

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10388 HOUSE RESOURCES

233

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 299(CRA)
 (H) Publish Date: 3/27/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Alaska Place Names BRU Parks & Recreation Mgt.
 Component State Historic Preservation
 Sponsor Representative Dyson
 Requester HCRA Component No. 451

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Bill Lawrence staff Phone _____
 Division: House Community and Regional Affairs Committee Date/Time 3/26/02 6:01 PM
 Approved by: Representative Carl Morgan Date 3/26/02
 Agency: Co-chair, House Community and Regional Affairs



Alaska State Legislature

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REPRESENTATIVE FRED DYSON

HB 299/ HJR 32 Sponsor Statement

Relating to Alaskan Names for Alaska Places

Updated: March 26, 2002

Contact: Representative Dyson's office at (907) 465-2199

The names of Alaska's geographical features come from a variety of sources, many of which have no connection or relevance to Alaska or its peoples.

HB 299 will allow the State Place Names Commission to begin to substitute relevant Alaskan names that are local Alaskan Native names, honor a local citizen, honor a famous Alaskan, uniquely describe an identifying feature, or describe a local event.

A companion resolution, HJR 32, encourages the US Geological Bureau to follow the lead of the State Agency in renaming the features on Federal maps and documents.

"Many of Alaska's geographical names were given by European explorers to honor a benefactor or curry favor with some powerful politician or ruler. Some of these people never saw Alaska or made any contribution to it. Most of the European explorers had no concept of recognizing the contributions and names used by Alaska's Native people who had been here for at least 10,000 years. Some of the American, Asian, Canadian, and European settlers who later came to Alaska made profound contributions to Alaska. It is far more fitting that our geographical place names should honor its people instead of the Alma Mater of some rich tourist on a quasi-scientific expedition. HB 299 encourages the Alaska Naming Commission to do the research and suggest more appropriate ALASKAN names.

Alaskans tend to give rivers, bays, glaciers, mountains and lakes far more descriptive names than did the Europeans. "Purgatory Creek" and "Murder Lake", are descriptive of conditions and events. "Looks like a Neck" is far more apropos than "Bainbridge Passage". "Place of the Last Great Battle" is much more colorful than "Green Lake".

Under the Alaska Native Lands Claim Act, Section H, a group under the US Department of the Interior, has done extensive work researching Native place names. The Native Language School at the University of Alaska in Fairbanks also has a large amount of similar information.

HB 299 will begin a public process that will hopefully result in more appropriate Alaska place names and the honoring of the native and non-native people who actually lived here or made a contribution to Alaska. We have too long a history of people from somewhere else coming here and taking our furs, gold, timber, fish, and oil and going back south. At least, with this legislation, we have a chance to take back some of our geographical names.

- E-mail -
Representative_Fred_Dyson
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FAX COVER SHEET



Alaska Department of
**NATURAL
RESOURCES**

DELIVER TO: Resources Committee

Co-Chair Beverly Masek
Co-Chair Drew Scalny

LOCATION: _____

FAX#: 465-4822 PHONE#: 465-2679

FROM: Judy Buttner

LOCATION: ANCHORAGE- ATWOOD BUILDING
OFFICE OF HISTORY AND ARCHAEOLOGY

FAX#: (907)269-8908 PHONE#: 269-8715

DATE: 4-17-02 TOTAL #/PAGES 4
(including cover)

COMMENTS: Related to HB299 -
1pm Resources Committee meeting

Alaska Historical Commission
Office of History & Archaeology
Alaska Division of Parks & Outdoor Recreation
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ALASKA HISTORICAL COMMISSION GUIDELINES FOR GEOGRAPHIC NAME PROPOSALS

Local usage

Local usage is the single, best reason to name a geographic feature. Local usage refers to a feature name that has evolved over a period of years, is called that name by the community or area as a whole, and is supported by local petitions, diaries, oral histories, and documents or other publications. A feature named by the applicant is not considered local usage, even when the applicant has called the feature by that name for a number of years.

The Alaska Historical Commission will consider if:

- the proposal includes published evidence of verbal or written usage, petitions signed by local residents, and resolutions or letters of support from government entities and community groups

Descriptive names (includes features named by applicant)

The Alaska Historical Commission will consider if:

- the name is relevant and descriptive of the feature
- the name is not in use elsewhere in the region
- the name is in good taste and not frivolous

Commemorative names (please read the following page)

The Alaska Historical Commission will consider if:

- the individual has been deceased for five (5) years and evidence of this is provided
- the individual made a significant contribution to Alaska
- the individual had a direct, long term association with the feature
- evidence of local support by authorities and residents is provided

Historical names

The Alaska Historical Commission will consider if:

- the authenticity of the name can be established
- the name is clearly associated with the area

Native American names

The Alaska Historical Commission will consider if:

- the name is in common local use and that use is documented
- the name is pronounceable without considerable difficulty
- the name is linguistically appropriate to the area in which it is to be applied
- the land owner, if on Native land, supports the proposed name in writing

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Name changes

The Alaska Historical Commission will consider if:

- the current official name is derogatory to any racial, ethnic, gender, or religious group
- the current official name is duplicative and causing confusion
- evidence of extensive local support by authorities and residents is provided

Other

The Alaska Historical Commission will consider if:

- there is an overriding need to name a feature within a wilderness area (for purposes of safety, education, or area administration), and the land manager has been consulted and given the opportunity to comment on the proposed name
- an existing name is applied to a related feature, *i.e.* the name of a mountain is applied to an unnamed glacier that is part of it
- a spelling that includes diacritical marks includes substantial evidence of active local use, such as official records, maps, and signs, in the area where the feature is located

All proposals must be accompanied by relevant U.S. Geological Survey 1:63,360 or 1:25,000 scale topographical maps. The feature to be named must be marked on the map. The applicant must clearly express reasons why the feature needs to be named. Photographs and other identifying aids are useful, but not required. Evidence of local support, in the form of letters, petitions, and newspaper articles and letters to the editor, showing public awareness and endorsement of the proposed name is encouraged.

COMMEMORATIVE NAMES

A commemorative name of a geographic feature is to honor and recognize an individual who has made an outstanding or noteworthy contribution to an area or the state, or is a national or international figure. A commemorative place name is not intended to memorialize a family member or friend.

Proposals containing a given name (first or last) or nickname of an individual are considered commemorative. The full name of a person as part of a geographic name normally is not approved unless surname use alone would be ambiguous.

The person must have been deceased *for at least five (5) years* before the Alaska Historical Commission will consider the proposal. An obituary and biography of the individual must be part of the proposal.

The person should have a *direct association* with the feature, or have made a *significant contribution* to the area in which it is located.

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Direct association. The individual should have been physically present at, or in the vicinity of, the feature for several years; or engaged in some activity that affected the feature; or spent a great deal of time at or in the vicinity of the feature. A person's death on or at a feature, such as a mountaineering accident or plane crash, or the mere ownership of land or the feature, does not normally meet this criterion. Similarly, recreational use of or visits to a feature does not normally meet this criterion.

Significant contribution. The contribution that the individual has made must be notable, of consequence, and have had a noticeable impact on the community, region or state. A significant contribution is an extraordinary effort, achievement, or impact. It may come from the individual's work, professional or civic activities, and can be in the social, political, economic, scientific, or cultural areas. The significant contribution should have benefitted Alaskans beyond the individual's immediate circle of family and friends. Generally, these individuals will have been recognized through a letter of thanks from the Governor, certificates of appreciation from an agency or group, awards, newspaper articles featuring the contribution made, dedication of local man-made features (park, street, garden, building), inclusion in *Who's Who*, etc. The individual might be a historical figure.

Features can be named for persons who made a significant contribution nationally or internationally, especially if the individual made advancements in the area of global peace or cooperation, made the nation or planet a better place to live, or made an exceptional and unique contribution to the nation or planet in the social, political, economic, scientific, or cultural areas. In such instances, the requirement of direct association does not need to be met.

Commemorative name proposals must include evidence of local support by authorities and residents attesting to the individual's association with the feature and significant contribution.

[1/23/98]

HB

302

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 302
 (H) Publish Date: 4/8/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Alaska Gas Corporation BRU: Administration and Support
 Component: Commissioner's Office
 Sponsor: Representative Whitaker
 Requester: House Oil and Gas Committee Component No. 123

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation directs the Joint Committee on Natural Gas Pipelines to submit a project plan by January 2003 on "whether the construction and operation of a natural gas transmission pipeline project ... by a public corporation is feasible." The plan would include findings, recommendations and conclusions from engineering and consulting firms on a detailed list of gas supply, financial, regulatory, market, local-hire and local-buy matters. If the project is judged feasible, the legislation directs that a new entity within Revenue, the Alaska Gas Corporation, would be responsible for one or more of the following: design, construction, operation and maintenance of the pipeline.

Because a legislative committee would pay for and manage the feasibility study, that portion of this legislation would not effect the department's operating budget.

And because the feasibility of the project, and the state's possible role in construction and/or operation of the project, would be determined by the feasibility study, it is premature at this time for the department to estimate any budgetary needs for the new public corporation.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division: Department of Revenue Date/Time 4/1/02 7:20 PM
 Approved by: Wilson Condon, Commissioner Date 4/1/2002
 Agency: Department of Revenue

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Alaska State Legislature

Representative Jim Whitaker
House of Representatives
District 31



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Sponsor Statement House Bill 302 – Alaska Gas Corporation

Article VIII, Section 2 of the Constitution of the State of Alaska specifies that, "the legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people." For many years, the State of Alaska has relied heavily on the production of oil to foster its livelihood, provide opportunities for its people, and generate revenues to ensure continued prosperity. We have all seen and enjoyed the positive effects of oil development. However, oil price fluctuations and reduced competition resulting in reduced production have adversely affected the State's ability to provide a secure economic future. As we face an enormous budget deficit, we must look beyond our reliance on oil production, budget cutting, and taxation as the only means of ensuring a long-term fiscal solution. It is incumbent upon the leaders of this state to recognize that further resource development is critical in order to secure an additional and substantial revenue stream to the State of Alaska. Conservatively, 100 trillion cubic feet of natural gas is stranded on the North Slope, and the failure to recognize this vital resource as a valuable commodity is in direct conflict with the provisions of the Constitution of the State of Alaska.

In order to facilitate the extraction and sale of natural gas, House Bill 302 establishes the Alaska Gas Corporation. The prime responsibility of the corporation is to provide for a basic commodity transportation system: a natural gas pipeline system; open to all potential competitors, and open to all realistic market access opportunities.

Overcoming a number of impediments is essential in order for a project of this nature to become a reality. We have extensively studied the economics, market viability, financial needs, and regulatory obstacles associated with the construction and operation of this project. However, in order to truly understand the economic viability of the Alaska Gas Corporation, we must turn to professionals in the engineering, financial and market sectors in order to establish absolute economic feasibility, and an associated project plan.

House Bill 302 requires a natural gas pipeline feasibility study and plan be completed and presented to the twenty-third Alaska State Legislature and the Governor. This report shall contain specific information pertaining to technical, financial, regulatory and market access matters relating to the project. The passage of HB 302 is of paramount importance in order to move forward and develop our natural resources in the maximum best interest of the citizens of the State of Alaska.

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 2, 2002

SUBJECT: House Bill 302 -- sectional analysis
(Work Order No. 22-LS1205\C)

TO: Representative Jim Whitaker

FROM: Jack Chenoweth
Assistant Revisor of Statutes

The principal purpose of this measure is to establish the Alaska Gas Corporation as a public corporation and to define the structure, management, responsibilities, and operation of the corporation. The chief mission of the Alaska Gas Corporation is to facilitate the commercial development of the state's North Slope natural gas reserves.

Bill section 1, an uncodified provision, sets out the findings and intent that have influenced development of the legislation.

Bill section 2: These provisions set out in a new chapter of title 41 of the Alaska Statutes (AS 41.41) the corporate structure, powers, and responsibilities of the Alaska Gas Corporation. The chapter is arranged by articles.

Article 1.

The sections identified as AS 41.41.010 - 41.41.130 are set out to define the organization of the corporation:

AS 41.41.010 establishes the corporation, enumerates its purposes, and affirms that it is intended to be a public corporation of the state.

AS 41.41.020 creates the corporation's board of directors, a board composed of six public members. The general qualifications of persons to serve as members are stated, and the corporation's obligation to establish its organization is set out.

AS 41.41.030 sets overlapping four-year terms for the members and authorizes reappointment.

AS 41.41.040 circumscribes the governor's authority to remove members and sets out procedures to be followed relating to removal and filling of the vacancy created.

Sectional

AS 41.41.050 defines quorum and voting requirements.

AS 41.41.060 prescribes compensation for members and authorizes payment of per diem and travel expenses comparable to those provided to state employees for members.

AS 41.41.070 authorizes the board to employ an executive director who, in turn, is assigned responsibility for selection and employment of additional staff "with the approval of the board." The concluding subsection authorizes the corporation to contract for specialized services.

AS 41.41.080: Provisions of law requiring disclosure of financial and business interests (AS 39.50) are made applicable to members of the board. In addition, provision is made for specific disclosure of information concerning a board member's or employee's involvement in an entity or project "in which assets of the corporation are invested."

AS 41.41.090 sets out the budgetary and financial relationship between the corporation and the state's budget and fiscal procedure acts.

AS 41.41.100 authorizes the Legislative Budget and Audit Committee to undertake post audit and performance evaluation of corporate obligations.

AS 41.41.110 prescribes publication of an annual report of the corporation and the contents of the report.

AS 41.41.120 bars the corporation from using its resources to finance or influence political activities.

AS 41.41.130 defines information in the corporation's possession that is or is not to be treated as a public record under AS 40.25.110 - 40.25.140 and sets limits on the use or disclosure of confidential, non-disclosable information.

Article 2.

The one section in this article, AS 41.41.200, enumerates general powers of the corporation.

Article 3.

The sections identified in AS 41.41.300 - 41.41.410 generally bear upon the corporation's issuance of securities (bonds and notes and other evidence of debt). Much of the material

is technical boilerplate and is included so that, as a public corporation, under article IX, section 11 of the state constitution, the corporation enjoys full authority to contract debt based on its ability to repay out of its anticipated future revenues:

AS 41.41.300: This section authorizes issuance of revenue bonds and related evidence of debt, using provisions not unlike those included in chapters establishing other public corporations of the state to facilitate the use of debt obligations.

AS 41.41.310 prescribes permissible covenants that the corporation's board may make in conjunction with issuance of revenue bond debt.

AS 41.41.320 makes the level of the corporation's authorized debt subject to legislative authorization.

AS 41.41.330 permits the board to contract for the services of an independent financial advisor in conjunction with private sale of debt instruments.

AS 41.41.340 describes the nature of the corporation's pledge of its assets or revenues to payment of principal and interest on corporation-issued debt.

AS 41.41.350 details use of "capital reserve funds" to meet repayment obligations in conjunction with the corporation's indebtedness.

AS 41.41.360 addresses remedies available to holders of debt obligations and their representatives to enforce the timely payment of an obligation or a related obligation.

AS 41.41.370 makes the corporation's obligations negotiable instruments.

AS 41.41.380 explicitly makes the corporation's obligations permissible investments for public officers and for others handling surplus funds as identified in the section's text.

AS 41.41.390 authorizes use of refunding bonds as a device to adjust the corporation's bond obligations to obtain the benefit of more advantageous terms and conditions.

AS 41.41.400 affirms that, because the corporation's obligations are revenue-based debt instruments, the credit of the state is not pledged. Liability on the debt instrument is limited to the assets and revenues of the corporation.

AS 41.41.410 releases the corporation's officers from personal liability with reference to action taken by the corporation with respect to a debt obligation.

Article 4.

The one section in this article, AS 41.41.450, authorizes the Alaska Gas Corporation to acquire and hold property and interests in property "necessary or convenient for the financing of the [Trans Alaska Gas Pipeline] project."

Article 5.

The article contains general provisions:

AS 41.41.900 reaffirms the blanket immunity from taxation that the Alaska Gas Corporation enjoys and provides a general tax exemption provision: the corporation and its operations and earnings are exempt from taxes and assessments in the state; bonds and security instruments are exempted from taxes and assessments made by the state.

AS 41.41.990 sets out a series of definitions for terms used in the chapter.

Bill section 3 amends AS 39.25 to add employees of the Alaska Gas Corporation as members in the exempt service under the State Personnel Act.

Bill section 4 amends AS 39.50.200 to add the Alaska Gas Corporation's board of directors and executive director as persons who are subject to the state's general conflict of interest law (AS 39.50).

Bill section 5: This uncodified provision directs the preparation and delivery of a "project plan" or feasibility study for planning, design, construction, and operation of a gas transmission pipeline. The specific points that are to be covered or addressed in the feasibility study and a time line for its presentation are set out.

Bill section 6 prescribes initial terms of office for the initially appointed members of the corporation's board of directors in order to establish overlapping terms of office.

Walter J. Hickel

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Distributed By
Representative Scott Ogan
District 27

March 23, 2001

The Honorable Scott Ogan
Alaska State House of Representatives
State Capitol (MS 3100)
Juneau, AK 99801-1182

FAX 907-465-3265

Dear Representative Ogan,

While I had hoped to visit you and the House Special Committee on Oil and Gas before the end of March, I'm not able to do so because I'm traveling to Moscow for a meeting of Northern Forum leaders. Nevertheless, I want to compliment you and the Committee on its efforts to understand where Alaska stands in world markets for natural gas.

Any successful gas project requires willing buyers, willing sellers, willing transporters, and financing. My work in this area has been to try to bring those elements together, and I hope your committee can do the same.

If I were there, I would make three points.

First, Alaska has to look out for its own interests. In the late 1970s, an overland project failed – but not before Alaska's efforts helped Canadian reserves get to market. If overland was the best way to go, we would have an oil pipeline to Bellingham today. We don't. Tidewater gives us the most options, and while we can pursue an overland route, we can't allow the tidewater option to be ignored by the state or the producers. We must aggressively pursue Asian markets, and that means ensuring that a gas supply is independently offered for sale. So far, that has not been done. Instead, we're telling the Asian market we're not ready to sell.

Second, I've attached an excerpt from a talk the late Senator Bob Bartlett gave to Alaska's Constitutional Convention. He warned about companies with assets Outside Alaska warehousing assets they acquire in Alaska. Of course, no oil company would admit that they are warehousing gas, or keeping it out of the market because it has other supplies available. But a state owner of such a large resource has to protect itself, because it could happen. It is clear to me we haven't protected ourselves.

What do we do? We must be tough. Our options range from a reserve tax to taking back the resource for non-performance. Neither of these options would

HICKEL

be necessary if a sufficient gas supply to serve the LNG route were committed to an independent marketing effort.

Third, we must learn our lessons from the oil line: Unless structured correctly, a pipeline owned by producers is likely to result in tariff, royalty, and tax disputes because of a conflict in incentives between profits from transportation and profits from wellhead production. Since TAPS began, the state has had to collect close to \$10 billion in dispute because of the way the Trans-Alaska Pipeline was structured. Two options could help head off similar disputes on gas. First may be requiring an independent transportation company to carry the gas. Second may be having the state take an ownership interest in the pipeline at least equal to its royalty interest in the gas. Ken Thompson's trading hub idea also has merit in heading off this kind of conflict.

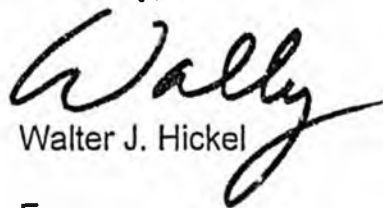
At least two transport companies have invested millions of dollars designing and permitting systems to deliver North Slope gas. The state is doing nothing I'm aware of to help bring these investors together with the producers.

I look forward to further discussion with you on my return. I'm doing what I can, as an individual, to urge producers, transporters, buyers, and financiers to get together. The state must help to do the same.

If this letter is presented to your Committee in my absence, Mead Treadwell – who works with me – can attempt to answer any questions you have.

With best regards.

Sincerely,



Walter J. Hickel

Enc.

Excerpt from

MEETING THE CHALLENGE

By

Delegate E. L. Bartlett

Alaska Constitutional Convention

University of Alaska

November 8, 1955

...
The various bills for statehood enabling legislation which have been introduced in the Congress in recent years have uniformly called for large grants of land from the United States public domain to be made to the State of Alaska. The figure mentioned has been in excess of 100 million acres, an area roughly equal to the total land area of the State of California. The 100 million acre figure would appear to be approximately the figure which will finally be adopted.

The State of Alaska would choose almost all this acreage from the lands not included in present federal reservations and withdrawals, or which is otherwise unappropriated. The 100 million plus acres represent a veritable empire, a wealth of land and resources never before conferred on any state, saving only Texas which, upon its entry into the Union, was allowed to retain all its public lands. Alaska will receive also, in addition to the 100 million acre plus grant, an uncounted but tremendous acreage of submerged lands, land which under decisions of the Supreme Court of the United States have been held in trust for the future state. These submerged lands include lands under the beds of navigable rivers, lakes, and streams; the tidelands proper; and the submerged soils of the marginal sea out to the three-mile limit.

...
Two very real dangers are present. The first, and most obvious, danger is that of exploitation under the thin disguise of development. The taking of Alaska's mineral resources without leaving some reasonable return for the support of Alaska governmental services and the use of all the people of Alaska will mean a betrayal in the administration of the people's wealth. The second danger is that outside interests, determined to stifle any development in Alaska which might compete with their activities elsewhere, will attempt to acquire great areas of Alaska's public lands in order NOT to develop them until such time as, in their omnipotence and the pursuance of their own interests, they see fit. If large areas of Alaska's patrimony are turned over to such corporations the people of Alaska may be even more the losers than if the lands had been exploited.

HB

307

REPRESENTATIVE
HUGH "BUD" FATE

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Alaska State Legislature



House Of Representatives

SPONSOR STATEMENT

HB 307

OIL/GAS EXPLORATION INCENTIVE CREDIT

House Bill 307 will extend the exploration incentive credit for petroleum for an additional three (3) years. This will allow for further exploration into the possibility of natural gas and oil in the Tanana River Drainage Basin.

There is presently renewed interest in exploring for natural gas in the above described basin near Nenana. This simply extends its sunset provision from 2004 to 2007.

While in session:

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House District 33

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The development of natural gas resources in the Fairbanks, Alaska area could be assisted by two changes to Alaska law. The pertinent statutes and the changes to those statutes which would help to develop natural gas in central Alaska are as follows:

- 1) AS 41.09.010 provides for exploration incentive credits (EIC's) to be granted to parties who explore for natural gas within interior basins of Alaska. The EIC's created by this statute create an added incentive for interior Alaska exploration and could reduce the financial risk of exploration for an oil and gas company. This statute has a sunset provision of July 1, 2004. A three year extension of this statute would grant companies interested in central Alaskan exploration more time to qualify for the exploration incentive credits, which would make them more likely to take on the financial risks of drilling exploratory wells. 100,000
/ 100,000

 - 2) AS 38.05.180(f)(4) provides a reduced royalty for new discoveries of oil or natural gas in the Cook Inlet Region as a way of stimulating exploration activity that could increase the supply of natural gas to the Anchorage area. It reduces the royalty on a state lease on which a new discovery is made from 12.5% down to 5% for the first 10 years of production from that lease. This royalty reduction only applies within the Cook Inlet Sedimentary Basin. Amending this statute to grant equal dignity to the sedimentary basins of interior Alaska would act as a powerful incentive to companies interested in exploring for oil and natural gas in central Alaska.
- Lead...*

Via Facsimile (907) 488-4271
Number of Pages: 2
To: Ms. Sharon Clark
From: Jim Dodson

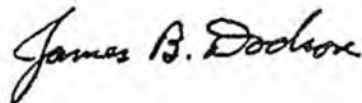
Dear Ms. Clark:

Pursuant to a conversation I had with Bob Evans, I am sending you the following page outlining the changes to Alaska law which my company, Andex Resources, L.L.C., believes would be incentives to natural gas exploration within central Alaska and the Fairbanks area. Andex is a privately funded natural gas and oil exploration company headquartered in Houston, with offices in Denver and Oklahoma City.

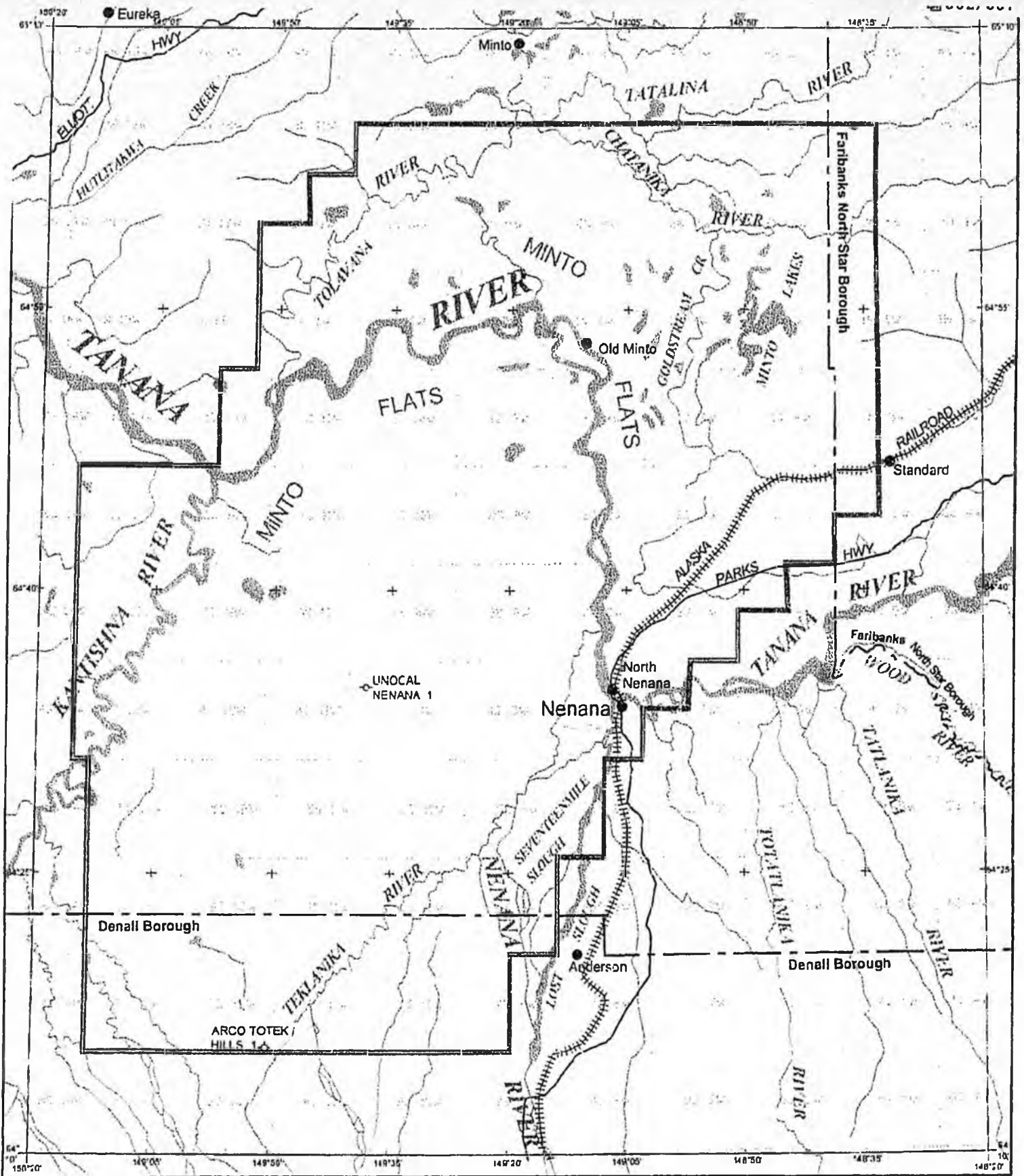
Our company has filed with the Alaska Department of Natural Resources for an oil and gas exploration license on approximately 500,000 acres of State lands in the Nenana Basin, west-southwest of the city of Fairbanks. We believe that the Nenana Basin has significant potential to provide a supply of natural gas to the city of Fairbanks and the surrounding area. The area is however, not a producing oil and gas province, and the financial risks associated with natural gas exploration in that basin are therefore very high. The proposals on the next page would reduce those financial risks of exploration and increase the rewards of success to act as incentives to exploratory drilling.

Thank you for your consideration of this matter. I can be reached at (303) 244-1020 and my address is: Andex Resources, L.L.C., 707 17th Street, Suite 3150, Denver, CO 80202.

Sincerely,

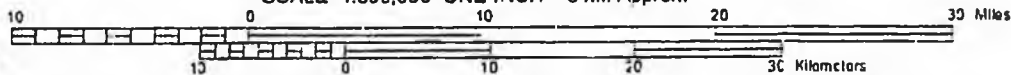


James B. Dodson
Executive Vice-President



Nenana Basin Study Area

SCALE 1:500,000 ONE INCH = 8 Mi. Approx.



Map created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas.
 Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 149° 20' 00", origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.
 This is not an official state map, but is for informational purposes only. DNR makes no claim as to its accuracy.

ADNR 4/01

MEMORANDUM:

Alaska State Legislature

REPRESENTATIVE

HUGH "BUD" FATE

Mailing Address:

119 N. Cushman, Suite 101

Fairbanks, AK 99701

(907)488-0862

Fax: 488-4271



While in session:

State Capitol

Juneau, Alaska

99801-1182

(907)465-4976

Fax: (907)465-3883

House Of Representatives

House District 33

To: Representative Masek, Representative Scalzi

From: Representative Fate

Concerning: House Bill 307

Date: January 24, 2002

I would like to request a hearing for House Bill 307, "An Act delaying to June 30, 2007, the last date by which hydrocarbon exploration geophysical work must be performed or drilling of a stratigraphic test well or exploratory well must be completed in order for a person to qualify for an exploration incentive credit." in the House Resources at your earliest possible convenience.

I have attached relevant information for the back up packet. Thank you for your assistance.

HB

308

REPRESENTATIVE
HUGH "BUD" FATE

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, AK 99701
(907)488-0862
Fax: 488-4271

Alaska State Legislature



House Of Representatives

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House District 33

SPONSOR STATEMENT

HB 308

OIL/GAS LEASES: DISCOVERY ROYALTY CREDIT

House Bill 308 will provide that a royalty discovery credit such as allowed for Cook Inlet oil and gas will be made available to the Tanana River Drainage Basin. This allows companies drilling for oil and gas in the area near Nenana to be on the same royalty footing with those companies producing in Cook Inlet.

Once again, interest in this basin is being dusted off and new information and technology raises the potential for oil and gas discovery in the Tanana River Drainage Basin. This will also be a huge boost the rural Alaskan economy and to the economy of the state as a whole if oil and gas are actually found in commercial quantities.

The development of natural gas resources in the Fairbanks, Alaska area could be assisted by two changes to Alaska law. The pertinent statutes and the changes to those statutes which would help to develop natural gas in central Alaska are as follows:

- 1) AS 41.09.010 provides for exploration incentive credits (EIC's) to be granted to parties who explore for natural gas within interior basins of Alaska. The EIC's created by this statute create an added incentive for interior Alaska exploration and could reduce the financial risk of exploration for an oil and gas company. This statute has a sunset provision of July 1, 2004. A three year extension of this statute would grant companies interested in central Alaskan exploration more time to qualify for the exploration incentive credits, which would make them more likely to take on the financial risks of drilling exploratory wells. *100,000 / plan*
 - 2) AS 38.05.180(f)(4) provides a reduced royalty for new discoveries of oil or natural gas in the Cook Inlet Region as a way of stimulating exploration activity that could increase the supply of natural gas to the Anchorage area. It reduces the royalty on a state lease on which a new discovery is made from 12.5% down to 5% for the first 10 years of production from that lease. This royalty reduction only applies within the Cook Inlet Sedimentary Basin. Amending this statute to grant equal dignity to the sedimentary basins of interior Alaska would act as a powerful incentive to companies interested in exploring for oil and natural gas in central Alaska.
- Leak, ...*

Via Facsimile (907) 488-4271
Number of Pages: 2
To: Ms. Sharon Clark
From: Jim Dodson

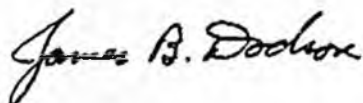
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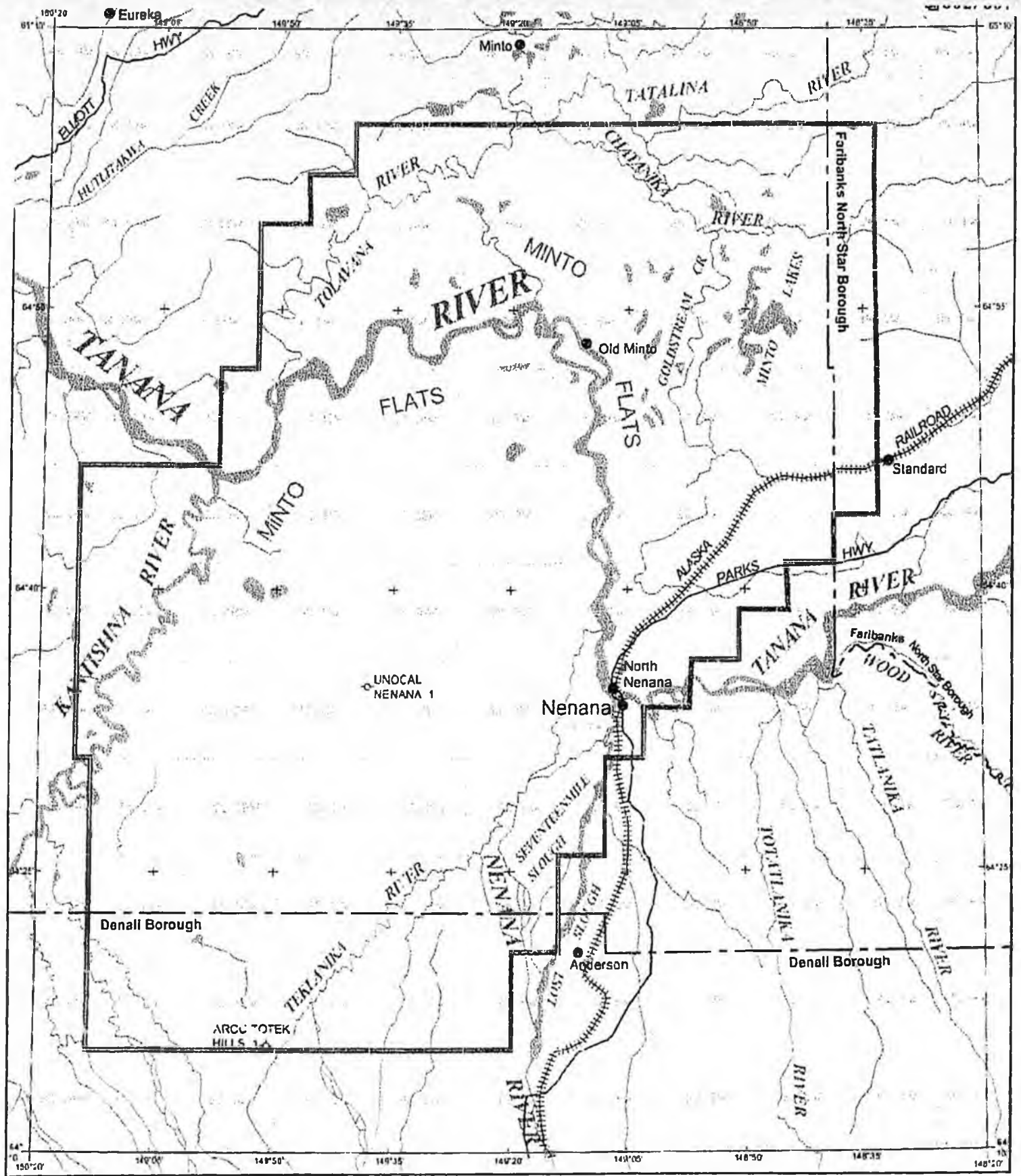
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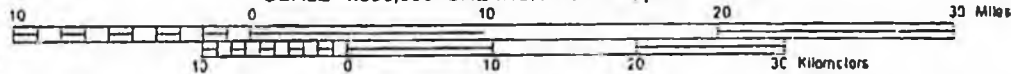


James B. Dodson
Executive Vice-President



Nenana Basin Study Area

SCALE 1:500,000 ONE INCH = 8 Mi. Approx.



Map created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas.
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House Of Representatives

House District 33

To: Representative Masek, Representative Scalzi

From: Representative Fate

Concerning: House Bill 308

Date: January 24, 2002

I would like to request a hearing for House Bill 308, "An Act extending to discoveries of oil or gas in the Tanana River drainage basin the discovery royalty credits that are authorized for lessees of state land drilling exploratory wells and making the first discovery of oil or gas in an oil or gas pool and for licensees under oil and gas exploration licenses making the first discovery of oil or gas in an oil or gas pool that convert those licenses to oil and gas leases." in the House Resources at your earliest possible convenience.

I have attached relevant information for the back up packet. Thank you for your assistance.

Similar Subject Match or Exact Subject Match

COASTAL MANAGEMENT

ENVIRONMENTAL CONCERNS

LAND

MUNICIPALITIES

WATER

ZONING

Bill Root: Display Bill Root



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

Return to Basis Main Menu (22 Legislature)

Return to Legislature Home Page

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 308 (RES)
 (S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
 Title "An Act relating to the Alaska coastal management program..." BRU Governmental Coordination
 Component Governmental Coordination
 Sponsor Senator Therriault
 Requester Senate Resources Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Patrick Galvin, Director Phone 465-3562
 Division Governmental Coordination Date/Time 3/5/02 4:01 PM
 Approved by: David Ramseur Date 3/5/2002
 Agency Office of the Governor

FISCAL NOTE

STATE OF ALASKA
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES () ()						
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 Division Governmental Coordination Date/Time 3/5/02 4:01 PM
 Approved by: David Ramseur Date 3/5/2002
 Agency Office of the Governor

ALASKA STATE LEGISLATURE

SENATOR
Gene Therriault
119 N. Cushman Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
FAX (907) 465-3884

Senate
Senate District Q

Senate Bill 308—Revised 3/20/2002

“An Act relating to the Alaska Coastal management program
and the responsibilities of the Coastal Policy Council.”

SPONSOR: Senator Gene Therriault

SPONSOR STATEMENT:

Alaska’s permitting system is broken. Industries from across the state have stepped forward to ask for clarity, consistency, and timeliness. Central to the confusion of this broken system is the Coastal Zone Management program (CZM) and its underlying consistency determination process. It is confusing and often misunderstood by the public and permit applicants alike. Senate Bill 308 takes steps to address some of the problems associated with CZM and keep Alaska and its resource-dependent economy moving forward.

Alaska chose to participate in the federal voluntary Coastal Zone Management program by creating the Alaska Coastal Management Program (ACMP) in 1977. The ACMP requires that all permits issued by state agencies for a project within the coastal zone be consistent with the respective plans developed by a coastal resource district. Since that time, there have been many state and federal laws such as the clean water act, clean air act, spill prevention laws, and wetlands legislation affecting coastal districts and further complicating the process by which permits are found to be consistent.

As local plans have been developed, the statutes and regulations of specific departments and agencies were incorporated by reference. The result has been that local officials sometimes interpret these requirements differently than the state officials who work with them on a regular basis. While these conflicts are resolved through the internal elevation process, it causes delays and frustrations among all involved.

Specifically, the bill does two things:

- Prohibits the adoption by reference of state statutes and regulations by coastal districts.
- Allows permitting agencies to make consistency determinations in separate phases for a North Slope natural gas pipeline project that parallels the Trans

Alaska Pipeline System and the Alaska Highway or a route that runs to Alaska tidewater.

While the original version and the previous committee substitute for SB 308 dealt with the petition process, a House bill (HB 439) has come over to the Senate that addresses the issue. However, the language adopted by the House may not accomplish what was intended and the title on that measure is too restrictive to allow changes. If, in order for the Senate to effectively deal with these concerns, changing the title of HB 439 proves problematic, the title of SB 308 needs to remain broad enough to deal with petitions at a later time. For that reason, the proposed CS retains a broad title.

For the foreseeable future, Alaska's economy will be dependent upon the development of our natural resources. As the policy-making body of state government, we must remove those aspects of our permitting system which cause unnecessary delay and expense without improving public input and accountability, particularly when it comes to those projects which are critical to our state's future prosperity and revenues.

Pocket
GUIDE
to the

*Alaska Coastal
Management
Program project
review process*



5 steps to project approval in Alaska's coastal zone



Pocket Guide

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*Working together for
the long-term economic and
environmental productivity
of Alaska's coast.*

Is this guide for you?

This guide is for you if you have little or no experience obtaining permits for projects in Alaska's coastal zone or you just want to learn more about the Alaska Coastal Management Program (ACMP). Here you will learn



Once you understand the permits your project will require, you can design a project that will address these requirements up front and avoid delays later during the permitting process.

How do I know if the ACMP applies to my project?

If your project meets the following two criteria, or if you are unsure, you should contact DGC. One of DGC's Project Review Coordinators will help you determine if your project requires an ACMP consistency review and guide you to the state agencies and coastal districts you may need to contact.

If your project is:

1. located in or will affect resources of the coastal zone; *and*
2. requires a state, federal, or local permit(s), your project may require an ACMP consistency review.

how to determine if your project is in the coastal zone, the 5 steps in the coastal consistency review process, answers to some commonly asked questions, and where to go for more information.

By answering the following questions, you should determine whether the Alaska Coastal Management Program applies to your project. If it does, feel assured that this booklet, the Division of Governmental Coordination (DGC), coastal districts, and state resource agencies will help you navigate your project through the ACMP consistency review process. You will find addresses, telephone numbers, and web site addresses for agencies you may need to contact at the end of this booklet.

If you are not sure about the location of your project in relation to Alaska's coastal zone or the permits required for your project, keep reading.

How do I know if my project is located in the coastal zone?

Alaska's coastal zone boundaries include more than 44,000 miles of coastline and can extend inland along river drainages as far as 250 miles. This variability can make it difficult to tell if your project is within the coastal zone. The map on pages 20-21 shows a representation of Alaska's coastal zone and coastal districts.

If your project is located within a coastal district, you should contact either DGC at (907) 465-3562 (Juneau) or 269-7470 (Anchorage), or the coastal district to determine whether your project is within its coastal zone. Coastal district contact information is located at the end of this booklet.

Please note that the ACMP also applies to projects in large areas of Prince William Sound and southeast Alaska that are in the coastal zone but not within a coastal district.

How do I know if my project will require state or federal permits?

If you are not sure what permits your project might require, fill out a Coastal Project Questionnaire (CPQ) (for your own information). Even if you don't require an ACMP consistency review, the questions in the CPQ will help you identify what permits might apply to your project and who to contact for more information. If you discover your project requires an ACMP consistency review, you will be well on your way to fulfilling the requirements in Step 1.

Keep reading to learn more about the ACMP consistency review process and how DGC, your local coastal district, and state resource agencies can be of assistance.

Questions & Answers

What is the Alaska Coastal Management Program?

In 1972 Congress passed the Coastal Zone Management Act (CZMA) to promote the orderly development and protection of the country's coastal resources. The CZMA resulted from concern spurred by the increasing demands for development of the nation's coastal areas, population increases near the coast, and declining productivity of the coastal environment. The CZMA established a voluntary partnership among the federal government, coastal states, and local governments to develop individual state programs for managing coastal resources.

The Alaska Coastal Management Program (ACMP) implements legislation passed by the State of Alaska in 1977. With this legislation, called the Alaska Coastal Management Act, Alaska joins the partnership envisioned by the CZMA.

The ACMP improves stewardship of Alaska's coastal land and water uses, and natural resources, by creating a network of local, state, federal, and applicant interests in the project approval process. The networking provided by the ACMP helps to ensure that all aspects of a project are considered during a single review and approval process. This integrated approach promotes both economic and environmental productivity of Alaska's rich and diverse coastal resources.

The ACMP requires that projects in Alaska's coastal zone be reviewed by coastal resource management professionals and found consistent with the statewide standards of the ACMP. These standards and the enforceable policies of an affected coastal district ensure that development interests observe the vision set out for the future by the state and coastal communities. It is called the consistency review process. A finding of consistency with the ACMP must be obtained before permits can be issued for the project.

Mission of the Alaska Coastal Management Program:

"The ACMP provides stewardship of Alaska's rich and diverse coastal resources to ensure a healthy and vibrant coast that sustains long-term economic and environmental productivity."

What criteria does the ACMP use to evaluate my project?

The ACMP applies to projects within or affecting Alaska's coastal zone. The statewide standards (6 AAC 80) and coastal district enforceable policies of the ACMP provide direction for coastal resources and uses, such as:

- coastal development (whether a project is water-dependent or water-related),
- habitats (such as wetlands, tundra, or streams),
- air, land, and water quality,
- transportation and utility routes and facilities,
- timber harvest,
- mining and mineral processing,
- subsistence opportunities,
- recreation designations,
- geophysical hazard areas,
- historical and archaeological resources,
- energy facilities, and
- fish and seafood processing.

Using the statewide standards and local enforceable policies, the ACMP evaluates the effects a project will have on the above coastal resources and uses. Projects must be consistent with the requirements found in the standards and enforceable policies.

What is the Coastal Consistency Review Process?

The coastal consistency review process, or *consistency review process*, helps ensure your project meets the statewide standards and coastal district policies. It also serves as the review process for most permits you will need from state resource agencies. This 5-step process advances your project through review and approval requirements in a timely fashion.

The consistency review process is a coordinated review process that benefits applicants and project reviewers alike. Applicants have a single, primary point of contact for their projects. Reviewers benefit by comprehensively reviewing a project only once.

This booklet explains the consistency review process in more detail and how you can get your project approved with a minimum of difficulty. The Division of Governmental Coordination, as well as state resource agencies and coastal districts, are available to help you understand and navigate your project through the consistency review process.

Who is DGC?

The Division of Governmental Coordination (DGC) is home to the ACMP. Located in the Office of the Governor, DGC is responsible for the overall administration and operation of the ACMP. In this role, DGC provides assistance to applicants, coastal districts, and state agencies in carrying out their duties and responsibilities under the ACMP.

DGC has connections throughout the ACMP network.



As such, *your first ACMP contact should probably be one of DGC's helpful Project Review Coordinators.* DGC also serves as the coordinator for the consistency review process if your project requires a federal permit or permits from more than one state agency.

The staff at DGC perform a variety of other activities that support the ACMP, including

- preapplication meetings for applicants
- federal funding for the ACMP
- assistance to local districts in getting their coastal management programs approved
- assistance resolving conflicts
- appeals, elevations, and petitions
- ACMP education and training

Who are the State Resource Agencies?

The State of Alaska has three agencies primarily responsible for managing its natural resources and uses of those resources. These resource agencies have permitting authorities for specific activities. If your project requires a permit(s) from only one state resource agency, that agency coordinates the consistency review process.

Your project will most likely require one or more permits from at least one resource agency. The state resource agencies include:

- *Department of Natural Resources (DNR)* manages state-owned land and natural resources, including sales and leases.
- *Department of Fish and Game (DFG)* manages the state's fish and wildlife resources and their habitats.

- *Department of Environmental Conservation (DEC)* serves to safeguard the public health and environment from human uses.

What is a coastal district?

Coastal districts are generally local governments, such as cities and boroughs, that contain a portion of Alaska's coastal area. In coastal areas outside the boundaries of local government, coastal districts known as Coastal Resource Service Areas (CRSA) may be formed.

Most coastal districts develop a coastal management program that requires a rigorous state and federal approval process. A district coastal management program contains enforceable policies that guide development affecting the coastal resources within its boundaries. Once approved, a district coastal management program becomes a part of the ACMP.

During the consistency review process, an affected coastal district reviews your project against the enforceable policies of its coastal management program. By complying with its enforceable policies, your project can help the district achieve its goals and objectives for coastal development within its boundaries.

The ACMP consistency review process provides:

- *a one-stop, consolidated state response to coastal development projects and related state and federal permit applications;*
- *specific timeframes and deadlines for reviewing project applications; and*
- *a fast appeal (elevation) process.*

Step 1

Complete a Coastal Project Questionnaire (CPQ)

What is the CPQ?

The Coastal Project Questionnaire, commonly called the CPQ, serves as the application for getting your project started in the ACMP consistency review process. A project in the coastal zone must receive an ACMP consistency determination, the end product of the consistency review process, before agencies can issue permits for the project.

The CPQ also helps you identify which state and federal permits will be required for your project. In addition, your completed CPQ provides reviewers with a description of your project and serves as your certification that your project will be conducted in a manner consistent with the ACMP. The CPQ (and this guide) includes a list of state agency and coastal district contacts for your convenience.

Who has to fill out a CPQ?

Anyone proposing a project within or affecting coastal areas of Alaska must submit a CPQ, with the following exceptions:

1) Placer miners: submit an *Annual Placer Mining Application* to the Department of Natural Resources (DNR).

2) Aquatic farmers: submit a *State of Alaska Aquatic Farm Permits Application* to DNR.



Federal agencies should contact DGC for information on how the consistency review process is used to review federal activities.

How do I get a CPQ?

Copies of the CPQ are available from DGC, state resource agencies (see the back of this brochure), the

U.S. Army Corps of Engineers (toll-free at 1-800-478-2712), other federal permitting agencies, and local coastal district offices.

What else do I need to know?

One of DGC's Project Review Assistants will help you determine what you need to do and who to contact to get your project ready for the consistency review process.

If your project is located within a coastal district, be sure to contact the district's ACMP coordinator and the planning department early to find out what will be required at the local level.

Once you've determined what permits will be required, be sure to contact those agencies to learn their permitting requirements.

How do I apply for my other permits?

Alaska has streamlined the permitting process to provide developers with a single point of entry. Your CPQ packet will include applications and fees for the permits you will need.

The consistency review process also serves as the permit review process for state resource agencies.

How much does it cost?

There is no charge for the ACMP consistency review process. However, agencies issuing permits for the project may require fees.

Is there anything I can do to pave the way for my project?

Before you finalize project plans or submit your CPQ and other information necessary for a complete application packet, the state can arrange a **preapplication meeting** with you and other review participants to discuss your draft plans. This meeting identifies concerns and information needs, helps you avoid 'pitfalls', and promotes a mutual understanding of your project. To

Pave the way for your project by identifying and addressing concerns before you turn in your application packet. Ask the state for a pre-application meeting.

arrange a preapplication meeting, contact the coordinating agency. In lieu of a meeting, the coordinating agency can distribute materials to review participants for preapplication assistance.

Fill in all the blanks

To complete the CPQ, fill in all the blanks and contact agencies as directed on the CPQ. Filling out the questionnaire properly is important and helps agencies process your project application without delays. If a question is not applicable then put "N/A." If you answer yes to a question and are not applying to that agency for a permit, explain why.

Your signature on the CPQ certifies that you believe your project is consistent with the standards and enforceable policies of the Alaska Coastal Management Program. The standards and enforceable policies are available from DGC and your local coastal district. If you need assistance, contact DGC or your local coastal district.

Is your application packet complete?

Your CPQ package should include:

- The completed CPQ and signed Certification of Consistency;
- Copies of any necessary state and federal permit applications, topographic maps, and plan drawings required by the approving agency. DGC encourages you to send original applications to the state or federal agency issuing the permit. Any fees associated with these permits also go to the issuing agency.
- Any additional pertinent information. Make sure you include a complete description of your entire project to minimize the need to provide more information later.

Step 2

Coordinating agency receives packet

Where do I send the CPQ?

Once you have a completed CPQ and application packet, you should submit it to the state agency responsible for coordinating the coastal consistency review for your project, commonly referred to as the **review coordinating agency**. You can determine the review coordinating agency for your project from the following:

- If your project requires a permit(s) from only one state agency, submit your CPQ and permit applications to that state agency. That agency will coordinate the consistency review for your project.
- If your project requires permits from two or more state agencies, or a permit from a federal agency, then you should submit your CPQ packet to the Division of Governmental Coordination, which will coordinate the consistency review for your project.

If you are not sure where to send your CPQ packet, contact DGC.

What happens next?

The review coordinating agency receives the application packet, decides whether it is complete, and determines if the project needs to undergo a coastal consistency review.

Does my project qualify for expedited review?

Some projects that have no significant impact on coastal resources, or are routine activities, may be exempt from further coastal consistency review requirements. The state maintains a list of permits and projects that qualify for expedited review in 6 AAC 50.050. The list is



referred to as the "Classification of State Agency Approvals" but is commonly known as the "ABC List."

To find out if your project qualifies for expedited review in the ABC List, contact DGC or your review coordinating agency. Projects that are in the coastal zone and not exempt from further review in the ABC List must undergo a full ACMP coastal consistency review.

Step 3

Consistency review starts

50-day coastal consistency review begins

Once your application is received by the review coordinating agency and determined to be complete, the coordinating agency initiates the required public notices. The consistency review starts once all public notices have been issued.

The coordinating agency issues a deadline for reviewer and public comments and circulates your application packet to review participants. The coordinating agency tracks the project during the review and makes sure all interested parties take the opportunity to participate within the designated time frames.

The review coordinating agency will notify you of your review's start date, review number, review schedule, and any other pertinent information. With a few exceptions, the state must complete the consistency review of your project 50 days after the start date.



Do all consistency reviews last 50 days?

Although most projects require a 50-day review, the actual time frame may be shortened or extended under certain circumstances. Alternatives to 50-day consistency reviews are identified below:

- The consistency review of your project may be expedited if your project is a routine activity identified in the ABC List. For more information, refer to *Does my project qualify for expedited review?* in Step 2.
- The 50-day review schedule for your project may be extended for specific reasons. For more information, refer to *Extensions to the review schedule* below.

50-Day Consistency Review Schedule

ACMP Consistency Review Process	Day
Step 1 – Complete CPQ	0
Step 2 – Turn in your Packet	0
Step 3 – Consistency Review Starts	1
Deadline for information requests	25
Comment deadline	34
Step 4 – Proposed Determination	44
Deadline to file for elevation or petition*	49
Step 5 – Final Determination	50

*See page 17

- If all necessary permits for your project are legally required to be issued within 30 days, the consistency review can be completed within a 30-day time frame as provided in 6 AAC 50.110 (a).
- Federal activities (projects conducted by or for a federal agency) may require a different review schedule. However, this booklet is not designed to address specific review or consistency requirements for federal activities. Contact DGC for more information at (907) 465-8794.

Who reviews the project?

The participants in the coastal consistency review process include: (1) you, the applicant; (2) state resource agencies and the Division of Governmental Coordination; (3) the affected coastal district; (4) other interested members of the public; and (5) federal agencies.

Having had a preapplication meeting can really pay off during step 3. Identifying concerns before the review begins can avoid delays and the need for additional stipulations.

Extensions to the review schedule

The review schedule may be extended for certain reasons as provided in 6 AAC 50.110(b). For example, after demonstrating a need for an extension, reviewers may request an extension:

- For you to provide additional information on your project that is needed for their analysis. The project review may be stopped within specified deadlines until that information is received. Within 7 days of receipt of the additional information, you will be notified of its adequacy.
- To perform a field review within a 10-day limit.
- To coordinate with DNR's process for disposals of interest in state land or resources.
- For a public hearing held as part of the consistency review process.

Step 4

Proposed consistency determination

What happens after reviewers submit comments?

After receiving comments from participants during the review process, the coordinating agency tries to resolve any issues that were raised. The coordinating agency then develops a **proposed consistency determination**. The proposed determination is discussed with you, state resource agencies, and the affected coastal district for concurrence.

What are stipulations?

The proposed consistency determination may include stipulations that modify your project and are necessary to bring it into compliance with the ACMP. These **stipulations**, or conditions of approval, are attached to permits issued for the project. Applicants and reviewers may discuss, or negotiate, the stipulations that will be included in the final determination.

What happens if I don't concur with the proposed consistency determination?

If concurrence cannot be reached by the review deadline, an elevation and/or petition can be requested by you or certain review participants. Please note that the instances of elevation are low. In fact, our statistics show that less than one percent of proposed consistency determinations receive requests for elevation or petition.

For a brief explanation of these processes, refer to *Elevations, Appeals, and Petitions* after Step 5. DGC can provide you with more information than is presented here in the unlikely event that this becomes an issue for your project.

Step 5

Final determination

When does my project get a final consistency determination?

A final consistency determination is issued when you and the project reviewers concur with the proposed determination, including the stipulations. The final consistency determination must be issued by the review deadline, generally 50 days.

When do I get my permits?

Once the final consistency determination is completed, most state agencies issue state permits covered by the determination within five days. However, an agency may find that additional time is necessary to fulfill its statutory requirements. For example, leases and other disposals of state land or resources issued by DNR generally require additional time. DGC or the permitting agency can provide you with more information on when you can expect to receive the permits for your project.



Once all your permits are in place, the real work begins.

Elevations, Appeals, and Petitions

Elevation

If you disagree with the proposed determination on your project, you may request **elevation** (further review) to division directors within state resource agencies. A resource agency or affected coastal district may also request an elevation. This request must be in writing and include a proposed alternative consistency determination that would effectively address your concerns. The directors review the proposed determination and the alternative determination included in the elevation request, then issue a director-level proposed determination.

If you do not agree with the director-level review, you may elevate the review to the commissioners of the resource agencies, who issue a final determination. This is the last step in the administrative process. Each elevation review can take up to 15 days.

Petition

Under AS 46.40.096, certain eligible parties may petition the Coastal Policy Council to review a project if the petitioner believes their comments related to the enforceable policies of an affected coastal district were not fairly considered. These parties may include the project applicant, an affected coastal district, a state agency, or a citizen of an affected coastal district. The petition process must be completed within 30 days. Contact DGC for more information.

Appeal

If your project requires a federal approval and you disagree with the state's final consistency determination, you may also appeal to the U.S. Secretary of Commerce in Washington, D.C., as provided in 15 CFR 930.125(h). DGC can provide you with information on this appeal process upon request.

Looking for more information?

Where you go to obtain more information will depend on the type of information you are seeking and your familiarity with the ACMP consistency review process. **Generally, DGC can provide answers to your questions or direct you to the right person.** However, before and during the application and review process, you will also likely benefit from contacting the local coastal district, and the agency or agencies that will be issuing permits.

If you are new to the ACMP or are unsure where to go, we recommend you contact the Division of Governmental Coordination (DGC). As the administrator of the Alaska Coastal Management Program, DGC's duties include helping applicants navigate the consistency review process and obtaining the information they need to succeed in getting their projects approved.

What other information can DGC provide?

The Division of Governmental Coordination (DGC) serves as the information center for the ACMP and the consistency review process. DGC can provide quick answers to whether or not your project is in the coastal zone, what permits you will need, and other questions you have about the project approval process.

DGC also retains copies of:

- all coastal district management programs,
- coastal zone boundary maps,
- ACMP statutes and regulations,
- policies, procedures, special project papers,
- ACMP history and legal opinions, and
- other documents related to the ACMP.

For projects requiring permits from two or more state agencies, or a federal permit, DGC serves as the coordinating agency for the consistency review. In addition, DGC coordinates the review for federal projects proposed in the coastal zone.

What information can other state resource management agencies provide?

The Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), and the Department of Fish and Game (DFG) can provide information about the ACMP consistency review process but specialize in providing applicants with permitting requirements under their authority. For projects only requiring a permit from one of these state resource agencies, that agency coordinates the consistency review.

What information can coastal districts provide?

Coastal Districts can provide information about the ACMP consistency review process, but most importantly can share with you local permitting requirements for your project. In addition, coastal districts have expertise of local conditions and community standards, including development priorities, cultural values, and environmental conditions.

What information can I find on the Internet?

If you have access to the internet, be sure to visit the ACMP Website at:

<http://www.alaskacoast.state.ak.us/>

This new site will feature:

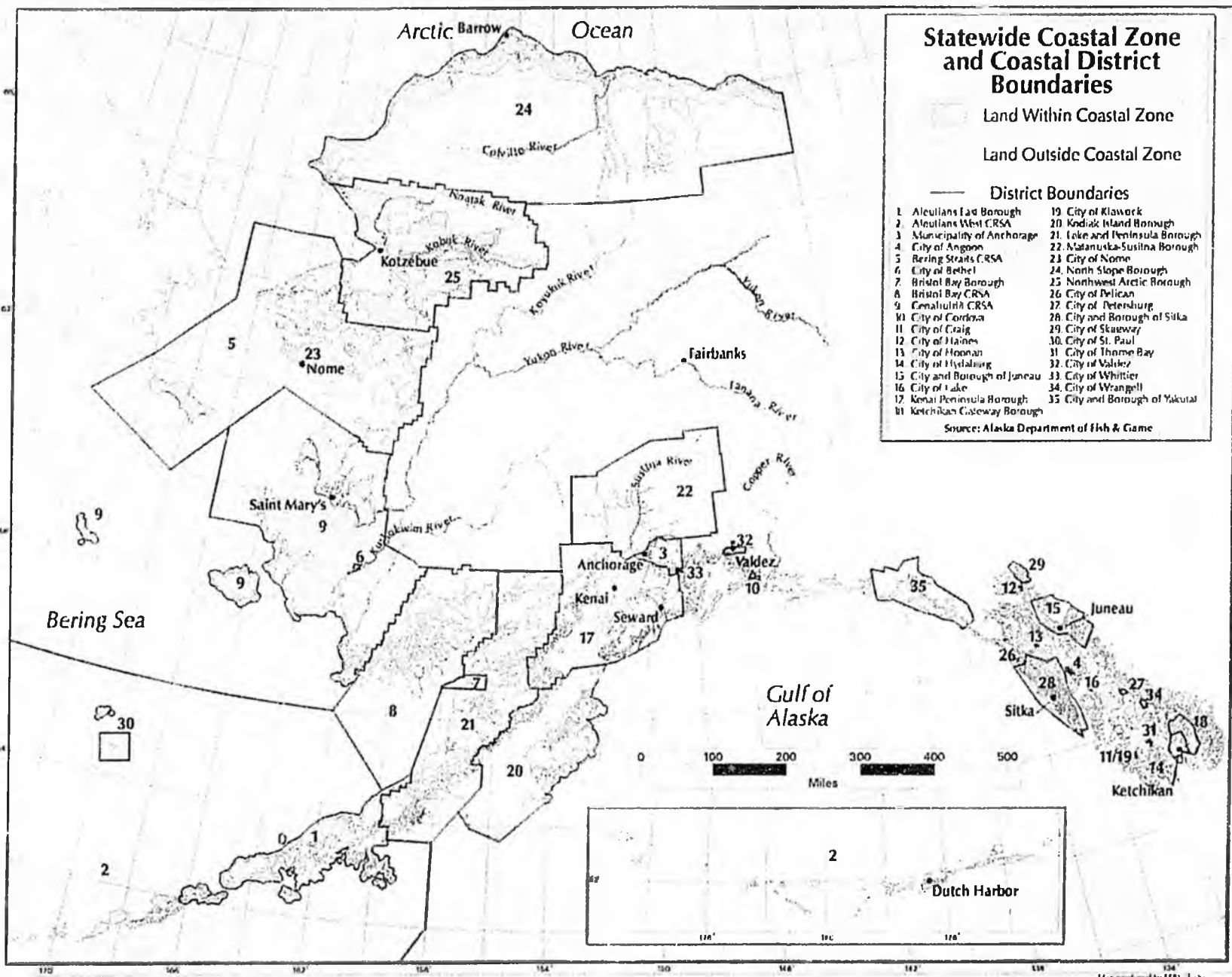
- a downloadable CPQ,
- more complete information about who to contact to help you through the consistency review process,
- access to DGC's project review database,
- coastal district enforceable policies,
- the ACMP statewide standards in 6 AAC 80,
- and much more.

If you need detailed information about an Alaskan community, visit the Department of Community and Regional Affairs community profiles database web page at:

http://www.comregaf.state.ak.us/CF_ComDB.htm

DGC can provide answers to your questions or direct you to the right person.





DGC Contacts: addresses are on back cover



**JUNEAU
OFFICE**

Main Line (907) 465-3562
Fax (907) 465-3075
Web Site Address:
<http://www.alaskacoast.state.ak.us>

Director of DGC 465-3562
Project Review Coordinators 465-2142
Project Review Analysts
ABC List 465-3529
ANILCA 269-7477
Federal Consistency/Supervisor 465-8794
Mining and Timber 465-8791
Oil and Gas 465-8792

ANCHORAGE DGC OFFICE

Main Line (907) 269-7470
Fax (907) 561-6134

Project Review Coordinators 269-7472

JOINT PIPELINE OFFICE

Main Line (907) 271-4317
Fax (907) 272-0690

Project Review Coordinator 271-4317

Coastal District Contacts

Aleutians East Borough

P.O. Box 349
Sand Point, AK 99661
Phone: (907) 383-2699
Telecopy: (907) 383-3496
E-mail: acbclerk@aol.com

Aleutians West CRSA

P.O. Box 920045
Dutch Harbor, AK 99692
Phone: (907) 581-2212
Telecopy: (907) 581-1306
E-mail: awersa@ptialaska.net

Anchorage, Municipality of

Department of Community
Planning and Development
P.O. Box 196650
Anchorage, AK 99519-6650
Phone: (907) 343-4261
Telecopy: (907) 343-4220
E-mail: TobishTG@ci.anchorage.ak.us
Web Site: <http://www.ci.anchorage.ak.us>

Angoon, City of

P.O. Box 189
Angoon, AK 99820
Phone: (907) 788-3653
Telecopy: (907) 788-3821

Bering Straits CRSA

P.O. Box 190
Unalakleet, AK 99684
Phone: (907) 624-3062
Telecopy: (907) 624-3811

Bethel, City of

P.O. Box 388
Bethel, AK 99559
Phone: (907) 543-5301
Telecopy: (907) 543-4186
E-mail: john_malone@ddc-alaska.org

Bristol Bay Borough

P.O. Box 189
Naknek, AK 99633
Phone: (907) 246-4224
Telecopy: (907) 246-6633
E-mail: bbhgmt@bristolbay.com

Coastal District Contacts

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P.O. Box 849
Dillingham, AK 99576
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E-mail: bbersant@nushtel.com

Ceñaliulriit CRSA

P.O. Box 368
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Phone: (907) 438-2638
Telecopy: (907) 438-2643

Cordova, City of

P.O. Box 1210
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Telecopy: (907) 424-6246
E-mail: samflora@cordovanet.com

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City of Craig
P.O. Box 725
Craig, AK 99921
Phone: (907) 826-3275
Telecopy: (907) 826-3278
E-mail: jbolliag@ptialaska.net

Haines, City of

City of Haines
P.O. Box 1049
Haines, AK 99827
Phone: (907) 766-2231
Telecopy: (907) 766-3179
Web Site: <http://www.haines.ak.us>

Hoonah, City of

P.O. Box 360
Hoonah, AK 99829
Phone: (907) 945-3663
Telecopy: (907) 945-3445

Hydaburg, City of

P.O. Box 49
Hydaburg, AK 99922
Phone: (907) 285-3761
Telecopy: (907) 285-3760

Coastal District Contacts

Juneau, City and Borough of

Community Development Department
155 South Seward Street
Juneau, AK 99801
Phone: (907) 586-5230
Telecopy: (907) 586-3365
Email: Terry_Stone@mail.ci.juneau.ak.us
Web Site: <http://www.juneau.Lib.ak.us>

Kake, City of

P.O. Box 500
Kake, AK 99830
Phone: (907) 785-3804
Telecopy: (907) 785-4815
E-mail: clerlake@seaknet.alaska.edu

Kenai Peninsula Borough

144 N. Binkley Street
Soldotna, AK 99669-7599
Phone: (907) 262-4441 x337
E-mail: Glandua@borough.kenai.ak.us
Web Site: <http://www.borough.kenai.ak.us>

Ketchikan Gateway Borough

344 Front Street
Ketchikan, AK 99901
Phone: (907) 228-6610
Telecopy: (907) 247-8439
E-mail: ktnczm@ktn.net

Klawock, City of

P.O. Box 113
Klawock, AK 99925
Phone: (907) 755-2261
Telecopy: (907) 755-2403

Kodiak Island Borough

Community Development Department
710 Mill Bay Road
Kodiak, AK 99615-6340
Phone: (907) 486-9360
Telecopy: (907) 486-9376
E-mail: lfred@kib.co.kodiak.ak.us (no caps)

Lake and Peninsula Borough

P.O. Box 495
King Salmon, AK 99613
Phone: (907) 246-3421
Telecopy: (907) 246-6602
E-mail: lpboro@bristolbay.com

Coastal District Contacts

Matanuska-Susitna Borough

350 E. Dahlia Avenue
Palmer, AK 99645-6488
Phone: (907) 745-9865
Telecopy: (907) 745-9876

Nome, City of

P.O. Box 281
Nome, AK 99762
Phone: (907) 443-5242
Telecopy: (907) 443-5349
Web Site: <http://www.alaska.net/~nome/>

North Slope Borough

P.O. Box 69
Barrow, AK 99723
Phone: (907) 852-0440 x266
Telecopy: (907) 852-5991
E-mail: jdunham@co.north-slope.ak.us

Northwest Arctic Borough

P.O. Box 1110
Kotzebue, AK 99752
Phone: (907) 442-2500
Telecopy: (907) 442-2930
E-mail: acar@eagle.rti.alaska.net
Web Site: <http://www.northwestarcticborough.com>

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P.O. Box 737
Pelican, AK 99832
Phone: (907) 735-2202(wk)
Telecopy: (907) 735-2258

Petersburg, City of

P.O. Box 329
Petersburg, AK 99833
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Telecopy: (907) 772-4876
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Sitka, City and Borough of

100 Lincoln Street, #201
Sitka, AK 99835-7540
Phone: (907) 747-1812
Telecopy: (907) 747-7403
E-mail: campbell@cityofsitka.com
Web Site: <http://www.CityofSitka.com>

Coastal District Contacts

Skagway, City of

P.O. Box 415
Skagway, AK 99840
Phone: (907) 983-2297
Telecopy: (907) 983-2151

St. Paul, City of

P.O. Box 901
St. Paul, AK 99660
Phone: (907) 546-2331
Telecopy: (907) 546-3199

Thorne Bay, City of

P.O. Box 19110
Thorne Bay, AK 99919
Phone: (907) 828-3380
Telecopy: (907) 828-3374

Valdez, City of

P.O. Box 307
Valdez, AK 99686
Phone: (907) 835-4313
Telecopy: (907) 835-2992
E-mail: vdzadm@alaska.net

Whittier, City of

P.O. Box 729
Whittier, AK 99693
Phone: (907) 472-2326
Telecopy: (907) 472-2404

Wrangell, City of

P.O. Box 531
Wrangell, AK 99929
Phone: (907) 874-2381
Telecopy: (907) 874-3952
E-mail: ecodev@wrangell.com

Yakutat, City and Borough of

P.O. Box 160
Yakutat, AK 99689
Phone: (907) 784-3323
Telecopy: (907) 784-3281

State Agency Contacts

Primary State Resource Management Agency Contacts

Department of Natural Resources

Web Site: <http://www.dnr.state.ak.us>

Southcentral Alaska:
Public Information Office
3601 C Street, Suite 200
Anchorage, AK 99503-5929
Phone: 269-8400
Fax: 269-8901

Southeast Alaska:
Public Information Office
400 Willoughby, Fourth Floor
Juneau, AK 99801-1790
Phone: 465-3400
Fax: 586-2954

Northern Alaska:
Public Information Office
3700 Airport Way
Fairbanks, AK 99709-4699
Phone: 451-2700
Fax: 451-2751

Department of Fish and Game Division of Habitat and Restoration

Web Site: <http://www.state.ak.us/local/akpages/FISH.GAME/adfghome.htm>

Southcentral Alaska:
333 Raspberry Rd.
Anchorage, AK 99518-1599
Phone: 267-2335
Fax: 267-2464

Southeast Alaska:
P.O. Box 240020
Douglas, AK 99824-0020
Phone: 465-4290
Fax: 465-4272

State Agency Contacts

Northern Alaska:
1300 College Rd.
Fairbanks, AK 99701-1599
Phone: 459-7289
Fax: 456-3091

Department of Environmental Conservation

Web Site: <http://www.state.ak.us/local/akpages/ENV.CONSERV/home.htm>

Southcentral Alaska:
555 Cordova St.
Anchorage, AK 99501
Phone: 269-7500
Fax: 269-7652

Southeast Alaska:
410 Willoughby Ave. Suite 105
Juneau, AK 99801
Phone: 465-5350
Fax: 465-5274

Northern Alaska:
610 University Ave.
Fairbanks, AK 99709-3643
Phone: 451-2360
Fax: 451-2187

Federal Agency Contacts

U.S. Army Corps of Engineers

<http://www.usace.army.mil/alaska>

P.O. Box 898
Anchorage, AK 99506-0898
ATTN: NPACO-RF
Phone: 1-800-478-2712

Your project may also require permits from other federal agencies such as those listed below. However, these agencies do not have consistent or single points of contact for permit information and ACMP requirement. DGC can provide you with appropriate contact information if your project may require permits from these agencies.

Bureau of Land Management

<http://www.ak.blm.gov/>

Environmental Protection Agency

<http://www.epa.gov/region10/www/search.html>

222 W. 7th Ave. #19
Anchorage, AK 99513-1588
1-800-781-0983

Federal Aviation Administration

Federal Energy Regulatory Commission

Minerals Management Service

949 E. 36th Ave.
Anchorage, AK 99508
(907) 271-6010

U.S. Coast Guard

<http://www.uscg.mil.d17uscgd17.html>

U.S. Forest Service

<http://www.fs.fed.us/r10/>

For more information about federal consistency or appeals to the U.S. Secretary of Commerce contact

Office of Ocean and Coastal Resource Management (OCRM)

<http://www.nos.noaa.gov/ocrm/>

OCRM, National Ocean Service
National Oceanic & Atmospheric Administration
U.S. Department of Commerce
1305 East-West Hwy., N/ORM4
Silver Spring, Maryland 20910



**State of Alaska,
Office of the Governor**

Division of Governmental Coordination (DGC)

DGC Web Site:

<http://www.alaskaconst.state.ak.us>

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Suite 500, Juneau, AK

Mailing: P.O. Box 110030,
Juneau, AK
99811-0030

Telephone: (907) 465-3562
Fax: (907) 465-3075

Anchorage DGC Office

Address: 3601 "C" St., Suite 370
Anchorage, AK
99503-5930

Telephone: (907) 269-7470
Fax: (907) 561-6134

Joint Pipeline Office

Address: 411 W. 4th Ave.
Suite 2-C, Anchorage,
AK 99501-2342

Telephone: (907) 271-4317
Fax: (907) 272-0690



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HB

309

Alaska State Legislature

Session
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Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax 9907) 269-0249

Chair, House Special Committee
on Economic Development, Trade
and Tourism


Chair, Joint House and Senate
Administrative Regulation and
Review Committee

Member
Resources Committee
Rules Committee

Representative Lesil McGuire *House District 17*

MEMORANDUM

TO: Representative Drew Scalzi, Co-Chair, House Resources Committee
Representative Beverley Masek, Co-Chair, House Resources Committee

FROM: Representative Lesil McGuire 

DATE: February 28, 2002

RE: HB 390
ASMI Salmon Marketing

I respectfully request that HB 390 be scheduled for a hearing in the House Resources Committee.

Attached are the following back up:

1. Sponsor Statement
2. HB 390
3. Chapter 51. Alaska Seafood Marketing Institute
AS 16.51.100
4. Article 2. Salmon Marketing Tax
AS 43.76.110 – 130

If you have any questions please feel free to contact me personally, or my staff Sue Stancliff at ext. #4695.

under Article I, Section 10, of the Constitution of the United States. (§ 2 ch 162 SLA 1962; am §§ 1 — 3 ch 50 SLA 1969)

Revisor's notes. — To correct a manifest error in ch. 50, SLA 1969, and make the second paragraph of Article IV consistent with other provisions of that Act, in 1969 the phrase "states of California, Oregon, and Washington" in that paragraph was changed to read "compacting states."

NOTES TO DECISIONS

Construction with other statutes. — Because the salmon waste law is both more recent and more specific to the salmon resource than the Pacific Marine Fisheries Compact, its provisions control where the statutes conflict. *O'Callaghan v. Rue*, 996 P.2d 88 (Alaska 2000).

Sec. 16.45.030. Alaska representatives. In furtherance of the compact provisions, there are three members of the commission from the State of Alaska, appointed by the governor and confirmed by the legislature in joint session. One commissioner must be the administrative or other officer of the Alaska Department of Fish and Game charged with the conservation of the state's marine fisheries resource; another commissioner must be a member of the legislature of this state who is a member of the committee on resources; and another member must be a citizen of this state who has a wide knowledge of and interest in the marine fisheries problem. (§ 3 ch 162 SLA 1962)

Sec. 16.45.040. Terms of commissioners. The term of a commissioner is four years. A commissioner holds office until a successor is appointed and qualified, but the successor's term expires four years from the legal date of expiration of the term of the predecessor. A commissioner may be removed from office by the governor upon charges and after a hearing. The term of a commissioner who ceases to hold the qualifications required ends and a successor may be appointed. Vacancies occurring in the office of a commissioner from any reason or cause shall be filled for the unexpired term in the same manner as for a full term appointment. (§ 4 ch 162 SLA 1962)

Chapter 50. Guides and Outfitters.

[Repealed, § 4 ch 17 SLA 1973. For current law, see AS 08.54.]

Chapter 51. Alaska Seafood Marketing Institute.

Section

- 10. Alaska Seafood Marketing Institute established
- 20. Board of directors
- 30. Term of office
- 40. Removal and vacancies
- 50. Quorum
- 60. Compensation of board members
- 70. Meetings
- 80. Employment of personnel
- 90. Powers of board
- 95. Executive Budget Act
- 100. Duties of board

Section

- 110. Prohibited promotions
- 120. Seafood marketing assessment
- 130. Termination of the seafood marketing assessment
- 140. Procedures for an election to approve or terminate a seafood marketing assessment
- 150. Determination of value
- 160. Collection of assessments and disposition of proceeds
- 170. Enforcement of assessments
- 180. Definitions

Sec. 16.51.010. Alaska Seafood Marketing Institute established. There is established the Alaska Seafood Marketing Institute. The institute is a public corporation of the state. It is an instrumentality of the state in the Department of Community and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the institute of the powers conferred by this chapter is an essential governmental function of the state. (§ 3 ch 106 SLA 1981)

Revisor's notes. — In 1999, "Department of Commerce and Economic Development" was changed to "Department of Community and Economic Development" in this section in accordance with § 88, ch. 58, SLA 1999.

Cross references. — For legislative findings in connection with the enactment of this chapter, see § 1, ch. 106, SLA 1981 in the Temporary and Special Acts.

Sec. 16.51.020. Board of directors. (a) The governing body of the institute is a board of directors. The board consists of 25 voting members appointed by the governor. In making appointments to the board, the governor shall consider, but need not appoint, nominees presented by persons engaged in fish processing, the financing of fish processing, or commercial fishing.

(b) Twelve members of the board shall be seafood processors: eight of the seafood processors must have an annual payroll in the state of more than \$2,500,000; four of the seafood processors must have an annual payroll in the state of \$50,000 — \$2,500,000. Twelve members of the board must be engaged in commercial fishing. The governor, to the extent practicable, shall appoint as commercial fishing members of the board persons engaged in commercial fishing in a fishery management region of the state in the same proportion that the region contributes, or is expected to contribute during the next year, to the total salmon marketing tax collected under AS 43.76.110 — 43.76.130. One member of the board shall be a lay person selected by the governor.

(c) The board shall annually elect a chairman and other necessary officers from among its members. (§ 3 ch 106 SLA 1981; am §§ 1, 2 ch 55 SLA 1993)

Delayed amendment of subsection (b). — Under § 3, ch. 55, SLA 1993, effective under § 12, ch. 55, SLA 1993 upon the repeal of AS 43.76.110 — 43.76.130, subsection (b) is amended by deleting the next to last sentence.

Effect of amendments. — The 1993 amendment, effective September 1, 1993, in subsection (a), substituted "25 voting members" for "18 voting members"; in subsection (b), substituted "more than \$2,500,000" for "\$1,000,000 or more," "\$50,000 — \$2,500,000" for "\$50,000 — \$1,000,000," and "Twelve members" for "Five members," and added the present third sentence.

Cross references. — For transitional provisions relating to the 1993 amendments, see § 8(a) and (b), ch. 55, SLA 1993 in the Temporary and Special Acts.

Sec. 16.51.030. Term of office. The members of the board appointed by the governor under AS 16.51.020 serve three-year terms and may be reappointed. Terms shall be staggered. An appointee to fill a vacancy shall hold office for the balance of the term for which the appointee's predecessor on the board was appointed. (§ 3 ch 106 SLA 1981)

Sec. 16.51.040. Removal and vacancies. The members of the board appointed by the governor under AS 16.51.020 serve at the governor's pleasure. A vacancy on the board occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only. (§ 3 ch 106 SLA 1981)

Sec. 16.51.050. Quorum. Fourteen members of the board appointed under AS 16.51.020 constitute a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 106 SLA 1981; am § 4 ch 55 SLA 1993)

Effect of amendments. — The 1993 amendment, effective September 1, 1993, substituted "fourteen members" for "ten members."

Sec. 16.51.060. Compensation of board members. Board members receive no salary, but are entitled to per diem and travel expenses authorized by law for other state boards and commissions under AS 39.20.180. (§ 3 ch 106 SLA 1981)

Sec. 16.51.070. Meetings. The board shall meet at least once a year. A meeting of the board shall occur at the call of the chairman, or upon the written request of two members of the board. (§ 3 ch 106 SLA 1981)

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Sec. 16.51.080. Employment of personnel. The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25. (§ 3 ch 106 SLA 1981)

Sec. 16.51.090. Powers of board. In carrying out the powers of the institute, the board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws;
- (3) sue and be sued in the name of the institute;
- (4) enter into any agreements necessary to the exercise of its powers and functions;
- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the institute, including entering into contracts for joint programs of consumer education, sales promotion, quality control, advertising, and research in the production, processing, or distribution of seafood;
- (6) conduct, or contract for, scientific research to develop and discover health, dietetic, or other uses of seafood harvested and processed in the state;
- (7) receive contributions of money from persons;
- (8) establish offices in the state and otherwise incur expenses incidental to the performance of its duties;
- (9) appear on behalf of the institute before boards, commissions, departments, or other agencies of municipal, state, or federal government;
- (10) acquire, hold, lease, sell, or otherwise dispose of property, but such property is limited to that which is necessary to the administrative functioning of the office of the institute;
- (11) establish and maintain one or more bank accounts for the transaction of the institute's business;
- (12) prepare market research and product development plans for the promotion of any species of seafood and their by-products that may be harvested in the state and processed for sale;
- (13) establish committees related to the marketing of salmon and salmon products; the board shall, to the extent practicable, appoint equal numbers of seafood processors and persons engaged in commercial fishing to the committees. (§ 3 ch 106 SLA 1981; am § 5 ch 55 SLA 1993)

Effect of amendments. — The 1993 amendment, effective September 1, 1993, added paragraph (13).

Sec. 16.51.095. Executive Budget Act. The operating budget of the institute shall be prepared and submitted in accordance with AS 37.07 (Executive Budget Act). (§ 3 ch 106 SLA 1981)

Sec. 16.51.100. Duties of board. The board shall

- (1) conduct programs of education, research, advertising, or sales promotion designed to accomplish the purposes of this chapter;
- (2) promote all species of seafood and their by-products that are harvested in the state and processed for sale;
- (3) develop market-oriented quality specifications for Alaska seafoods to be used in developing a high quality image for Alaska seafood in domestic and world markets, and adopt and distribute recommendations regarding the handling of seafood from the moment of capture to final distribution;
- (4) prepare market research and product development plans for the promotion of all species of seafood and their by-products that are harvested in the state and processed for sale;

(5) submit an annual report to the governor describing the activities of the institute and notify the legislature that the report is available;

(6) develop marketing programs based on the "inspection" and "premium quality" seals designed under AS 17.20.066 and use the seals in advertising and promotion efforts of the institute;

(7) collect, organize, distribute, and make available to the public information on prices paid and market conditions for raw salmon and salmon products and provide this information on a regular and timely basis to all salmon fishermen who hold permits under AS 16.43 and to all nonprofit salmon enhancement organizations that hold a permit under AS 16.10.400;

(8) cooperate with commercial salmon fishermen, fishermen's organizations, seafood processors, the Alaska Fisheries Development Foundation, the Fisheries Industrial Technology Center, state and federal agencies, and other relevant persons and entities to investigate market reception to new salmon product forms and develop commodity standards and future markets for salmon products;

(9) establish a salmon marketing committee to assist and advise the board in administering the domestic salmon marketing program that is funded through the tax collected under AS 43.76.110 — 43.76.130; the committee shall consist of seven persons selected by the board, as follows:

(A) four persons shall be engaged in commercial salmon fishing and hold salmon permits under AS 16.43, of whom

(i) one person shall be a member of the board of directors of the institute; and

(ii) three persons shall be Alaska residents from different salmon administrative areas established by the Alaska Commercial Fisheries Entry Commission; and

(B) three persons shall be engaged in processing of salmon, of whom

(i) one person shall be a member of the board of directors of the institute;

(ii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of more than \$2,500,000; and

(iii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of \$50,000 — \$2,500,000. (§ 3 ch 106 SLA 1981; am § 5 ch 57 SLA 1982; am § 6 ch 55 SLA 1993; am § 24 ch 21 SLA 1995; am § 8 ch 72 SLA 1998)

Delayed repeal of paragraphs (7)-(9). — Under § 10, ch. 55, SLA 1993, as amended by § 2, ch. 111, SLA 1998, effective June 30, 2004, paragraphs (7)-(9) are repealed.

Effect of amendments. — The 1993 amendment, effective September 1, 1993, inserted in paragraph (3) "domestic and" and added present paragraphs (7)-(9).

The 1995 amendment, effective August 8, 1995, in paragraph (5), deleted "and the legislature" following "to the governor" and added "and notify the legislature that the report is available" at the end.

The 1998 amendment, effective July 1, 1998, made a section reference substitution in paragraph (6).

Sec. 16.51.110. Prohibited promotions. The board may not promote or make a contract that promotes seafood by

(1) geographic origin other than from the state generally;

(2) geographic region of the state; or

(3) specific brand name. (§ 3 ch 106 SLA 1981)

Sec. 16.51.120. Seafood marketing assessment. (a) A seafood marketing assessment shall be levied on the value of seafood products produced in Alaska as provided in (b), (c), (d), or (e) of this section if an election is held under AS 16.51.140 at which the assessment is approved by eligible processors who together produce at least 51 percent of the value of seafood products produced in Alaska in the calendar year.

(b) Each processor shall pay a seafood marketing assessment of .1 percent of the value of seafood products produced in Alaska by the processor.

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(c) Each processor shall pay a seafood marketing assessment of .2 percent of the value of seafood products produced in Alaska by the processor.

(d) Each processor shall pay a seafood marketing assessment of .3 percent of the value of seafood products produced in Alaska by the processor.

(e) Each processor shall pay a seafood marketing assessment of .4 percent of the value of seafood products produced in Alaska by the processor.

(f) An election under (a) of this section shall be held if the proposed election for the levying of an assessment under (b), (c), (d), or (e) of this section is approved by a majority of the whole membership of the board at a regularly scheduled meeting.

(g) Notwithstanding (a) — (e) of this section and AS 16.51.150(c), a processor is not subject to, or liable for payment of, an assessment under this section on the value of the seafood products produced in Alaska if the value of seafood products produced in Alaska by the processor is less than \$50,000 in a calendar year. This subsection does not exempt a processor from liability for payment of taxes imposed under AS 43.75 or AS 43.77. (§ 3 ch 106 SLA 1981; am §§ 2 — 7 ch 81 SLA 1996)

Cross references. — For legislative findings, intent, and purpose relating to the 1996 amendments to subsections (a)-(e) and to the enactment of subsection (g) by ch. 81, SLA 1996, see § 1, ch. 81, SLA 1996 in the Temporary and Special Acts.

Effect of amendments. — The 1996 amendment, effective June 21, 1996, rewrote subsection (a); in subsections (b)-(e), deleted "who purchases at least

\$50,000 or more of seafood products in Alaska" following "Each processor" and substituted "value of seafood products produced in Alaska" for "value paid"; and added subsection (g).

Editor's notes. — Section 29, ch. 81, SLA 1996 makes the 1996 amendments to subsections (a)-(e) and the 1996 enactment of subsection (g) retroactive to January 1, 1994.

Sec. 16.51.130. Termination of the seafood marketing assessment. (a) A seafood marketing assessment levied under AS 16.51.120(b), (c), (d), or (e) shall be terminated by the commissioner of revenue if

(1) an election is held under AS 16.51.140 in which the termination is approved by eligible processors who together produce at least 51 percent of the total value of seafood products produced in Alaska during the calendar year; or

(2) the board, at a regularly scheduled meeting, adopts a resolution approved by two-thirds of the voting membership of the board requesting the commissioner of revenue to terminate the assessment.

(b) An election under (a)(1) of this section shall be held if

(1) the proposed election for the termination of the assessment is approved by a majority of the whole membership of the board at a regularly scheduled meeting; or

(2) a petition is presented to the director of elections requesting termination of the assessment by eligible processors who together produce at least 25 percent of the total value of seafood products produced in Alaska during the calendar year.

(c) The institute shall provide notice of an election in accordance with AS 16.51.140 within 60 days after receiving notice from the director of elections that a valid petition under (b)(2) of this section has been received.

(d) The seafood marketing assessment is terminated on the effective date stated on the ballot. (§ 3 ch 106 SLA 1981; am §§ 8, 9 ch 81 SLA 1996)

Cross references. — For legislative findings, intent, and purpose relating to the 1996 amendments to subsections (a) and (b) of this section by ch. 81, SLA 1996, see § 1, ch. 81, SLA 1996 in the Temporary and Special Acts.

Effect of amendments. — The 1996 amendment, effective June 21, 1996, in paragraph (a)(1), substi-

tuted "under" for "in accordance with" and, in paragraphs (a)(1) and (b)(2), substituted "produce" for "purchase" and "produced" for "purchased."

Editor's notes. — Section 29, ch. 81, SLA 1996 makes the 1996 amendments to subsections (a) and (b) of this section retroactive to January 1, 1994.

Sec. 16.51.140. Procedures for an election to approve or terminate a seafood marketing assessment. (a) The institute may conduct an election under this section after the director of elections approves

(1) the notice to be published by the institute;
(2) the ballot to be used in the election; and
(3) the registration and voting procedures for the approval or termination of the seafood marketing assessment.

(b) In conducting the election under this section, the institute shall adopt the following procedures:

(1) the proposed levy or termination of the assessment shall be adopted at a regularly scheduled meeting of the board held not less than 60 days before the date on which the ballots must be postmarked to be counted unless the election is for termination of the assessment and has been initiated by a petition under AS 16.51.130(b)(2);

(2) the institute shall hold at least one meeting, not less than 30 days before the date on which ballots must be postmarked to be counted, to explain the reason for the proposed seafood marketing assessment or termination of the assessment and to explain the voting procedure to be used in the election; the institute shall provide notice of the meeting by

(A) mailing the notice to each eligible processor; and

(B) publishing the notice in at least one newspaper of general circulation in each region of the state at least two weeks before the meeting;

(3) the institute shall mail ballots to each eligible processor not more than 45 days before the date specified as the date ballots must be postmarked;

(4) the ballot must

(A) indicate whether the assessment is to be levied under AS 16.51.120(b), (c), (d), or (e) and must state the percentage of the assessment;

(B) indicate the effective date of the levy of the assessment or termination of the assessment;

(C) ask whether the assessment shall be levied or, if the election is to terminate the assessment, whether the assessment shall be terminated;

(5) the ballots shall be returned by mail and shall be counted by the director of elections or a representative.

(c) The director of elections shall certify the results of an election under this section if the director determines that the requirements of (a) and (b) of this section have been satisfied.

(d) For the purposes of this section a ballot submitted by a corporation is presumed valid if the ballot is signed by an individual who is indicated to be an officer of the corporation and the ballot is imprinted with the corporate seal. (§ 3 ch 106 SLA 1981)

Sec. 16.51.150. Determination of value. (a) Upon request from the director of elections, the commissioner of revenue shall determine

(1) the total value of seafood products produced in Alaska during any calendar year;

(2) whether the eligible processors approving the levy or termination of a seafood marketing assessment together produced at least 51 percent of the total value of seafood products produced in Alaska during the calendar year; or

(3) whether the eligible processors petitioning for an election under AS 16.51.130(b)(2) together produced at least 25 percent of the total value of seafood products produced in Alaska during the calendar year.

(b) The total value of seafood products produced in Alaska in a calendar year is the sum of the

(1) total value of the fisheries resource on which the tax imposed under AS 43.75.015 and 43.75.100 is levied in that calendar year; and

(2) total value of the fisheries resource on which the tax imposed under AS 43.77 is levied in that calendar year.

(c) The value of seafood products produced in Alaska by a processor during a calendar year is the sum of the

(1) total value of the fisheries resource on which the processor must pay the tax imposed under AS 43.75.015 and 43.75.100 in that calendar year; and

(b) If the owner of salmon is liable for payment of the salmon enhancement tax under (a) of this section, the owner shall comply with the requirement of AS 43.76.025(b) to report the owner's liability for payment of the tax. (§ 18 ch 117 SLA 1981; am § 7 ch 33 SLA 1989)

Effect of amendments. — The 1989 amendment inserted the reference to "43.76.012" and made stylistic changes in subsection (a).

Sec. 43.76.030. Accounting of financing received as a result of the salmon enhancement tax. [Repealed, § 19 ch 6 SLA 1998.]

Sec. 43.76.035. Exemption. AS 43.76.010 — 43.76.040 do not apply to salmon harvested under a special harvest area entry permit issued under AS 16.43.400. (§ 2 ch 152 SLA 1988; am § 8 ch 33 SLA 1989)

Effect of amendments. — The 1989 amendment deleted "to a regional association established under AS 16.10.380" at the end of the section.

Sec. 43.76.040. Definition. In AS 43.76.010 — 43.76.040, unless the context otherwise requires, "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding a transfer to a person engaged solely in interstate transportation of goods for hire. (§ 19 ch 117 SLA 1981)

Article 2. Salmon Marketing Tax.

Section

- 110. Salmon marketing tax
- 120. Collection of tax
- 130. Definition

Effective date of article. — Section 11, ch. 55, SLA 1993, as amended by § 1, ch. 111, SLA 1998 makes this article effective July 1, 1993. SLA 1993, as amended by § 1, ch. 111, SLA 1998 repeals this article effective June 30, 2003.

Delayed repeal of article. — Section 9, ch. 55,

Sec. 43.76.110. Salmon marketing tax. A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a salmon marketing tax at the rate of one percent of the value, as defined in AS 43.75.290, of salmon that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon marketing tax at the time the salmon is acquired by the buyer. (§ 7 ch 55 SLA 1993)

Sec. 43.76.120. Collection of tax. (a) A buyer who acquires salmon that is subject to a salmon marketing tax imposed by AS 43.76.110 shall collect the salmon marketing tax at the time of purchase and shall remit the total salmon marketing tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon marketing tax shall

- (1) maintain records of the value of salmon purchased in the state;
- (2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.290, of the salmon that the buyer has acquired during the preceding year.

(c) The owner of salmon removed from the state is liable for payment of a salmon marketing tax imposed by AS 43.76.110 if, at the time the salmon is removed from the state, the tax payable on the salmon has not been collected by a buyer. If the owner of the

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salmon is liable for payment of the salmon marketing tax under this subsection, the owner shall comply with the requirements under (a) and (b) of this section to remit the tax to the Department of Revenue, to maintain records, and to report to the Department of Revenue.

(d) The salmon marketing tax collected under this section shall be deposited in the general fund. The legislature may appropriate revenue generated by the salmon marketing tax to the Alaska Seafood Marketing Institute for the purpose of supporting the institute's salmon marketing program under AS 16.51.100(7) — (9) and the institute's domestic salmon marketing program. Except as otherwise provided in an appropriation by the legislature, the amount of the allocation made to the institute's salmon marketing program under AS 16.51.100(7) and (8) should not exceed 10 percent of the total amount of salmon marketing tax revenue appropriated for the institute. (§ 7 ch 55 SLA 1993)

Sec. 43.76.130. Definition. In AS 43.76.110 — 43.76.130, "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon, but does not include a person engaged solely in interstate transportation of goods for hire. (§ 7 ch 55 SLA 1993)

Article 3. Dive Fishery Management Assessment.

Section	Section
150. Dive fishery management assessment	190. Collection of assessment
160. Election to approve, amend, or terminate dive fishery management assessment	200. Funding for qualified regional dive fishery development associations
170. Amendment of dive fishery management assessment	210. Definitions
180. Termination of dive fishery management assessment	

Effective dates. — Section 3, ch. 90, SLA 1997 makes this article effective June 21, 1997, in accordance with AS 01.10.070(c).

Sec. 43.76.150. Dive fishery management assessment. (a) A dive fishery management assessment on fishery resources taken by dive gear shall be levied on the value of the fishery resource taken in a dive gear fishery. The species of fishery resources subject to the assessment and the rate of the assessment, as determined under (b) — (e) of this section, shall be determined by an election under AS 43.76.160.

(b) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of one percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.

(c) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of three percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.

(d) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of five percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 390
 (H) Publish Date: 2/27/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Reauthorization of the 1% Salmon Tax BRU Alaska Seafood Marketing Institute (126)
 Component Alaska Seafood Marketing Institute
 Sponsor Representative McGuire
 Requester _____ Component No. 393

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	226.0	226.0	226.0	226.0	226.0	226.0
Travel	74.0	74.0	74.0	74.0	74.0	74.0
Contractual	1,467.0	1,467.0	1,467.0	1,467.0	1,467.0	1,467.0
Supplies	32.0	32.0	32.0	32.0	32.0	32.0
Equipment	1.0	1.0	1.0	1.0	1.0	1.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0
TOTAL	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0	1,800.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	18	18	18	18	18	18
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Receipt Supported Services fund source stated here is derived from the collection of the 1% Salmon Marketing Tax. The 1% Salmon Marketing Tax is calculated on the actual Annual Harvest ex-vessel value of all salmon harvested in Alaska in any given year. Because of the varying cyclic nature of the salmon harvests from year to year, an average salmon ex vessel harvest value of \$180,000,000 per year of which 1% Salmon Marketing Tax equals \$ 1,800,000 has been used as the estimated collectable revenue for ASMI.

The estimated expenditures are based on a percentage ratio .

Prepared by: Barbara Belknap, Director Phone 907-465-5570
 Division Alaska Seafood Marketing Institute Date/Time 2/11/02 4:26 PM
 Approved by: Deborah B. Sedwick, Commissioner Date 2/11/2002
 Agency Department of Community & Economic Development

Sponsor Statement for HB 390 ASMI Salmon Marketing

An Act extending the termination dates of certain activities and salmon marketing programs of the Alaska Seafood Marketing Institute and of the salmon marketing tax; expanding the allowable use of that tax for the salmon marketing programs of the Alaska Seafood Marketing Institute; relating to the Alaska Seafood Marketing Institute's salmon marketing committee; and providing for an effective date.

Released: February 22, 2002
Contact: Representative Lesil McGuire's office at (907) 465-4695

HB 390 extends the termination date of certain activities and salmon marketing programs of the Alaska Seafood Marketing Institute, and the salmon marketing tax.

Under current uncodified law, the salmon marketing activities and programs of the Alaska Seafood Marketing Institute described in AS 16.51.100 (7) – (9) terminate on June 30, 2004. The salmon marketing tax described in AS 43.76.110 – 43.76.130, which supports certain ASMI activities and the ASMI's domestic salmon marketing program, terminates June 30, 2003. HB 390 would extend those activities and programs, and the tax for an additional five years.

In addition, HB 390 amends AS 43.76.120 (d) to permit salmon marketing tax revenue to be appropriated for use in ASMI's international salmon marketing program as well as for use in its domestic salmon marketing program. These changes would assure the continuation of the important work of ASMI and would provide greater flexibility in the marketing of Alaska salmon in the international marketplace.

SPONSOR

under Article I, Section 10, of the Constitution of the United States. (§ 2 ch 162 SLA 1962; am §§ 1 — 3 ch 50 SLA 1969)

Revisor's notes. — To correct a manifest error in ch. 50, SLA 1969, and make the second paragraph of Article IV consistent with other provisions of that Act, in 1969 the phrase "states of California, Oregon, and Washington" in that paragraph was changed to read "compacting states."

NOTES TO DECISIONS

Construction with other statutes. — Because the salmon waste law is both more recent and more specific to the salmon resource than the Pacific Marine Fisheries Compact, its provisions control where the statutes conflict. *O'Callaghan v. Rue*, 996 P.2d 88 (Alaska 2000).

Sec. 16.45.030. Alaska representatives. In furtherance of the compact provisions, there are three members of the commission from the State of Alaska, appointed by the governor and confirmed by the legislature in joint session. One commissioner must be the administrative or other officer of the Alaska Department of Fish and Game charged with the conservation of the state's marine fisheries resource; another commissioner must be a member of the legislature of this state who is a member of the committee on resources; and another member must be a citizen of this state who has a wide knowledge of and interest in the marine fisheries problem. (§ 3 ch 162 SLA 1962)

Sec. 16.45.040. Terms of commissioners. The term of a commissioner is four years. A commissioner holds office until a successor is appointed and qualified, but the successor's term expires four years from the legal date of expiration of the term of the predecessor. A commissioner may be removed from office by the governor upon charges and after a hearing. The term of a commissioner who ceases to hold the qualifications required ends and a successor may be appointed. Vacancies occurring in the office of a commissioner from any reason or cause shall be filled for the unexpired term in the same manner as for a full term appointment. (§ 4 ch 162 SLA 1962)

Chapter 50. Guides and Outfitters.

[Repealed, § 4 ch 17 SLA 1973. For current law, see AS 08.54.]

Chapter 51. Alaska Seafood Marketing Institute.

Section

- 10. Alaska Seafood Marketing Institute established
- 20. Board of directors
- 30. Term of office
- 40. Removal and vacancies
- 50. Quorum
- 60. Compensation of board members
- 70. Meetings
- 80. Employment of personnel
- 90. Powers of board
- 95. Executive Budget Act
- 100. Duties of board

Section

- 110. Prohibited promotions
- 120. Seafood marketing assessment
- 130. Termination of the seafood marketing assessment
- 140. Procedures for an election to approve or terminate a seafood marketing assessment
- 150. Determination of value
- 160. Collection of assessments and disposition of proceeds
- 170. Enforcement of assessments
- 180. Definitions

Sec. 16.51.010. Alaska Seafood Marketing Institute established. There is established the Alaska Seafood Marketing Institute. The institute is a public corporation of the state. It is an instrumentality of the state in the Department of Community and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the institute of the powers conferred by this chapter is an essential governmental function of the state. (§ 3 ch 106 SLA 1981)

ASMI

Revisor's notes. — In 1999, "Department of Commerce and Economic Development" was changed to "Department of Community and Economic Development" in this section in accordance with § 88, ch. 58, SLA 1999.

Cross references. — For legislative findings in connection with the enactment of this chapter, see § 1, ch. 106, SLA 1981 in the Temporary and Special Acts.

Sec. 16.51.020. Board of directors. (a) The governing body of the institute is a board of directors. The board consists of 25 voting members appointed by the governor. In making appointments to the board, the governor shall consider, but need not appoint, nominees presented by persons engaged in fish processing, the financing of fish processing, or commercial fishing.

(b) Twelve members of the board shall be seafood processors: eight of the seafood processors must have an annual payroll in the state of more than \$2,500,000; four of the seafood processors must have an annual payroll in the state of \$50,000 — \$2,500,000. Twelve members of the board must be engaged in commercial fishing. The governor, to the extent practicable, shall appoint as commercial fishing members of the board persons engaged in commercial fishing in a fishery management region of the state in the same proportion that the region contributes, or is expected to contribute during the next year, to the total salmon marketing tax collected under AS 43.76.110 — 43.76.130. One member of the board shall be a lay person selected by the governor.

(c) The board shall annually elect a chairman and other necessary officers from among its members. (§ 3 ch 106 SLA 1981; am §§ 1, 2 ch 55 SLA 1993)

Delayed amendment of subsection (b). — Under § 3, ch. 55, SLA 1993, effective under § 12, ch. 55, SLA 1993 upon the repeal of AS 43.76.110 — 43.76.130, subsection (b) is amended by deleting the next to last sentence.

Cross references. — For transitional provisions relating to the 1993 amendments, see § 8(a) and (b), ch. 55, SLA 1993 in the Temporary and Special Acts.

Effect of amendments. — The 1993 amendment, effective September 1, 1993, in subsection (a), substituted "25 voting members" for "18 voting members"; in subsection (b), substituted "more than \$2,500,000" for "\$1,000,000 or more," "\$50,000 — \$2,500,000" for "\$50,000 — \$1,000,000," and "Twelve members" for "Five members," and added the present third sentence.

Sec. 16.51.030. Term of office. The members of the board appointed by the governor under AS 16.51.020 serve three-year terms and may be reappointed. Terms shall be staggered. An appointee to fill a vacancy shall hold office for the balance of the term for which the appointee's predecessor on the board was appointed. (§ 3 ch 106 SLA 1981)

Sec. 16.51.040. Removal and vacancies. The members of the board appointed by the governor under AS 16.51.020 serve at the governor's pleasure. A vacancy on the board occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only. (§ 3 ch 106 SLA 1981)

Sec. 16.51.050. Quorum. Fourteen members of the board appointed under AS 16.51.020 constitute a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 106 SLA 1981; am § 4 ch 55 SLA 1993)

Effect of amendments. — The 1993 amendment, effective September 1, 1993, substituted "fourteen members" for "ten members."

Sec. 16.51.060. Compensation of board members. Board members receive no salary, but are entitled to per diem and travel expenses authorized by law for other state boards and commissions under AS 39.20.180. (§ 3 ch 106 SLA 1981)

Sec. 16.51.070. Meetings. The board shall meet at least once a year. A meeting of the board shall occur at the call of the chairman, or upon the written request of two members of the board. (§ 3 ch 106 SLA 1981)

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Sec. 16.51.080. Employment of personnel. The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25. (§ 3 ch 106 SLA 1981)

Sec. 16.51.090. Powers of board. In carrying out the powers of the institute, the board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws;
- (3) sue and be sued in the name of the institute;
- (4) enter into any agreements necessary to the exercise of its powers and functions;
- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the institute, including entering into contracts for joint programs of consumer education, sales promotion, quality control, advertising, and research in the production, processing, or distribution of seafood;
- (6) conduct, or contract for, scientific research to develop and discover health, dietetic, or other uses of seafood harvested and processed in the state;
- (7) receive contributions of money from persons;
- (8) establish offices in the state and otherwise incur expenses incidental to the performance of its duties;
- (9) appear on behalf of the institute before boards, commissions, departments, or other agencies of municipal, state, or federal government;
- (10) acquire, hold, lease, sell, or otherwise dispose of property, but such property is limited to that which is necessary to the administrative functioning of the office of the institute;
- (11) establish and maintain one or more bank accounts for the transaction of the institute's business;
- (12) prepare market research and product development plans for the promotion of any species of seafood and their by-products that may be harvested in the state and processed for sale;
- (13) establish committees related to the marketing of salmon and salmon products; the board shall, to the extent practicable, appoint equal numbers of seafood processors and persons engaged in commercial fishing to the committees. (§ 3 ch 106 SLA 1981; am § 5 ch 55 SLA 1993)

Effect of amendments. — The 1993 amendment, effective September 1, 1993, added paragraph (13).

Sec. 16.51.095. Executive Budget Act. The operating budget of the institute shall be prepared and submitted in accordance with AS 37.07 (Executive Budget Act). (§ 3 ch 106 SLA 1981)

Sec. 16.51.100. Duties of board. The board shall

- (1) conduct programs of education, research, advertising, or sales promotion designed to accomplish the purposes of this chapter;
- (2) promote all species of seafood and their by-products that are harvested in the state and processed for sale;
- (3) develop market-oriented quality specifications for Alaska seafoods to be used in developing a high quality image for Alaska seafood in domestic and world markets, and adopt and distribute recommendations regarding the handling of seafood from the moment of capture to final distribution;
- (4) prepare market research and product development plans for the promotion of all species of seafood and their by-products that are harvested in the state and processed for sale;

(5) submit an annual report to the governor describing the activities of the institute and notify the legislature that the report is available;

(6) develop marketing programs based on the "inspection" and "premium quality" seals designed under AS 17.20.066 and use the seals in advertising and promotion efforts of the institute;

(7) collect, organize, distribute, and make available to the public information on prices paid and market conditions for raw salmon and salmon products and provide this information on a regular and timely basis to all salmon fishermen who hold permits under AS 16.43 and to all nonprofit salmon enhancement organizations that hold a permit under AS 16.10.400;

(8) cooperate with commercial salmon fishermen, fishermen's organizations, seafood processors, the Alaska Fisheries Development Foundation, the Fisheries Industrial Technology Center, state and federal agencies, and other relevant persons and entities to investigate market reception to new salmon product forms and develop commodity standards and future markets for salmon products;

(9) establish a salmon marketing committee to assist and advise the board in administering the domestic salmon marketing program that is funded through the tax collected under AS 43.76.110 — 43.76.130; the committee shall consist of seven persons selected by the board, as follows:

(A) four persons shall be engaged in commercial salmon fishing and hold salmon permits under AS 16.43, of whom

(i) one person shall be a member of the board of directors of the institute; and

(ii) three persons shall be Alaska residents from different salmon administrative areas established by the Alaska Commercial Fisheries Entry Commission; and

(B) three persons shall be engaged in processing of salmon, of whom

(i) one person shall be a member of the board of directors of the institute;

(ii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of more than \$2,500,000; and

(iii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of \$50,000 — \$2,500,000. (§ 3 ch 106 SLA 1981; am § 5 ch 57 SLA 1982; am § 6 ch 55 SLA 1993; am § 24 ch 21 SLA 1995; am § 8 ch 72 SLA 1998)

Delayed repeal of paragraphs (7)-(9). — Under § 10, ch. 55, SLA 1993, as amended by § 2, ch. 111, SLA 1998, effective June 30, 2004, paragraphs (7)-(9) are repealed.

Effect of amendments. — The 1993 amendment, effective September 1, 1993, inserted in paragraph (3) "domestic and" and added present paragraphs (7)-(9).

The 1995 amendment, effective August 8, 1995, in paragraph (5), deleted "and the legislature" following "to the governor" and added "and notify the legislature that the report is available" at the end.

The 1998 amendment, effective July 1, 1998, made a section reference substitution in paragraph (6).

Sec. 16.51.110. Prohibited promotions. The board may not promote or make a contract that promotes seafood by

(1) geographic origin other than from the state generally;

(2) geographic region of the state; or

(3) specific brand name. (§ 3 ch 106 SLA 1981)

Sec. 16.51.120. Seafood marketing assessment. (a) A seafood marketing assessment shall be levied on the value of seafood products produced in Alaska as provided in (b), (c), (d), or (e) of this section if an election is held under AS 16.51.140 at which the assessment is approved by eligible processors who together produce at least 51 percent of the value of seafood products produced in Alaska in the calendar year.

(b) Each processor shall pay a seafood marketing assessment of .1 percent of the value of seafood products produced in Alaska by the processor.

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(c) Each processor shall pay a seafood marketing assessment of .2 percent of the value of seafood products produced in Alaska by the processor.

(d) Each processor shall pay a seafood marketing assessment of .3 percent of the value of seafood products produced in Alaska by the processor.

(e) Each processor shall pay a seafood marketing assessment of .4 percent of the value of seafood products produced in Alaska by the processor.

(f) An election under (a) of this section shall be held if the proposed election for the levying of an assessment under (b), (c), (d), or (e) of this section is approved by a majority of the whole membership of the board at a regularly scheduled meeting.

(g) Notwithstanding (a) — (e) of this section and AS 16.51.150(c), a processor is not subject to, or liable for payment of, an assessment under this section on the value of the seafood products produced in Alaska if the value of seafood products produced in Alaska by the processor is less than \$50,000 in a calendar year. This subsection does not exempt a processor from liability for payment of taxes imposed under AS 43.75 or AS 43.77. (§ 3 ch 106 SLA 1981; am §§ 2 — 7 ch 81 SLA 1996)

Cross references. — For legislative findings, intent, and purpose relating to the 1996 amendments to subsections (a)-(e) and to the enactment of subsection (g) by ch. 81, SLA 1996, see § 1, ch. 81, SLA 1996 in the Temporary and Special Acts.

Effect of amendments. — The 1996 amendment, effective June 21, 1996, rewrote subsection (a); in subsections (b)-(e), deleted "who purchases at least

\$50,000 or more of seafood products in Alaska" following "Each processor" and substituted "value of seafood products produced in Alaska" for "value paid"; and added subsection (g).

Editor's notes. — Section 29, ch. 81, SLA 1996 makes the 1996 amendments to subsections (a)-(e) and the 1996 enactment of subsection (g) retroactive to January 1, 1994.

Sec. 16.51.130. Termination of the seafood marketing assessment. (a) A seafood marketing assessment levied under AS 16.51.120(b), (c), (d), or (e) shall be terminated by the commissioner of revenue if

(1) an election is held under AS 16.51.140 in which the termination is approved by eligible processors who together produce at least 51 percent of the total value of seafood products produced in Alaska during the calendar year; or

(2) the board, at a regularly scheduled meeting, adopts a resolution approved by two-thirds of the voting membership of the board requesting the commissioner of revenue to terminate the assessment.

(b) An election under (a)(1) of this section shall be held if

(1) the proposed election for the termination of the assessment is approved by a majority of the whole membership of the board at a regularly scheduled meeting; or

(2) a petition is presented to the director of elections requesting termination of the assessment by eligible processors who together produce at least 25 percent of the total value of seafood products produced in Alaska during the calendar year.

(c) The institute shall provide notice of an election in accordance with AS 16.51.140 within 60 days after receiving notice from the director of elections that a valid petition under (b)(2) of this section has been received.

(d) The seafood marketing assessment is terminated on the effective date stated on the ballot. (§ 3 ch 106 SLA 1981; am §§ 8, 9 ch 81 SLA 1996)

Cross references. — For legislative findings, intent, and purpose relating to the 1996 amendments to subsections (a) and (b) of this section by ch. 81, SLA 1996, see § 1, ch. 81, SLA 1996 in the Temporary and Special Acts.

Effect of amendments. — The 1996 amendment, effective June 21, 1996, in paragraph (a)(1), substi-

tuted "under" for "in accordance with" and, in paragraphs (a)(1) and (b)(2), substituted "produce" for "purchase" and "produced" for "purchased."

Editor's notes. — Section 29, ch. 81, SLA 1996 makes the 1996 amendments to subsections (a) and (b) of this section retroactive to January 1, 1994.

Sec. 16.51.140. Procedures for an election to approve or terminate a seafood marketing assessment. (a) The institute may conduct an election under this section after the director of elections approves

- (1) the notice to be published by the institute;
- (2) the ballot to be used in the election; and
- (3) the registration and voting procedures for the approval or termination of the seafood marketing assessment.

(b) In conducting the election under this section, the institute shall adopt the following procedures:

(1) the proposed levy or termination of the assessment shall be adopted at a regularly scheduled meeting of the board held not less than 60 days before the date on which the ballots must be postmarked to be counted unless the election is for termination of the assessment and has been initiated by a petition under AS 16.51.130(b)(2);

(2) the institute shall hold at least one meeting, not less than 30 days before the date on which ballots must be postmarked to be counted, to explain the reason for the proposed seafood marketing assessment or termination of the assessment and to explain the voting procedure to be used in the election; the institute shall provide notice of the meeting by

(A) mailing the notice to each eligible processor; and

(B) publishing the notice in at least one newspaper of general circulation in each region of the state at least two weeks before the meeting;

(3) the institute shall mail ballots to each eligible processor not more than 45 days before the date specified as the date ballots must be postmarked;

(4) the ballot must

(A) indicate whether the assessment is to be levied under AS 16.51.120(b), (c), (d), or (e) and must state the percentage of the assessment;

(B) indicate the effective date of the levy of the assessment or termination of the assessment;

(C) ask whether the assessment shall be levied or, if the election is to terminate the assessment, whether the assessment shall be terminated;

(5) the ballots shall be returned by mail and shall be counted by the director of elections or a representative.

(c) The director of elections shall certify the results of an election under this section if the director determines that the requirements of (a) and (b) of this section have been satisfied.

(d) For the purposes of this section a ballot submitted by a corporation is presumed valid if the ballot is signed by an individual who is indicated to be an officer of the corporation and the ballot is imprinted with the corporate seal. (§ 3 ch 106 SLA 1981)

Sec. 16.51.150. Determination of value. (a) Upon request from the director of elections, the commissioner of revenue shall determine

(1) the total value of seafood products produced in Alaska during any calendar year;

(2) whether the eligible processors approving the levy or termination of a seafood marketing assessment together produced at least 51 percent of the total value of seafood products produced in Alaska during the calendar year; or

(3) whether the eligible processors petitioning for an election under AS 16.51.130(b)(2) together produced at least 25 percent of the total value of seafood products produced in Alaska during the calendar year.

(b) The total value of seafood products produced in Alaska in a calendar year is the sum of the

(1) total value of the fisheries resource on which the tax imposed under AS 43.75.015 and 43.75.100 is levied in that calendar year; and

(2) total value of the fisheries resource on which the tax imposed under AS 43.77 is levied in that calendar year.

(c) The value of seafood products produced in Alaska by a processor during a calendar year is the sum of the

(1) total value of the fisheries resource on which the processor must pay the tax imposed under AS 43.75.015 and 43.75.100 in that calendar year; and

(b) If the owner of salmon is liable for payment of the salmon enhancement tax under (a) of this section, the owner shall comply with the requirement of AS 43.76.025(b) to report the owner's liability for payment of the tax. (§ 18 ch 117 SLA 1981; am § 7 ch 33 SLA 1989)

Effect of amendments. — The 1989 amendment inserted the reference to "43.76.012" and made stylistic changes in subsection (a).

Sec. 43.76.030. Accounting of financing received as a result of the salmon enhancement tax. [Repealed, § 19 ch 6 SLA 1998.]

Sec. 43.76.035. Exemption. AS 43.76.010 — 43.76.040 do not apply to salmon harvested under a special harvest area entry permit issued under AS 16.43.400. (§ 2 ch 152 SLA 1988; am § 8 ch 33 SLA 1989)

Effect of amendments. — The 1989 amendment deleted "to a regional association established under AS 16.10.380" at the end of the section.

Sec. 43.76.040. Definition. In AS 43.76.010 — 43.76.040, unless the context otherwise requires, "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon but excluding a transfer to a person engaged solely in interstate transportation of goods for hire. (§ 19 ch 117 SLA 1981)

Article 2. Salmon Marketing Tax.

- Section
- 110. Salmon marketing tax
- 120. Collection of tax
- 130. Definition

Effective date of article. — Section 11, ch. 55, SLA 1993, as amended by § 1, ch. 111, SLA 1998 repeals this article effective July 1, 1993. SLA 1993 makes this article effective July 1, 1993. SLA 1998 repeals this article effective June 30, 2003.
Delayed repeal of article. — Section 9, ch. 55,

Sec. 43.76.110. Salmon marketing tax. A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a salmon marketing tax at the rate of one percent of the value, as defined in AS 43.75.290, of salmon that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon marketing tax at the time the salmon is acquired by the buyer. (§ 7 ch 55 SLA 1993)

Sec. 43.76.120. Collection of tax. (a) A buyer who acquires salmon that is subject to a salmon marketing tax imposed by AS 43.76.110 shall collect the salmon marketing tax at the time of purchase and shall remit the total salmon marketing tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon marketing tax shall
(1) maintain records of the value of salmon purchased in the state;
(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.290, of the salmon that the buyer has acquired during the preceding year.

(c) The owner of salmon removed from the state is liable for payment of a salmon marketing tax imposed by AS 43.76.110 if, at the time the salmon is removed from the state, the tax payable on the salmon has not been collected by a buyer. If the owner of the

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salmon is liable for payment of the salmon marketing tax under this subsection, the owner shall comply with the requirements under (a) and (b) of this section to remit the tax to the Department of Revenue, to maintain records, and to report to the Department of Revenue.

(d) The salmon marketing tax collected under this section shall be deposited in the general fund. The legislature may appropriate revenue generated by the salmon marketing tax to the Alaska Seafood Marketing Institute for the purpose of supporting the institute's salmon marketing program under AS 16.51.100(7) — (9) and the institute's domestic salmon marketing program. Except as otherwise provided in an appropriation by the legislature, the amount of the allocation made to the institute's salmon marketing program under AS 16.51.100(7) and (8) should not exceed 10 percent of the total amount of salmon marketing tax revenue appropriated for the institute. (§ 7 ch 55 SLA 1993)

Sec. 43.76.130. Definit. n. In AS 43.76.110 — 43.76.130, "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon, but does not include a person engaged solely in interstate transportation of goods for hire. (§ 7 ch 55 SLA 1993)

Article 3. Dive Fishery Management Assessment.

Section	Section
150. Dive fishery management assessment	190. Collection of assessment
160. Election to approve, amend, or terminate dive fishery management assessment	200. Funding for qualified regional dive fishery development associations
170. Amendment of dive fishery management assessment	210. Definitions
180. Termination of dive fishery management assessment	

Effective dates. — Section 3, ch. 90, SLA 1997 makes this article effective June 21, 1997, in accordance with AS 01.10.070(c).

Sec. 43.76.150. Dive fishery management assessment. (a) A dive fishery management assessment on fishery resources taken by dive gear shall be levied on the value of the fishery resource taken in a dive gear fishery. The species of fishery resources subject to the assessment and the rate of the assessment, as determined under (b) — (e) of this section, shall be determined by an election under AS 43.76.160.

(b) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of one percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.

(c) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of three percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.

(d) A person holding a limited entry permit for dive gear or an interim-use permit for dive gear issued under AS 16.43 shall pay a dive fishery management assessment of five percent on a species of fishery resources that is subject to the assessment as determined by an election under AS 43.76.160, that is taken by dive gear, and that the person removes from the state or transfers to a buyer in the state.