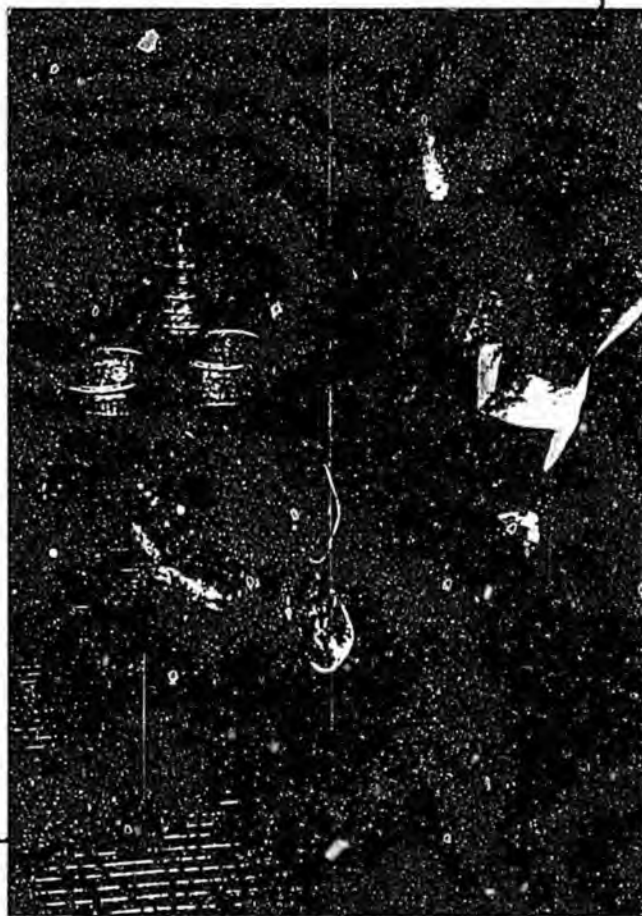
Linda Johnson

bue Sound above the Arctic Circle. In the Lower Yukon, for example, fishermen were getting a measly \$.12-\$.15 per pound this summer for what are regarded by many as the finest chum salmon in the world. In the Upper Yukon, the only market was for roe, resulting in tons of salmon being stripped of eggs and the carcasses fed to the dogs.

#### KNOCKED FROM THEIR NICHE

Back in a world of fewer salmon, Arctic and Yukon chums had a market niche based on their flesh color, high oil content (ideal for smoking) and competitive price. Where did it go? In the case of the Yukon, the season for fall chums was closed from 1991-94, reason enough to lose out, but that's only the beginning. According to producers, Chilean cohos and record sockeye runs have flooded the traditional market in Japan—and Japan (with its 200,000-ton chum returns in Hokkaido) has plenty of chums of its own. And what's left (if anything) is being swallowed up by Alaska's own nonprofit hatcheries, which are pumping out record numbers of chums.

The bitterest pill is the hatcheries. "Should the state be in the business of putting me out of busi-



Roger Fitzgerald

ness?" shouts Taylor over a din of barking dogs. "I had a market, now I don't. They went to Southeast to buy those cheap hatchery fish," he says, referring to Smith Brothers Food Service Inc., based in Port Washington, Wis., a company which had kept area fishermen busy until the river closed for fall chums in 1991.

Bruce Mitchell of Whitney Foods, in Seattle, a company that has pioneered Arctic salmon, says the hatcheries have been glutting the market for the last few years... "That's nothing new," he says. "What's new

per River] H&G cohos from Prince William Sound for \$1.60 per pound delivered—and we couldn't find a buyer...so we had to go to the freezer with them. We have H&G silver-brite Arctic chums for \$.90 per pound FOB Seattle and no takers. What can you do when you have Chile selling 3- to 4-pound sides of Atlantic salmon, pinbone removed, at \$3.25 per pound FOB Miami?

"Arctic chums are the best in the world: Yukon, Norton Sound, Kotzebue, even Kuskokwim chums, when they're handled right, there's no comparison for meat color and taste. People will contest that, but I've been buying chums for 35 years, and I know."

Taste means oil content, and the percent of fat in a Yukon fall-run chum is 11-13% compared to 5-6% in a hatchery chum. It all has to do with the length of the run: The longer the run upriver, the fatter the salmon. The Yukon River is 1,835 miles long, and while not every chum travels its length—and there are important distinctions to be made between different runs of fish—fall-run Yukon chums are without equal when it comes to flesh color and fat content.

One night in Taylor's trailer in Manley Hot Springs, located 765 miles from the mouth of the Yukon River, I had a chance to taste these chums for myself—the same fish that Taylor was feeding to the dogs. It was the egg crew's dinner break. Chum eggs were being flown from different parts of the Yukon (only from upper-river fish, though, because the eggs must be mature), and everyone had been working almost around the clock. The work is simple, but backbreaking, essentially rubbing the roe over a grate to free the eggs from the skein, a quick brining and that's it—exactly the same method used to produce sturgeon caviar. The main market is Japan, but Taylor was selling heavily into large Eastern cities, where there are enclaves of Russians who apparently can't live without it. (*Ikura*, the name commonly used for salmon caviar, is a Russian word, not Japanese as most people assume.) "They even put it in their mashed potatoes," said Jim Freeman, who was running the egg operation. Whatever



Roger Fitzgerald

YOU CAN'T ALWAYS JUDGE A CHUM BY THE COLOR OF ITS SKIN. THESE FALL-RUN FISH FROM THE YUKON RIVER, WHILE DARK ON THE OUTSIDE, ARE STILL RICH IN OIL AND HAVE GOOD FLESH COLOR.

is Hidden Falls [a hatchery located on Baranof Island in Southeast Alaska] hitting the front of the season more aggressively than in the past. By the time our fish enter the [fresh] market forget it. There's nothing left."

#### A FLOOD OF FARMED...

While hatchery chums may seem like a stake in the heart of northern Alaska producers, it's only one nail in the coffin, says Bob Shelly, an owner of Great Pacific Seafoods Inc. based in Seattle, with processing facilities in Cordova, Alaska. Japan's burst-bubble economy, Alaska's record sockeye run in Bristol Bay, big hatchery returns in Hokkaido are others...but the big one, he says, is "the flood of farmed salmon on the world market."

"To give you an example," says Shelly, "in September, we had these beautiful [Cop-



Roger Fitzgerald

they do with it, fishermen were grateful because, at \$2-\$3 per pound for raw roe, it was the only game on the river. We had a bowl of ikura on the table to mix with our rice (Japanese style). Canned string beans rounded out the menu.

The chum salmon was very tasty; in fact, it would compare favorably with many Alaska kings. "You'd think we'd at least have a market for these," said one of the eggers, holding up a salmon collar, the tastiest part of the fish. Of course, you wouldn't believe these chums would be that good from looking at them.

The old adage, "You can't judge a book by its cover," applies here. Neither can you judge a chum by the color of its skin. Darker fall chums taken from the Upper Yukon are richer and redder than most silver-brites taken elsewhere. (Yet at the first blush of color on the skin, the price dramatically drops!)

#### THE REAL CULPRIT

But if Arctic chums are so good—and the producers so desperate for a market—why can't they move any fish?

And there's the rub, say many producers: moving fish. The problem with Arctic chums is the cost of moving them out fresh from remote areas to processing facilities. "Bush carriers are taking the fun out of buying fish in the Arctic area...40-50 cents [to Anchorage] is ridiculous," says Shelly.

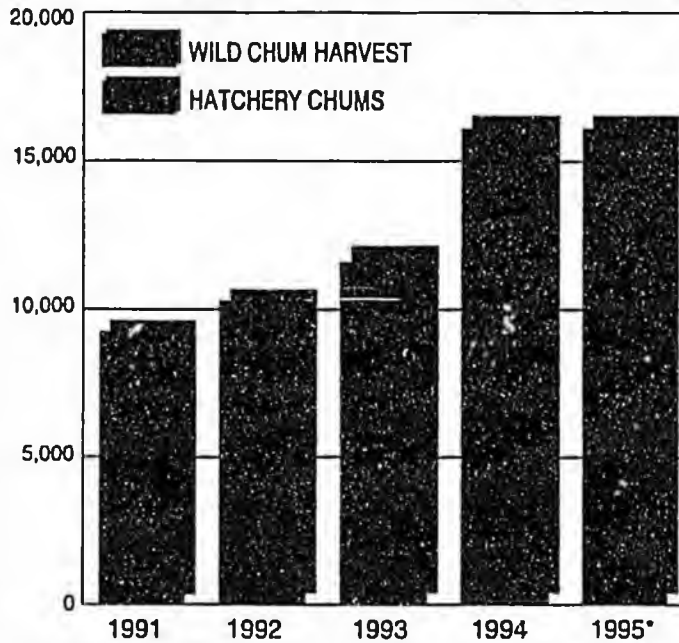
The added transportation cost makes it almost impossible to compete. Historically Arctic chums held a niche based on superior quality (when it wasn't lost through poor handling), but in a glutted market all distinctions tend to fade—except price.

And the price of a fresh hatchery chum is under \$1 per pound FOB Seattle compared to an Arctic chum which, according to Dan Senecal-Albrecht, executive director of the Bering Sea Fishermen's Association, proces-

*Continued on page 93*

*CLUBBING  
CHUMS AT  
PRINCE WILLIAM  
SOUND'S WALLY  
NORENBERG  
HATCHERY. THE  
FEMALES WILL BE  
STRIPPED OF  
EGGS, WHICH  
WILL THEN BE  
FERTILIZED AND  
INCUBATED IN  
THE HATCHERY.*

## ALASKA'S RISING TIDE OF CHUMS



Figures represent actual numbers of chum salmon in thousands of fish harvested.  
 \* Estimated. The hatchery harvests include both cost recovery and common property catches. Source: ADF&G.

## THE FOUNTAIN OF SALMON

Peter Esquiro, a mild-mannered Alaska native, is general manager of Hidden Falls hatchery in Southeast Alaska. While the hatchery is frequently described in the terms of its prodigious production—from a harvest of 700,000 chums in 1988 to 2.9 million this year—it's the quality of the harvest that he seems most proud of. "We harvest earlier than we did in the past. We don't let the salmon build up the way we used to. When new fish come in, we harvest them aggressively. This

gives us a jump on the market as well as our good reputation," says Esquiro.

Esquiro estimates that about 60-80% of Hidden Falls chums are harvested as silver-brites, at an average weight of 7-8 pounds. The harvest starts the last Sunday of June and ends the first week of August, with a production peak on about the 10th of July. Seiners got \$.35 per pound this year. Hidden Falls sells a percentage of the return to cover its operating costs; this year it was 7% of the harvest (bid out at an average price of \$.75 per pound FOB hatchery).

Add the production of Southeast's other nonprofit hatcheries this summer and you have a total of 5.2 million chums. Add Prince William Sound's Wally Norenberg Hatchery and that's another 800,000 chums. Add in the wild harvest and you have a record total of 15.4 million chums—up by about one-third from Alaska's traditional 9-10 million.

"That kind of volume is new," observes Graham Redmayne, owner of North Beach Seafoods Inc. in Seattle, a distributor of fresh Alaska salmon. "The overall size and quality [of hatchery chums] is very acceptable, and they hit at an optimum time to meet retail demand in the Lower 48. Now the onus is on marketers to build on this growing supply and pass the confidence on to retailers, who can now get very aggressive on their promotions, knowing there's a consistent supply of good quality, reasonably priced fish."

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sors would have to sell for around "\$1.25-\$1.50 per pound" if they're to survive.

Even more of a problem than price is timing. In late June, buyers are paying nearly \$2 per pound for chums FOB Seattle for July 4th holiday promotions, but once Hidden Falls hatchery kicks into gear (their production peaks on July 10), prices go through the floor. Unfortunately, that's when the harvest of prime Arctic and Yukon chums is just cranking up.

While Albrecht sees great problems from within the state and without (hatchery salmon, farmed salmon), he sees a way out. "It's a question of educating the market. If you're looking for a good-tasting salmon that compares with a coho or a sockeye but is cheaper, an Arctic chum is worth the price. They have higher oil content, a richer taste, larger sizes [6-9 pounds] and they're wild fish. But if you're looking for the cheapest chum available, they're not for you," he says.

Clearly, the name of the game is no longer production, but marketing. And

## CLEARLY, THE NAME OF THE GAME IS NO LONGER PRODUCTION, BUT MARKETING.

while there are some who curse the success of hatcheries like Hidden Falls—and no doubt there are real hardships being felt as a result of their efficiency—there's no going back. Price is the only god in a glutted market. Alaska's hatchery production is just a drop in a sea of salmon compared to the production of farmed fish from Chile, Norway and Canada.

And there are those who love it: "The prices [for chums] are ridiculously low," says Bert Smith, of Smith Brothers Food Service Inc. (Bill Taylor's former market): "That's good for us in the fish business because we can expand our markets. We sell to supermarkets, where all they care about is price."

For buyers, it just can't get any better than this. Or can it? A lot of producers are wondering.

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WORLDWIDE

# Fish plant closes

## Salmon prices cinch decision

By HELEN JUNG  
Daily News reporter

The owners of Anchorage fish processor Whitney Foods Inc. have closed the company and put it up for sale, saying the flood of salmon worldwide has driven prices too low for the processor to compete.

Whitney Foods has run an Anchorage processing and cold-storage plant under the names Whitney Foods and Whitney Fidalgo Seafoods Inc. during the salmon season since 1971.

The closure is another sign of the drastic changes in the world's salmon market, which in Alaska have already contributed to one processor's bankruptcy protection filing and another's shutdown. In the past seven years, Alaska wild salmon producers have lost market share and dominance while salmon farms in Norway, Chile and Canada have grown rapidly from small-fry contenders into fearsome competitors.

Whitney's Japanese parent company, Kyokuyo USA, decided after last year's salmon season to sell the company, said Bruce Mitchell, Whitney's vice president of operations. A number of processors lost money when a glut of fish crashed prices for most salmon species to basement levels. Mitchell said Whitney Foods was not in financial trouble; rather, the parent company was looking ahead when it made the decision to close.

Please see Back Page,  
**WHITNEY**

Anchorage Daily News  
February 23, 1996

## WHITNEY: Fish processor shuts down

Continued from Page A-1

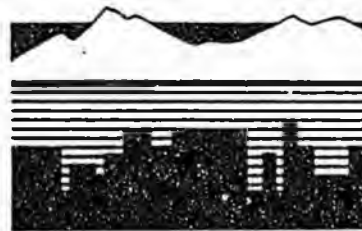
"They don't believe it's going to be worth it in the future," he said.

The Whitney plant near Anchorage International Airport employed more than 300 people, mostly from the Anchorage area, during its peak operations, Mitchell said. The company ran stations in areas including Bethel and Kotzebue and along the Yukon River to buy salmon and fly it to the Anchorage plant for processing.

But state-funded hatcheries in Southeast are producing large runs and can keep transportation costs low, an advantage Whitney did not have, Mitchell said. In addition, Alaska waters are producing record and near-record runs of wild salmon, while salmon farms are stepping up production each year, driving down prices buyers need to pay for fish.

"It's straight supply and demand," he said.

The new Individual Fishing Quota system for halibut and black-cod fishing also hurt the company to a degree, Mitchell said.



The system, which began last year, created an eight-month-long season during which selected fishermen could catch their guaranteed shares of halibut and black cod. The company received much less halibut and black cod to process this year, he said.

Although Kyokuyo has no other investments in Alaska, it wants to continue to buy and sell Alaska fish through other processors and joint ventures, Mitchell said.

Communities that did business with Whitney, including Kotzebue, are going to be hurt by the loss of a longtime buyer, said Ron Hogan, president of Kotzebue Commercial Fishermen Inc., which buys fish from Kotzebue area fishermen and has sold it to Whitney for several years.

"Whitney has been a

very good company to work with over the years. They've been dependable and have always done what they said they were going to do," he said. "They were always there for us and the fishermen and it's going to be a real loss."

Another community affected by Whitney's closure is Bethel, which is already concerned about the coming season.

Inlet Fisheries, which does business as Inlet Salmon in Bethel, Kenai and Naknek, filed for bankruptcy protection in December. The Alaskan owned processor said it will continue running its Kenai and Naknek plants but is assessing whether it can afford to operate this summer in Bethel, said president Vince Goddard.

Another processor, Pelican Seafoods Inc. in the small Southeast town of Pelican, shut down this month, saying it was not making any money. The investment banks refused to let the owners keep the plant open, according to Pelican vice president Peter Trost.



**YUKON RIVER DRAINAGE FISHERIES ASSOCIATION**

## Salmon runs strong but glutted markets make for tough year for fishermen and processors

It was another tough year for most fishermen and processors on the Yukon. Despite strong returns of kings, summer chums and fall chums, poor ex-vessel and wholesale prices made for a disappointing season. Only in sub-district 4A did prices (for roe) remain stable and fishermen their reached the upper end of the summer chum guideline in both the mainstem Yukon and the Anvik special management area.

Once again, strong production of hatchery chums from southeast and Prince William Sound began to flood the market at the end of June and July driving the price for H&G fresh chums delivered to Seattle to below 80 cts per pound. Despite paying fishermen less than 20 cents per pound, Yukon processors needed wholesale prices of at least \$1.15 to cover the costs of operations, labor and especially air freight. Once lower Yukon processors reached their poundage on their king salmon contracts with Japanese buyers, there was little incentive for them to stay around and buy summer chums. Fishermen on the

the lower Yukon caught only about 225,000 summer chums although with a strong run strength of over 3 million fish they could have easily harvested 700,000 had there been a market.

While the lower Yukon fared poorly due to poor H&G markets, the roe market remained stable and as a result, summer chum harvests in each upper Yukon district reached or exceeded the guideline level. A total of 586,342 summer chums were caught, mostly sold for roe with the carcasses used for subsistence feed to dog teams. The king harvest was also strong with high catches in District 5 and 6 but poor catches in subdistricts 4-B&C.

The fall chum run was extremely strong at close to 1.5 million fish, nearly double the preseason projection of 802,000. In the lower Yukon Bering Sea Fisheries, Whitney and Boreal Fisheries (for Inlet) bought fall chums and coho. Fishing effort was down significantly due to low prices but ADF&G worked closely with the buyers to set short but frequent openers to fit air-freight schedules (*gc to page 2*)

## 1995 Yukon Area Commercial Harvest Statistics

**Summer Season**

District	Permits per period	Periods	Total Hours	Kings	Summer Chum
1	43 to 406	11	62	76,102	142,266
2	203 to 225	5	39	41,430	83,817
4-A	49 to 53	6	78	0	409,437
Anvik	2 to 19	6	66	0	55,645
4-B & C	8 to 17	6	288	481	83,176
5-ABC	17 to 20	3	72	2,753	316
5-D	2 to 3	4	144	489	0
6	14 to 17	4	168	2,748	37,768

**Fall Season**

District	Permits per period	Periods	Total Hours	Fall Chum	Coho
1	29 to 112	10	62 drift / 83 set	79,345	21,825
2	84 to 140	6	35	90,831	18,488
4-B & C	1 to 3	15	720	8,884	0
5-A, B & C	2 to 8	12	288	25,505	0
5-D	1	7	294	3,979	0
6	17 to 19	4	96(A) / 168(B/C)	74,066	6,912

**Strong runs but poor prices make for tough year for fishermen and processors**

and processing capacity. By the end of the season on August 21 the lower Yukon had harvested a respectable 170,176 fall chum and 40,113 coho.

Poor markets also impacted the upper Yukon fall season. Effort was down substantially in District 4 and 5 and most sales were of roe only. District 6, however, with road-connected processors, had a record fall chum harvest of 74,066 plus 6,912 cohos.

For the whole season, a total of 806 permits were fished. In the lower Yukon, 664 fishermen earned an average of \$8,776 for a total of \$5.83 million. In the upper Yukon 142 fishermen earned an average of \$9,342 for a total of \$1.33 million.

With the strong runs spawning escapements for all salmon species were excellent including in Canada.

**KODIAK** — Western Alaska fishermen believe that putting limits on salmon production at state hatcheries would help remove pressure from a plugged world market.

Alaska's hatchery program began in 1974, during a period of low statewide salmon returns, especially for pinks. Since then, the numbers of juvenile salmon released into state waters by about 35 hatcheries have increased every year.

Now, Yukon River fishermen claim that hatcheries are starting to put them out of business.

"Hatchery production has increased in Southeast and in Prince William Sound, to some extent, and those fish hit the market earlier and in larger volumes. Our fish simply can't compete," said Dan Albrecht, director of the Yukon River Drainage Fishermen's Association. Western Alaska fishermen have also lost out on their most lucrative market, chum roe, he added.

Yukon fishermen believe state subsidies to hatcheries are unfair because it gives them an advantage over other fisheries. The association wants the state to set production goals for hatcheries, which currently set their own levels. "We can't control farmed salmon production, or the Japanese going into Russia or buying fish from Chile or Norway. But we can control what goes on in our own state. So we're looking at things that Fish and Game (Department) and the governor's office can actually effect, and the hatchery program is one of them," said Albrecht, adding his group is formulating a five-year plan to reduce the number of fish.

Others argue that the world's numerous salmon producing countries would easily fill any void left by fewer Alaska fish, and that boosting consumption of salmon is the best long-term solution to the oversupply problem.

Uniting against sport-fishing initiative. More communities are uniting behind Alaska's commercial fishing industry.

Prompting the push is the controversial FISH Ini.



## LAINE WELCH

and support businesses. It's never been attempted to bring them all together as one, so we can have a bigger voice in the Legislature. We need to protect ourselves from some of the things we see happening to our industry, because we're so fractured and speaking from so many different areas," McCune said.

Monitoring the Tanner crab catch. Crabbers in Southeast Alaska are gearing up for the Tanner crab season, which kicks off on Thursday. A hundred or so boats and 100 ringnetters have nine days to compete for the 2 million pound catch quota.

Southeast crabbers have topped the 2 million pound maximum for the past five years, and fishery managers have been pushing for stricter pot limits. As a compromise, for the first time managers and crabbers will try to monitor the Tanner fishery electronically. Crabbers will call in catch stats or fax their logbooks to Fish and Game Department offices every day. "It could be an alternative to reducing gear. We'll see how it goes, and then report back to the Board of Fish later this year," said shellfish manager Tim Koeneman at Petersburg.

The Tanner season was worth nearly \$9 million last year to Southeast crabbers. But, as with other crab species, prices this season are expected to be well below last year's \$2.5 a pound. A handful of crabbers at Yakutat were getting \$1.50 a pound from local processors, while others selling into niche markets were getting up to \$1 a pound for their bait

ADN 2/11/96

*muks*

Alakanuk Native Corporation  
P.O. Box 89  
Alakanuk, Ak 99554

February 13, 1996

The Honorable Tony Knowles  
Governor of Alaska  
P.O. Box 110001  
Juneau, Ak 99811-0001

Dear Governor Knowles,

On behalf of the Shareholders of the Alakanuk Native Corporation, most of which participate in the commercial salmon fisheries on the Yukon River, we urge you to support Senate Bill 255 and its companion House Bill.

Senate Bill 255 would allow the Alaska Seafood Marketing Institute (ASMI) to promote Alaskan seafood on a regional basis. We feel that this promotion is necessary in our region here on the Lower Yukon River due to the very low prices our fishermen have received for their fish in recent years. It is important to note that money made in the commercial salmon fishery is used to purchase the necessary fuel and equipment to allow for the gathering of our subsistence fish and game.

The Yukon River King, Chin and Silver Salmon have the highest oil content of all salmon in the world and therefore are very rich in taste. To put it simply the finest salmon in the world comes out of the Yukon River and the sad part of it is that no one knows this fact. We feel this uniqueness should be promoted and we feel that a market niche can be developed with the proper promotion. Allowing ASMI to promote seafood on a regional basis would allow them to promote Yukon Salmon and eventually bring about a better price to our fishermen.

Please support Senate Bill 255.

Thank you, John Ayuneraf  
John Ayuneraf  
President  
Alakanuk Native Corporation

# Yupiit of Andreafski

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P.O. Box 368  
ST. MARY'S, AK 99658  
(907) 438-2312

VIA FACSIMILE

February 9, 1996

Honorable Governor Tony Knowles  
STATE OF ALASKA  
P.O. Box 110001  
Juneau, AK 99811

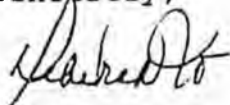
Dear Governor Knowles:

I am writing this letter to ask for your support for Senate Bill 255 and its companion bill in the House, being introduced by Senator Adams and Representative Nicholia respectively.

Currently, as I understand, the 1% fish enhancement tax is being used by the Alaska Seafood Market Institute (ASMI) to promote Alaska salmon produced in Alaska's waters. While this does work to some extent, it does not take into account the costs of production and transportation of fish from our region. As you know, St. Mary's lies in the Arctic-Yukon-Kuskokwim (AYK) River region, and has been experiencing very low prices for our catch these past few years. Additionally, the salmon market is being flooded with salmon from all over the State, and Pacific-rim countries. Through the passage of this bill, it will allow our fishermen in the AYK region to develop special niche markets for our fish because of its unique qualities. Presently, ASMI efforts to market our fish takes on a generic approach, and new innovative approaches need to be implemented to market our regional fish.

Thank you for your consideration and I hope for your continuing support.

Sincerely,



Deborah Vo  
Tribal Administrator

cc: Senator Al Adams  
Representative Irene Nicholia



Brewer, Mission, Chignik, Eklip, Gambell, Golovin, Kotzebue, Nome, Saint Michael, Savoonga, Shaktouik, Stebbins, Teller, Unalakleet, Valdez, White Mountain

February 21, 1996

The Honorable Tony Knowles  
 Governor of Alaska  
 P.O. Box 110001  
 Juneau, Alaska 99811-0001

**Re: Senate Bill #255**

Dear Governor Knowles:

The Board of Directors of Norton Sound Economic Development Corporation enthusiastically supports the Senate Bill #255 sponsored by Senator Al Adams and the companion House Bill introduced by Representative Irene Nicholia.

As you know, Governor, the State of Alaska is a vast land characterized by regions that are unique, individualistic and each having differences that make each region stand out amongst the whole of our great state. Although the intent of the original bill was well-intended to sell the whole state, we feel that the amendment to this bill would sell the parts of the whole enabling the whole state of Alaska to benefit collectively.

The SB 255 will allow our Bering Straits/Norton Sound fishermen and others to develop markets that will purchase our Salmon due to its unique qualities. ASMI can currently only market fish on a generic basis. This amendment sponsored by Senator Adams and Representative Nicholia will enable our fishermen to develop our own unique markets.

Very truly yours,

Eugene F. Asicksik  
 President & CEO, NSEDC

CF:

Mr. Henry Ivanoff, Chairman, NSEDC  
 Senator Al Adams; Representative Irene Nicholia; file *DAN LONG*



# KAWERAK, INC.

P.O. BOX 948 • NOME, ALASKA 99762

TELEPHONE: (907) 443-5231 • FAX: (907) 443-3708

SERVING THE  
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- MARYS IGLOO
- NOME
- SAVOONGA
- SHAKTOOLIK
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

February 13, 1996

The Honorable Tony Knowles, Governor  
State of Alaska  
PO Box 110001  
Juneau, AK 99811-0001

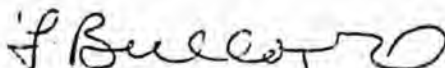
Dear Governor Knowles,

I am writing to urge your support for SB 255, introduced by Senator Al Adams, and the companion HB 504, introduced by Representative Irene Nicholia. These bills will allow the Alaska Seafood Marketing Institute (ASMI) to promote Alaska seafood on a regional basis.

Production costs and transportation for salmon harvested in rural, Western Alaska areas are higher, and often times, the Western Alaska product cannot compete with the less costly salmon being produced in areas such as Bristol Bay, Cook Inlet, Prince William Sound, or Southeast Alaska. However, the quality of the Western Alaska product is much higher than salmon from other areas of the State, and we need to identify and pursue niche markets for Western Alaska fish. Currently, ASMI cannot promote anything other than generic "Alaska Salmon".

Improving the markets for Western Alaska salmon will provide a much-needed boost to the sagging markets for these fish, and possibly a shot in the arm for the economy in rural areas of Alaska.

Respectfully,  
KAWERAK INCORPORATED

  
Loretta Bullard,  
President

cc:  
Senator Al Adams  
Representative Irene Nicholia

Mathew J. Waskey Sr.  
PO Box 32355  
Mountain Village, Alaska 99632  
V: 907-591-2340 F: 907-591-2369

*make  
Reply Re: SBCs.*

Kristin Schultz, Communications Director  
Alaska Seafood Marketing Institute  
111 West 8th Avenue, Suite 100  
Juneau, Alaska 99801  
V: 1-800-478-2903  
F: 907-465-5502

Dear Ms Schultz:

I am certainly impressed with the institute's effort to identify value added products and markets for Alaska's seafood *Alaska Seafood Vol. II Issue 1, Jan. '96*. However, I have to ask how does the Institute propose to deal with the current situation of the Alaska seafood industry with salmon in cold storage, processors going bankrupt, and plants closing or downsizing. The fishers on the Kuskokwim may not have a market for their fish if something isn't done soon. Interest in our King salmon on the lower Yukon is declining and our chum salmon is virtually worthless. The two major western Alaska processors-Inlet Salmon and Whitney Foods-will not be operating this season which leaves only two buyers on the Lower Yukon and no buyer on the Kuskokwim. These buyers have already sent out signals that they will be paying less and buying less.

Anvik, a community on the upper Yukon, is trying to acquire grant funds to construct a salmon roe processing plant. Anvik hopes to establish a value added product and market for chum salmon. The future of this project is unclear since DCRA may not give priority to economic development proposals.

My community of Mt. Village is actively searching for funding to explore value added products and markets for our King and chum salmon. Mt. Village has a history of fishing and fish processing. We have an old fish processing plant that could be rehabilitated or recycled in some manner that could be productive economically for the future. My point here is that both these communities (and I believe other communities as well) want to help themselves. We are not looking for corporate welfare. We do need advise, marketing expertise, and start-up aid to make a realistic attempt for economic development. We and small communities like us are alone in this search and struggle to escape poverty.

I have heard a lot of talk about value add processing and value added products over the past years. However, I haven't seen a real effort to get a value added product from our area to the market on a large scale. I feel the state and its various agencies give double messages. Budget cuts, welfare reforms, state income taxes are ideas that swirl around with the unsaid suggestion that some communities or peoples are financial drags. At the same time agencies with smaller and smaller grant monies solicit applications

that are denied or delayed. ASMI should be leading the support for communities that want to develop fish products and markets using the state system of grant funding. Instead we see lots of newsprint about new CEO's and fabulous contracts to Outside public relations firms while grant proposals like Anvik's are abandoned without support during the state agency review process.

Time is important. We have only a few weeks to make orders in time to meet barge and transportation schedules. Otherwise, we are faced with enormous shipping costs. How can you think of establishing markets when you haven't figured out how to produce what you will market? Your fancy *Alaska Seafood* newsletter is meaningless if the fish cannot be delivered. I have to wonder if you feel comfortable because you are basically only interested in marketing the Southeast product? The rest of the State and western Alaska is part of this state's fishing industry. How can we supply European or domestic markets with value added products without the infrastructure to produce these products? How do you propose we build the value added processing infra-structure in the few months we have left before this summer's fishing starts?

Western Alaska and other communities like the Upper Cook Inlet are completely ignored. If ASMI feels they are only able to service Southeast Alaska fishers and politicians and wealthy Outside Bristol Bay drifters, the newsletter should be retitled *Southeast Alaska Seafood*. The rest of us could stop paying the ASMI taxes. ASMI must be responsive to all fishers and their attempts to become economically competitive.

Sincerely,

//

Matthew J. Waskey, Sr.

cc.	Tony Knowles, Governor	fax: 907-465-3552
	Mike Irwin, Commissioner DCRA	fax: 907-465-2948
	Richard Foster, Rep.	fax: 907-465-3242
	Ivan Ivan, Rep.	fax: 907-465-4589
	Irene Nicholia, Rep.	fax: 907-465-2197
	Lyman Hoffman, Senator	fax: 907-465-4523
	Al Adams, Senator	fax: 907-456-4821
	Georgianna Lincoln, Senator	fax: 907-465-2652
	Laurie Thompson, Director, ESFO	fax: 540-371-3505
	Ken Chase, President, Bonasila Inc.	fax: 907-663-6355
	Robert Beans	fax: 907-591-2631



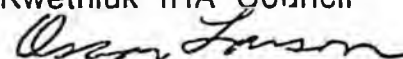
ORGANIZED VILLAGE OF KWETHLUK  
KWETHLUK IRA COUNCIL  
P.O. BOX 129  
KWETHLUK, ALASKA 99621-0129  
PHONE NO. (907) 757-6714  
FAX NO. (907) 757-6328

The Honorable Tony Knowles  
Governor of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Knowles,

The Kwethluk Joint Group is asking you to support Senate Bill 255 and its companion bill introduced in the House. The Kwethluk Joint Group Supports these bills because:

- \* the salmon market is so flooded with cheap salmon that we need to be able to market our fish separately;
- \* this bill will allow AYK fishermen and others develop markets that will purchase our AYK salmon due to its unique qualities;
- \* ASMI can currently only market fish on a generic basis. AYK fish are always going to cost more due to our remote location therefore we need to develop markets that will buy our fish even though it cost more.
- \* our prices are low and we need to change the way we market our fish.

Sincerely,  
Moses Nicolai, President  
Organized Village of Kwethluk  
Kwethluk IRA Council  
  
Oscar Larson, Natural Resources Specialist

c.c. Senator Al Adams  
Representative Irene Nicholia

*mark*

# Kwethluk Incorporated

P.O. Box 109 Kwethluk, AK 99621

Phone: (907) 757-6613

Fax: (907) 757-6212

February 29, 1996

Honorable Senator Al Adams  
State Capitol, RM 417  
Juneau, AK 99801

Via fax: (907) 465-4821

Re: S.B. No. 255 and H.B. No. 504

*Ching-ching bob*  
Dear Honorable Adams, Senator:

The Kwethluk Joint Group readily supports both your proposed S.B. No. 255 and Irene's proposed H.B. No. 504 as indicated in the enclosed Resolution #96-02-03 sent to Governor Knowles,

Your efforts to help our rural area commercial fishermen through the Alaska Seafood Marketing Institute is most appreciated.

Regards,

Kwethluk, Incorporated

*Phillip Guy*

Phillip Guy  
Land Planner

PG:oe

Enc. 1

cc: Honorable Senator Lyman Hoffman - Juneau

Honorable Representatives Irene Nicholai and Ivan M. Ivan - Juneau  
file

**Kwethluk Joint Group**  
**Kwethluk Indian Reorganization Act Council**  
**Kwethluk City Council**  
**Kwethluk, Inc. Board of Directors**  
**Phone: (907) 757-6714**  
**Fax: (907) 757-6328**

Resolution # 96-02-25

A Joint Resolution In Support of Alaska Senate Bill No. 255 and its  
Companion Alaska House Bill No. 504.

WHEREAS, the Kwethluk Joint Group has become aware that the above legislative bills have been introduced in the Alaska State Legislature with respect to amending current statutes governing the Alaska Seafood Marketing Institute (ASMI), and

WHEREAS, the known existing disparities in the costs of fishing, production, transportation demand that niche marketing efforts in certain areas is explored and, as appropriate, be undertaken, and

WHEREAS, the Arctic - Yukon - Kuskokwim (AYK) fishermen are in need of different ways to market their fish separately for the reason that the salmon market is overloaded with cheap salmon, and

WHEREAS, it is Kwethluk Joint Group's understanding that the ASMI presently is able to market fish on a generic basis even as when the remote AYK fish continues to cost more thus making it more urgent to develop markets that will buy AYK fish even at higher costs, and

WHEREAS, the AYK fish prices has been historically low, again, making even more urgent to find different ways to market our fish, and

NOW, THEREFORE , BE IT RESOLVED: that the Honorable Tony Knowles, Governor of Alaska is respectfully requested to support passage of S.B.255 and H.B.504, and

BE IT FURTHER RESOLVED: that the copies of the Joint Resolution is send to:  
Honorable Senators Al Adams and Lyman Hoffman and to  
Honorable Representatives Irene Nicholai and Ivan M. Ivan  
Myron Naneng, President, Association of Village Council Presidents -  
Bethel  
Julie Kitka, President, Alaska Federation of Natives - Anchorage

Dan Albrecht, Yukon River Drainage Fisheries Association - Anchorage  
Norman Cohen, Coastal Village Fishing Cooperative - Juneau

Passed and Adopted this 26<sup>th</sup> Day of February, 1998.

Miss Nicolai President  
Kwethluk IRA Council

John J. Owen Mayor  
Kwethluk City Council

John J. Owen Chairman  
Kwethluk, Inc.

Attest: [Signature]  
Administrator / Secretary

Attest: [Signature]  
Administrator / Clerk

Attest: Miss Nicolai  
Secretary / Treasurer



## FISH MARKETING CO - OP, INC.

**SEATTLE**  
 1 Market Place, Suite 400  
 2002 Washington Avenue  
 Seattle, Washington 98121  
 Ph. (206) 441-7954  
 FAX (206) 441-7981

**ANCHORAGE**  
 404 E. Flowered Lane Ste. 203  
 Anchorage, Alaska 99503  
 Tel (907) 774-8282  
 FAX (907) 274-8283

**EMMONAK FISH**  
 P.O. Box 128  
 EMMONAK, ALASKA 99541  
 Ph. (907) 848-1512  
 FAX (907) 848-1214

February 12, 1996

The Honorable Tony Knowles  
 Governor of Alaska  
 P.O. Box 110001  
 Juneau, AK 99811-0001  
 Tel: 1-907-465-3500  
 Fax: 1-907-465-3532

Re: Senate Bill 255

Dear Governor Knowles:

Yukon Delta Fish Marketing Co-op, Inc., (YDFMC) enthusiastically support the Senate Bill 255 sponsored by Senator Al Adams and the companion House Bill introduced by Representative Irene Nicholia.

YDFMC is a 100% Native owned fish processing cooperative located in Emonak, Alaska. The cooperative is over 28 years old. This is the only functional, operating cooperative run by the Natives. We play a vital economic role in the lower Yukon region.

Our wild salmon product in the Yukon is a unique species and cannot be equated to the hatchery fish in South Central and South East Alaska. The salmon market is so flooded with cheap hatchery salmon, that we need to be able to market our fish separately.

Similar situation were for the Copper River Red. Working for Chugach Fisheries in 1986 and 1987, I helped promote the fresh and frozen Copper River Sockeye in Japan. They are now the bench mark salmon in Tsukiji market in Tokyo. Regional brand identity is important.

The SB 255 will allow our Yukon fishermen and others to develop markets that will purchase our Yukon Salmon due to its unique qualities. ASMI can currently only market fish on a generic basis. Our fish always cost more due to our remote location and labor intensive processing. Therefore, we need to develop markets that will buy our "Yukon Grade" Salmon, even though it costs more.

Very truly yours,

Pio T. Park  
 Executive Director

cc: Senator Al Adams  
 Representative Irene Nicholia  
 Edward Andrews, President of the Board of Directors



SPFA

1577 "C" Street, Suite 304, Anchorage, Alaska 99501 • (907) 274-5400 • FAX (907) 263-9971  
February 12, 1996

The Honorable Tony Knowles  
Governor of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Knowles,

The Alaska Village Initiatives supports Senate Bill 255 and its companion bills in the House. The bills introduced by Senator Al Adams and Representative Irene Nicholia will allow the Alaska Seafood Marketing Institute to promote Alaska seafood on a regional basis, rather than on a generic and statewide basis.

As the 1996 salmon season approaches Alaska fishermen are well aware of the worldwide surplus of salmon, and how it will affect their grounds price this year. Most concerned are the Arctic, Yukon and Kuskokwim salmon fishermen who received record low prices for their catch in 1995, and in some cases had no markets for their salmon.

The AYK fishermen's marketing problem will continue as long as there is an over abundance of salmon being produced by world fish farmers and our own fish hatcheries. If this trend continues, perhaps the only way that the AYK fishermen will be able to compete with other salmon producers will be through niche marketing, and by regional promotions from ASMI.

The Alaska Village Initiatives has extensive experience, and has invested a lot of time and money in the AYK region through its salmon marketing efforts, and through its Western Alaska Fisheries Boat Loan Program. We know that the AYK region has the highest cost of living, and that their fishermen have the highest transportation, production and fuel costs in our state. It is for this reason we support Senate Bill 255 and its companion bills in the House.

Sincerely,

ALASKA VILLAGE INITIATIVES  
  
Perry R. Eaton  
President & CEO

cc: Senator Al Adams  
Representative Irene Nicholia