

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10736 HOUSE COMMUNITY & REGIONAL AFFAIRS

STATE OF ALASKA
 ESTIMATED FY 04 NATIONAL FOREST RECEIPTS PAYMENTS
 CHUGACH NATIONAL FOREST - UNORGANIZED BOROUGH
 PROJECTS @ 15% WITH PROJECT \$ DISTRIBUTION BASED UPON SCHOOL & ROAD PAYMENTS
 ENTITIES < \$100,000 EXEMPT FROM PROJECTS EXPENDITURES

Municipality	Road Miles	Road Mile \$	ADM	School \$	First Stage School & Road \$	State Redistribution	Preliminary Total School & Road \$	Preliminary Projects \$	Final Total National Forest Receipt Payment	Final Road Payment	Final School Payment	Final Projects Payment
Home Rule												
Cordova	12.90	\$1,780.01	464.10	\$20,670.83	\$22,450.85	\$4,846.04	\$27,296.89	\$4,816.69	\$32,113.58	\$2,546.12	\$29,567.46	\$0.00
Valdez	25.26	\$3,623.50	866.70	\$38,602.48	\$42,225.98	\$9,114.53	\$51,340.51	\$9,059.33	\$60,399.83	\$5,183.04	\$55,216.80	\$0.00
Second Class												
Whittier	8.60	\$1,186.68	N/A	N/A	\$1,186.68	\$256.15	\$1,442.82	\$254.59	\$1,697.42	\$1,697.42	N/A	\$0.00
REAA'S												
Chugach	N/A	N/A	200.50	\$8,930.19	\$8,930.19	\$1,927.59	\$10,857.78	\$1,915.92	\$12,773.70	N/A	\$12,773.70	\$0.00
TOTAL LOCAL	47.76	\$6,590.19	1,531.30	\$68,203.50	\$74,793.69	\$16,144.31	\$90,938.00	\$16,046.53	\$106,984.53	\$9,426.58	\$97,557.95	\$0.00
STATE	117.00	\$16,144.31	N/A	N/A	\$16,144.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRAND TOTAL	164.76	\$22,734.50	1,531.30	\$68,203.50	\$90,938.00	\$16,144.31	\$90,938.00	\$16,046.53	\$106,984.53	\$9,426.58	\$97,557.95	\$0.00

16 USC 500

§ 500. Payment and evaluation of receipts to State for schools and roads; moneys received; projections of revenues and estimated payments

On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State in which such national forest is situated, to be expended as the State legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: *Provided*, That when any national forest is in more than one State or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. Beginning October 1, 1976, the term "moneys received" shall include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract. The Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes.

(May 23, 1903, c. 192, 35 Stat. 260; Mar. 1, 1911, c. 186, § 13, 36 Stat. 963; June 30, 1914, c. 131, 38 Stat. 441; Sept. 21, 1944, c. 412, title II, § 212, 58 Stat. 737; Apr. 24, 1950, c. 97, § 17(b), 64 Stat. 87; Oct. 22, 1976, P. L. 94-583, § 16, 90 Stat. 2961.)

DICK COOSE

**United States
Department of the Interior
Bureau of Land Management**



**Payment In Lieu of
Taxes
Fiscal Year 2001**

PAYMENTS IN LIEU OF TAXES

INTRODUCTION

“Payments in Lieu of Taxes (PILT)” are Federal payments to local government which have certain Federal lands within their boundaries. The program is administered by the Department of the Interior through the Bureau of Land Management (BLM). BLM’s responsibility is to calculate the payments according to the formulas established by law and to distribute the funds appropriated by Congress.

Since the first payments in 1977, payments have averaged a total of about \$104 million annually and are used to help local governments provide important community services such as fire and police protection, hospital and public school facilities, road construction and search/rescue operations. To date (including the 2001 payments), over \$2.7 billion in payments have been made to local governments.

Additional information concerning PILT is available on the BLM web site located at <http://www.blm.gov/pilt> or by calling BLM at (202) 452-7721.

**CHAPTER 69, 31 UNITED STATES CODE
PAYMENTS IN LIEU OF TAXES ACT
31 U.S.C. 6901-6907**

This paper briefly discusses the Payments in Lieu of Taxes (PILT) Act of 1976, as amended. It describes eligibility for "in-lieu" payments, gives examples of how the payments are computed, and summarizes "entitlement" acres.

The Act authorizes the Secretary of the Interior to make two types of annual payments to eligible units of local government. The Secretary has delegated the responsibility for administering the Act to the Bureau of Land Management.

In October of 1976, Congress passed Public Law 94-565, commonly referred to as the "Payments in Lieu of Taxes Act". This Act provides for payments to local units of government containing certain federally-owned lands. These payments are designed to supplement other Federal land receipt sharing payments local governments may be receiving. Payments received under the Act may be used by the recipients for any governmental purpose. The Act was amended in September, 1982 and renotified at Chapter 69, 31 U.S.C.

On July 30, 1983, the PILT Act (31 U.S.C.) was amended by P.L. 98-63 which refined the definition of "unit of general local government" and added a new section (31 U.S.C 6907) that authorized State governments to enact legislation to reallocate PILT payments in whole or in part to other smaller units of general purpose government. The amendment further provides that where States Enact such legislation, the PILT funds would be paid to State governments for redistribution to the appropriate unit of general local government. The State of Wisconsin is presently the only State to enact legislation (Wisconsin Act 470) under section 6907.

On October 22, 1994, the PILT Act (31 U.S.C.) was amended by P.L. 103-397 which called for increases to the \$.75/\$.10 variables used to compute section 6902 payments and to the population table used to determine each unit of local governments population ceiling. The increases were effective with the September 1995 PILT payment and will continue to be made on an annual basis thereafter.

I. Section 6902 "Entitlement Land" Payments

Section 6902 authorizes payments to local units of government (generally counties, or the equivalent) under one of two alternatives, based on the number of acres of "entitlement lands" within the county. "Entitlement lands" consist of lands in the National Forest System and the National Park System, lands administered by the Bureau of Land Management, and lands dedicated to the use of Federal water resource development projects. Also included are dredge disposal areas under the jurisdiction of the Army Corps of Engineers, National Wildlife Reserve Areas withdrawn from the public domain, inactive and semi-active Army installations used for non-industrial purposes, and certain lands donated to the United States Government by State and local governments. The Act specifically prohibits payments for tax exempt lands (but not donated lands) acquired from State or local governments.

The 75 cents for each acre of entitlement land provision is amended to 93 cents during fiscal year 1995, \$1.11 during fiscal year 1996, \$1.29 during fiscal year 1997, \$1.47 during fiscal year 1998, and \$1.65 during fiscal year 1999.

The 10 cents for each acre of entitlement land provision is amended to 12 cents during fiscal year 1995, 15 cents during fiscal year 1996, 17 cents during fiscal year 1997, 20 cents during fiscal year 1998, and 22 cents during fiscal year 1999.

The increase in population cap dollar amount during fiscal year 1994 will change from \$50 if population is less than or equal to 5,000 to \$62, \$74 during fiscal year 1996, \$86 during fiscal year 1997, \$98 during fiscal year 1998 and \$110 during fiscal year 1999.

Beginning in Fiscal Year 1996 all of the variables mentioned above and the population cap dollar amounts mentioned below will be adjusted for inflation on an annual basis. The yearly inflation percentage is obtained from the Consumer Price Index (CPI).

Fiscal Year 2001 Entitlement Land Payment Formula

The amount be paid to each unit of general local government is the higher of:

A. One dollar ninety-two cents for each acre of "entitlement land" within the boundaries of the unit of government, reduced by the amount of certain Federal land payments (See Table 1) that were received by the unit in the preceding fiscal year (Deductible amounts are reported to BLM each year by the Governor of each State or his delegate.) 1/

-OR-

B. Twenty-six cents for each acre of "entitlement land" within the unit of government. Here, no deductions are made for the Federal land payments received by the unit of government in the preceding fiscal year.

Entitlement land payments to each unit of general local government are subject to population payment limitations or ceilings. Payment ceilings are based on a sliding scale, starting at \$128.39 per capita (for populations of 5,000 and under) and rising to a maximum payment of \$2,567,500 (Table 2). Under Alternative A, if the total calculated payment (\$1.92 x entitlement acres) exceeds the ceiling, deductions for other Federal land payments received are made from the ceiling, not from the \$1.98 per acre figure.

The following examples show how the section 6902 payment is computed.

Example 1 - Payment Alternative A Greater than B:

Population limitation (19,000 x \$72.36) 1/	<u>\$1,374,840</u>
A. 88,442 acres x 1.92 cents per acre 1/	169,809
Deduction for prior year payments	<u>-36,435</u>
Payment to county - Alternative A	<u>\$133,374</u>
B. 88,442 acres x 26 cents per acre 1/	<u>\$22,995</u>
No deduction under this alternative	<u>- 0</u>
Payment to county - Alternative B	<u>\$22,995</u>

In this case, the county would receive \$133,374. If the population limitation were \$90,000, the Alternative A payment would be \$53,565 (\$90,000 - \$36,435).

1/ The \$1.92 and 26 cent per acre values and the \$72.36 population multiplier result from multiplying the FY 2000 per acre values of \$1.87 and 25 cents and the population multiplier of \$70.33 by the FY 2000 CPI inflation factor of 1.0289%. Also, only the amount of Federal land payments actually received by units of government in the prior fiscal year are deducted. If a unit receives a Federal land payment, but is required by State law to pass all or part of it to financially and politically independent school districts, or other single or special purpose district, such redistributed payments are considered to have not been received by the unit of local government and are not deducted from the section 6902 payment.

Example 2 - Payment Alternative B greater than A:

Population limitation (12,000 x \$85.20)	<u>\$1,022,400</u>
A. 81,391 acres x \$1.92 cents per acre	156,271
Deduction for prior year payments	<u>-183,000</u>
Payment to county - Alternative A	<u>\$ 0</u>
B. 81,391 acres x 26 cents per acre	\$21,162
No deduction under this alternative	<u>- 0</u>
Payment to county - Alternative B	<u>\$21,162</u>

In this case, \$21,162 would be the payment to the county.

Example 3 - ceiling in effect - payment limited to population ceiling:

Population limitation (3,000 x \$128.39)	<u>\$218,263</u>
A. 1,700,000 acres x 1.92 cents per acre	<u>\$3,264,000</u>
Population ceiling limit	218,263
Deduction for prior year payments	<u>-750,000</u>
Payment to county - Alternative A	<u>\$ 0</u>
B. 1,700,000 acres x 26 cents per acre	<u>\$442,000</u>
No deduction under this alternative	<u> 0</u>
Payment to county - Alternative B	<u>\$442,000</u>
Payment to county - allowed by ceiling	<u>\$218,263</u>

In the case of this county with high Federal land ownership and a small population, the ceiling is applied to both alternatives with that ceiling amount being paid to the county under Alternative B.

II. Section 6904 Payments

Section 6904 of the Act authorizes payments for any lands or interest therein which were acquired after December 31, 1970, as additions to the National Park System or National Forest Wilderness Areas. These lands must have been subject to local real property taxes within the five year period preceding their acquisition by the Federal government. Payments under this section are made in addition to payments under section 1. They are based on 1% of the fair market value of the lands at the time of acquisition, but may not exceed the amount of real property taxes assessed and levied on the property during the last full fiscal year before the fiscal year in which acquired. Section 6904 payments for such acquisitions are to be made annually for five years following each acquisition.

Federal payments of \$100 or more made under section 6904 must be distributed by the recipient unit of local government to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of these lands or interests therein. Distribution shall be in proportion to the tax revenues assessed and levied by the affected units of local governments and school districts in the year prior to the acquisition of these lands by the Federal government.

III. Section 6905 Payments

Section 6905 of the Act authorizes payments for any lands or interest in land owned by the Government in the Redwood National Park or acquired in the Lake Tahoe Basin under the Act December 23, 1980 (P.L. 96-586, 94 Stat. 3383). Section 6905 payments will continue beyond the five year limitation. These payments will continue until the total amount paid equals 5% of the fair market value of the lands at the time of acquisition. However, the payment for each year cannot exceed the actual property taxes assessed and levied on the property during the last full fiscal year before the fiscal year in which the property was acquired by the Federal government.

Fiscal Year 2001 Population Values for
 Payments in Lieu of Taxes (Section 6902)

Table 2

If population is less than or equal to:	Payment shall not exceed the amount computed by multiplying such population by:
5,000	\$128.39
6,000	120.22
7,000	113.21
8,000	105.04
9,000	98.04
10,000	89.86
11,000	87.54
12,000	85.20
13,000	81.69
14,000	79.37
15,000	77.03
16,000	75.87
17,000	74.70
18,000	73.54
19,000	72.36
20,000	71.20
21,000	70.03
22,000	68.86
23,000	68.86
24,000	67.70
25,000	66.53
26,000	65.37
27,000	65.37
28,000	65.37
29,000	64.19
30,000	64.19
31,000	63.02
32,000	63.02
33,000	61.86
34,000	61.86
35,000	60.69
36,000	60.69
37,000	59.53
38,000	59.53
39,000	58.36
40,000	58.36
41,000	57.20
42,000	56.02
43,000	56.02
44,000	54.85
45,000	54.85
46,000	53.69
47,000	53.69
48,000	52.53
49,000	52.53
50,000	51.35

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Date: 08/29/2001

U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT
 PAYMENTS IN LIEU OF TAXES - FOR FISCAL YEAR 2001
 SUMMARY BY STATE

STATE	ENTITLEMENT ACRES	REV. SHAR. PAYMENTS	6902 PAYMENTS	6904/05 PAYMENTS	GROSS PMT > \$100	NET CHECK	PREV. PMT ADJ. MADE THIS FY	TOTAL PMT THIS FY
ALABAMA	794,517	\$327,559	\$1,197,912	\$0	\$1,197,625	\$704,351	\$0	\$704,351
ALASKA	237,847,719	\$1,837,681	\$22,681,917	\$0	\$22,681,917	\$13,341,403	\$0	\$13,341,403
ARIZONA	27,566,920	\$970,258	\$27,222,694	\$76,177	\$27,298,871	\$16,057,080	\$0	\$16,057,080
ARKANSAS	3,282,683	\$2,145,792	\$4,156,960	\$932	\$4,157,569	\$2,445,372	\$0	\$2,445,372
CALIFORNIA	43,349,053	\$15,958,229	\$34,287,585	\$1,243,217	\$35,530,775	\$20,899,051	\$0	\$20,899,051
COLORADO	23,670,215	\$6,953,894	\$25,901,618	\$9,450	\$25,911,068	\$15,240,782	\$0	\$15,240,782
CONNECTICUT	11,933	\$0	\$22,912	\$11,785	\$34,543	\$20,318	\$0	\$20,318
DELAWARE	2,060	\$0	\$3,955	\$0	\$3,955	\$2,233	\$0	\$2,233
DISTRICT OF COLUMBIA	6,960	\$0	\$13,363	\$3,410	\$16,773	\$9,866	\$0	\$9,866
FLORIDA	2,517,270	\$335,119	\$4,498,241	\$257,157	\$4,755,091	\$2,796,719	\$0	\$2,796,719
GEORGIA	1,290,414	\$142,454	\$2,335,141	\$157,899	\$2,492,863	\$1,466,196	\$0	\$1,466,196
GUAM	1,165	\$0	\$2,237	\$970	\$3,207	\$1,887	\$0	\$1,887
HAWAII	14,969	\$0	\$28,741	\$9,941	\$38,682	\$22,752	\$0	\$22,752
IDAHO	32,439,681	\$4,252,589	\$22,866,087	\$2,322	\$22,868,409	\$13,451,102	\$0	\$13,451,102
ILLINOIS	476,756	\$107,137	\$880,757	\$0	\$880,630	\$517,984	\$0	\$517,984
INDIANA	309,124	\$27,553	\$565,966	\$30,628	\$602,458	\$354,285	\$0	\$354,285
IOWA	180,160	\$0	\$345,908	\$0	\$345,831	\$203,417	\$0	\$203,417
KANSAS	543,791	\$469,471	\$871,150	\$0	\$871,083	\$512,369	\$0	\$512,369
KENTUCKY	1,245,913	\$46,566	\$2,345,587	\$0	\$2,344,764	\$1,379,100	\$0	\$1,379,100
LOUISIANA	741,207	\$1,259,077	\$417,706	\$2,091	\$419,295	\$246,555	\$0	\$246,555
MAINE	116,689	\$28,147	\$195,897	\$65,083	\$260,881	\$153,244	\$0	\$153,244
MARYLAND	42,485	\$2,530	\$79,043	\$53,248	\$132,236	\$77,781	\$0	\$77,781
MASSACHUSETTS	40,237	\$0	\$77,254	\$29,325	\$106,148	\$62,023	\$0	\$62,023
MICHIGAN	2,161,804	\$808,778	\$3,349,307	\$2,988	\$3,352,146	\$1,971,722	\$0	\$1,971,722
MINNESOTA	2,898,011	\$3,389,345	\$1,775,948	\$7,707	\$1,983,106	\$1,166,455	\$0	\$1,166,455
MISSISSIPPI	1,611,111	\$4,379,701	\$1,304,517	\$444	\$1,304,638	\$767,308	\$0	\$767,308
MISSOURI	2,033,316	\$555,183	\$3,348,781	\$159	\$3,348,824	\$1,969,669	\$0	\$1,969,669
MONTANA	27,121,607	\$4,834,080	\$26,714,743	\$414	\$26,715,157	\$15,713,745	\$0	\$15,713,745
NEBRASKA	526,611	\$35,663	\$915,197	\$0	\$915,060	\$538,142	\$0	\$538,142
NEVADA	56,780,548	\$137,065	\$18,590,125	\$36,886	\$18,627,011	\$10,956,327	\$0	\$10,956,327
NEW HAMPSHIRE	751,866	\$0	\$1,357,087	\$3,116	\$1,360,201	\$799,882	\$0	\$799,882
NEW JERSEY	39,698	\$0	\$76,220	\$19,847	\$95,844	\$56,375	\$0	\$56,375
NEW MEXICO	22,589,823	\$846,160	\$30,632,501	\$19,765	\$30,652,266	\$18,029,532	\$0	\$18,029,532
NEW YORK	59,080	\$5,117	\$108,318	\$19,574	\$127,735	\$75,051	\$0	\$75,051
NORTH CAROLINA	1,710,043	\$0	\$3,283,282	\$8,433	\$3,291,686	\$1,936,015	\$0	\$1,936,015
NORTH DAKOTA	1,720,444	\$2,380,709	\$1,541,140	\$6	\$1,540,925	\$906,369	\$0	\$906,369
OHIO	349,026	\$37,563	\$632,568	\$134,663	\$767,022	\$450,905	\$0	\$450,905
OKLAHOMA	1,480,648	\$1,038,544	\$2,130,171	\$1,077	\$2,130,913	\$1,253,232	\$0	\$1,253,232
OREGON	28,718,345	\$60,781,880	\$11,702,791	\$4,581	\$11,707,279	\$6,886,106	\$0	\$6,886,106

PAYMENTS IN LIEU OF TAXES

FISCAL YEAR 2001

SCHEDULE 1

This printout shows the total payment made to each unit of local government for fiscal year 2001 under the Payments in Lieu of Taxes Act (31 U.S.C. 6901-6907). The following information is shown in the printout by unit of local government.

Column 1 - Total section 6902 payment (from Schedule 2)

Column 2 - Total section 6904/6905 payments

Column 3 - Total section 6902 and 6904/6905 payments

Column 4 - The amounts in column 3 that are \$100 or greater. The Act specifies that no payment will be made if the total payment is less than \$100.

Column 5 - The amounts in column 4 prorated to 58.819%.. There were insufficient funds appropriated for the program in fiscal year 2001 to make full payments.

Column 6 - The amounts (if any) that have been deducted from the fiscal year 2001 payment to recover overpayments that may have been made in prior fiscal years.

Column 7 - Total amount paid for the fiscal year 2001 PILT payment.

The last two columns are provided for informational purposes and show any additional payments units of local government may have received during fiscal year 2001 as adjustments to previous PILT payments.

Column 8 - Adjustment payments that may have been issued during fiscal year 2001 to correct under payments in prior fiscal years.

Column 9 - Total amount paid to units of local governments during the current fiscal year.

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Date: 08/29/2001

**U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT
PAYMENTS IN LIEU OF TAXES - FOR FISCAL YEAR 2001
TOTAL PAYMENTS BY COUNTY**

Page Number: 3

ALASKA

<u>LOCAL UNIT OF GOVERNMENT</u>	<u>6902 PAYMENTS</u>	<u>6904/05 PAYMENTS</u>	<u>TOTAL PAYMENTS</u>	<u>GROSS PMT > \$100</u>	<u>0.58819575 PRORATED</u>	<u>ADJ. FOR PRIOR YEAR</u>	<u>NET CHECK</u>	<u>PREV. PMT ADJ. MADE THIS FY</u>	<u>TOTAL PD THIS FY</u>
ALEUTIANS EAST BOROU	\$346,268	\$0	\$346,268	\$346,268	\$203,673	\$0	\$203,673	\$0	\$203,673
ALEUTIANS WEST	\$641,950	\$0	\$641,950	\$641,950	\$377,592	\$0	\$377,592	\$0	\$377,592
BETHEL	\$1,213,920	\$0	\$1,213,920	\$1,213,920	\$714,023	\$0	\$714,023	\$0	\$714,023
BRISTOL BAY BORO	\$161,515	\$0	\$161,515	\$161,515	\$95,002	\$0	\$95,002	\$0	\$95,002
DENALI BOROUGH	\$243,042	\$0	\$243,042	\$243,042	\$142,956	\$0	\$142,956	\$0	\$142,956
DILLINGHAM	\$631,936	\$0	\$631,936	\$631,936	\$371,702	\$0	\$371,702	\$0	\$371,702
FAIRBANKS-NORTH	\$834,532	\$0	\$834,532	\$834,532	\$490,868	\$0	\$490,868	\$0	\$490,868
HAINES BOROUGH	\$307,109	\$0	\$307,109	\$307,109	\$180,640	\$0	\$180,640	\$0	\$180,640
JUNEAU CITY & BOROU	\$1,754,020	\$0	\$1,754,020	\$1,754,020	\$1,031,707	\$0	\$1,031,707	\$0	\$1,031,707
KENAI PENINSULA BORO	\$2,556,365	\$0	\$2,556,365	\$2,556,365	\$1,503,643	\$0	\$1,503,643	\$0	\$1,503,643
KETCHIKAN GATEWAY BO	\$1,024,781	\$0	\$1,024,781	\$1,024,781	\$602,772	\$0	\$602,772	\$0	\$602,772
KODIAK ISLAND BOROU	\$1,109,924	\$0	\$1,109,924	\$1,109,924	\$652,853	\$0	\$652,853	\$0	\$652,853
LAKE & PENINSULA BOR	\$234,055	\$0	\$234,055	\$234,055	\$137,670	\$0	\$137,670	\$0	\$137,670
MATANUSKA SUSITNA BO	\$2,567,060	\$0	\$2,567,060	\$2,567,060	\$1,509,934	\$0	\$1,509,934	\$0	\$1,509,934
MUNICIPALITY OF ANCH	\$651,888	\$0	\$651,888	\$651,888	\$383,438	\$0	\$383,438	\$0	\$383,438
NOME	\$882,360	\$0	\$882,360	\$882,360	\$519,000	\$0	\$519,000	\$0	\$519,000
NORTH SLOPE BOROUGH	\$792,470	\$0	\$792,470	\$792,470	\$466,127	\$0	\$466,127	\$0	\$466,127
NORTHWEST ARTIC BORO	\$792,470	\$0	\$792,470	\$792,470	\$466,127	\$0	\$466,127	\$0	\$466,127
PRINCE OF WALES	\$721,320	\$0	\$721,320	\$721,320	\$424,277	\$0	\$424,277	\$0	\$424,277
S.E. FAIRBANKS	\$721,320	\$0	\$721,320	\$721,320	\$424,277	\$0	\$424,277	\$0	\$424,277
SITKA CITY BOROUGH	\$672,715	\$0	\$672,715	\$672,715	\$395,688	\$0	\$395,688	\$0	\$395,688
SKAGWAY/YAKUTAT	\$441,148	\$0	\$441,148	\$441,148	\$259,481	\$0	\$259,481	\$0	\$259,481
VALDEZ/CORDOVA	\$898,600	\$0	\$898,600	\$898,600	\$528,553	\$0	\$528,553	\$0	\$528,553
WADE HAMPTON	\$792,470	\$0	\$792,470	\$792,470	\$466,127	\$0	\$466,127	\$0	\$466,127
WRANGEL/PETERSBURG	\$792,470	\$0	\$792,470	\$792,470	\$466,127	\$0	\$466,127	\$0	\$466,127
YAKUTAT BOROUGH	\$103,739	\$0	\$103,739	\$103,739	\$61,019	\$0	\$61,019	\$0	\$61,019
YUKON KOYUKUK	\$792,470	\$0	\$792,470	\$792,470	\$466,127	\$0	\$466,127	\$0	\$466,127
	\$22,681,917	\$0	\$22,681,917	\$22,681,917	\$13,341,403	\$0	\$13,341,403	\$0	\$13,341,403

PAYMENTS IN LIEU OF TAXES

FISCAL YEAR 2001

SCHEDULE 2

This printout shows that data which was used in computing the fiscal year 2001 payments authorized under section 6902 of the Act.

Entitlement land acreage data was provided by the various Federal agencies that administer the land. Schedule 3 breaks this data down by Federal agency.

The amount of the Federal land receipt sharing payments that were received by units of local government in fiscal year 2000 was provided by State officials. This amount reflects the receipt sharing payments that the units of local government retained for their own use.

Population data reflects the latest population count as provided by the Bureau of the Census. Population figures of 5,000 or over are rounded to the nearest thousands. The maximum population count for purposes of the Act is 50,000.

A detailed explanation of how the section 6902 payments are calculated is provided at the front of this publication.

PCN: PI012
Date: 08/29/2001

U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT
PAYMENTS IN LIEU OF TAXES - FOR FISCAL YEAR 2001
SECTION 6902 PAYMENTS BY COUNTY

Page Number: 3

ALASKA

<u>LOCAL UNIT OF GOVERNMENT</u>	<u>ENTITLEMENT ACRES</u>	<u>PRIOR YEAR PAYMENTS</u>	<u>UNIT POPULATION</u>	<u>CEILING</u>	<u>ALTERNATIVE A</u>	<u>ALTERNATIVE B</u>	<u>EST PAYMENT TO COUNTY</u>
ALEUTIANS EAST BOROU	2,683,610	\$1,276	2,697	\$346,268	\$344,992	\$346,268	\$346,268
ALEUTIANS WEST	2,357,968	\$0	5,000	\$641,950	\$641,950	\$613,072	\$641,950
BETHEL	16,799,781	\$281	16,000	\$1,213,920	\$1,213,639	\$1,213,920	\$1,213,920
BRISTOL BAY BORO	85,001	\$0	1,258	\$161,515	\$161,515	\$22,100	\$161,515
DENALI BOROUGH	4,797,992	\$0	1,893	\$243,042	\$243,042	\$243,042	\$243,042
DILLINGHAM	3,263,157	\$356	4,922	\$631,936	\$631,580	\$631,936	\$631,936
FAIRBANKS-NORTH	434,652	\$0	50,000	\$2,567,500	\$834,532	\$113,010	\$834,532
HAINES BOROUGH	1,190,010	\$106,942	2,392	\$307,109	\$200,167	\$307,109	\$307,109
JUNEAU CITY & BOROU	1,717,390	\$199,600	31,000	\$1,953,620	\$1,754,020	\$446,521	\$1,754,020
KENAI PENINSULA BORO	6,394,846	\$11,135	50,000	\$2,567,500	\$2,556,365	\$1,662,660	\$2,556,365
KETCHIKAN GATEWAY BO	740,053	\$86,399	14,000	\$1,111,180	\$1,024,781	\$192,414	\$1,024,781
KODIAK ISLAND BOROU	2,829,770	\$1,256	14,000	\$1,111,180	\$1,109,924	\$735,740	\$1,109,924
LAKE & PENINSULA BOR	9,231,548	\$0	1,823	\$234,055	\$234,055	\$234,055	\$234,055
MATANUSKA SUSITNA BO	4,747,072	\$440	50,000	\$2,567,500	\$2,567,060	\$1,234,239	\$2,567,060
MUNICIPALITY OF ANCH NOME	340,978	\$2,790	50,000	\$2,567,500	\$651,888	\$88,654	\$651,888
NORTH SLOPE BOROUGH	8,431,952	\$0	9,000	\$882,360	\$882,360	\$882,360	\$882,360
NORTHWEST ARTIC BORO	42,679,928	\$103	7,000	\$792,470	\$792,367	\$792,470	\$792,470
PRINCE OF WALES	17,878,395	\$156	7,000	\$792,470	\$792,314	\$792,470	\$792,470
S.E. FAIRBANKS	4,313,719	\$451,119	6,000	\$721,320	\$270,201	\$721,320	\$721,320
SITKA CITY BOROUGH	5,696,104	\$0	6,000	\$721,320	\$721,320	\$721,320	\$721,320
SKAGWAY/YAKUTAT	1,797,385	\$209,645	9,000	\$882,360	\$672,715	\$467,320	\$672,715
VALDEZ/CORDOVA	5,236,949	\$196,409	3,436	\$441,148	\$244,739	\$441,148	\$441,148
WADE HAMPTON	15,665,043	\$33,220	10,000	\$898,600	\$865,380	\$898,600	\$898,600
WRANGEL/PETERSBURG	9,720,340	\$0	7,000	\$792,470	\$792,470	\$792,470	\$792,470
YAKUTAT BOROUGH	3,561,176	\$393,420	7,000	\$792,470	\$399,050	\$792,470	\$792,470
YUKON KOYUKUK	4,449,180	\$143,101	808	\$103,739	\$0	\$103,739	\$103,739
	60,803,720	\$33	7,000	\$792,470	\$792,437	\$792,470	\$792,470
	237,847,719	\$1,837,681			\$21,394,863	\$16,282,897	\$22,681,917

PAYMENTS IN LIEU OF TAXES

FISCAL YEAR 2001

SCHEDULE 3

This printout shows the entitlement land acreage, by Federal agency, that was used in computing the section 6902 payments for fiscal year 2001. As defined in section 6901 of the Act, entitlement land consists of:

- 1. Lands in the National Park System**
- 2. Lands in the National Forest System**
- 3. Lands administered by the Bureau of Land Management**
- 4. Lands dedicated to the use of Federal water resources development projects**
- 5. Dredge disposal areas under the jurisdiction of the U.S. Army Corps of Engineers**
- 6. National Wildlife Reserve Areas withdrawn from the public domain**
- 7. Land located in the vicinity of Purgatorie River Canyon and Pinon Canyon, Colorado that was acquired after December 31, 1981 to expand the Fort Carson military reservation**
- 8. Land on which are located semi-active or inactive Army installation use for mobilization and for reserve component training**

PCN: PI011

Date: 08/20/2001

U.S. DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT
 PAYMENTS IN LIEU OF TAXES - FOR FISCAL YEAR 2001
 ENTITLEMENT LAND ACREAGE

Page Number:

3

ALASKA

<u>LOCAL UNIT OF GOVERNMENT</u>	<u>BLM</u>	<u>FS</u>	<u>BOR</u>	<u>NPS</u>	<u>ARMY</u>	<u>COE</u>	<u>FW</u>	<u>URC</u>	<u>OTHER</u>	<u>TOTAL ACRES</u>
ALEUTIANS EAST BOROU	20,450	0	0	0	0	0	2,663,160	0	0	2,683,610
ALEUTIANS WEST	16,409	0	0	0	0	0	2,341,559	0	0	2,357,968
BETHEL	3,933,025	0	0	474,017	0	2	12,392,737	0	0	16,799,781
BRISTOL BAY BORO	47,715	0	0	37,280	0	0	6	0	0	85,001
DENALI BOROUGH	452,647	0	0	4,345,345	0	0	0	0	0	4,797,992
DILLINGHAM	807,744	0	0	0	0	0	2,455,413	0	0	3,263,157
FAIRBANKS-NORTH	419,429	0	0	0	0	15,223	0	0	0	434,652
HAINES BOROUGH	273,341	916,669	0	0	0	0	0	0	0	1,190,010
JUNEAU CITY & BOROU	6,494	1,710,896	0	0	0	0	0	0	0	1,717,390
KENAI PENINSULA BORO	649,533	1,094,670	0	2,698,319	0	13	1,952,311	0	0	6,394,846
KETCHIKAN GATEWAY BO	10	740,014	0	0	0	29	0	0	0	740,053
KODIAK ISLAND BOROU	10,212	3,455	0	803,266	0	0	2,012,837	0	0	2,829,770
LAKE & PENINSULA BOR	1,278,590	0	0	4,597,962	0	0	3,354,096	0	0	9,231,548
MATANUSKA SUSITNA BO	3,013,454	43,386	0	1,690,232	0	0	0	0	0	4,747,072
MUNICIPALITY OF ANCH	65,980	274,983	0	0	0	0	15	0	0	340,978
NOME	6,581,134	0	0	1,530,343	0	0	316,475	0	0	8,431,952
NORTH SLOPE BOROUGH	26,483,515	0	0	4,098,645	0	0	12,097,768	0	0	42,679,928
NORTHWEST ARTIC BORO	5,297,729	0	0	9,762,646	0	0	2,818,020	0	0	17,878,395
PRINCE OF WALES	0	4,310,887	0	0	0	0	2,832	0	0	4,313,719
S.E. FAIRBANKS	3,164,707	0	0	1,978,716	0	0	552,681	0	0	5,696,104
SITKA CITY BOROUGH	229	1,796,993	0	57	0	30	76	0	0	1,797,385
SKAGWAY/YAKUTAT	133,202	2,429,138	0	2,674,609	0	0	0	0	0	5,236,949
VALDEZ/CORDOVA	2,698,780	3,883,943	0	8,938,765	0	0	143,555	0	0	15,665,043
WADE HAMPTON	943,082	0	0	0	0	0	8,777,258	0	0	9,720,340
WRANGEL/PETERSBURG	100	3,561,076	0	0	0	0	0	0	0	3,561,176
YAKUTAT BOROUGH	538,229	1,226,987	0	2,583,964	0	0	0	0	0	4,449,180
YUKON KOYUKUK	27,497,217	0	0	4,846,072	0	0	28,460,431	0	0	60,803,720
TOTAL	84,436,957	21,993,097	0	51,060,238	0	15,297	80,342,130	0	0	237,847,719



Bureau of Land Management

Payments in Lieu of Taxes

PILT Acres by Agency

check this page →

**PAYMENT IN LIEU OF TAXES
ENTITLEMENT ACREAGE BY COUNTY AND AGENCY
Fiscal Year 2003**

ALASKA

COUNTY	BLM	FS	BOR	NPS	COE	ARMY	FISH	UI
ALEUTIANS EAST BOROU	20,290	0	0	0	0	0	2,663,160	
ALEUTIANS WEST	16,409	0	0	0	0	0	2,341,559	
BETHEL	3,933,020	0	0	474,058	2	0	12,392,737	
BRISTOL BAY BOROUGH	47,715	0	0	37,280	0	0	6	
DENALI BOROUGH	452,043	0	0	4,345,220	0	0	0	
DILLINGHAM	801,237	0	0	0	0	0	2,455,413	
FAIRBANKS NORTHSTAR	419,284	0	0	0	15,223	0	0	
HAINES BOROUGH	273,333	916,353	0	0	0	0	0	
JUNEAU CITY & BOROUG	6,494	1,710,896	0	0	0	0	0	
KENAI PENINSULA BORO	637,906	1,094,630	0	2,700,213	10	0	1,952,311	
KETCHIKAN GATEWAY BO	10	740,014	0	0	29	0	0	
KODIAK ISLAND BOROUG	10,212	2,495	0	803,266	0	0	2,012,837	
LAKE & PENINSULA BOR	1,278,282	0	0	4,621,876	0	0	3,354,996	
MATANUSKA SUSITNA BO	3,013,432	43,386	0	1,690,233	0	0	0	
MUNICIPALITY OF ANCH	65,980	274,933	0	0	0	0	15	
NOME	6,581,047	0	0	1,530,104	0	0	316,475	
NORTH SLOPE BOROUGH	26,152,252	0	0	4,098,644	0	0	12,097,768	
NORTHWEST ARTIC	5,295,577	0	0	9,768,758	0	0	2,818,020	

→

BORO								
PRINCE OF WALES	0	4,309,633	0	0	0	0	2,832	
S.E. FAIRBANKS	3,105,265	0	0	1,978,756	0	0	552,681	
SITKA CITY BOROUGH	229	1,796,304	0	63	0	0	76	
SKAGWAY/YAKUTAT	133,202	2,428,279	0	2,674,608	0	0	0	
VALDEZ/CORDOVA	2,627,819	3,881,493	0	8,941,249	0	0	143,555	
WADE HAMPTON	943,082	0	0	0	0	0	8,777,258	
WRANGEL/PETERSBURG	0	3,559,687	0	0	0	0	0	
YAKUTAT BOROUGH	638,229	1,226,987	0	2,583,770	0	0	0	
YUKON KOYUKUK	27,486,982	0	0	4,846,072	0	0	28,460,431	
TOTAL	83,939,331	21,985,090	0	51,094,170	15,264	0	80,342,130	

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Bureau of Land Management

Payments in Lieu of Taxes

Total Payments and Total Acres by State/County

Summary by State and County Fiscal Year 2003		
ALASKA		
County	Payment	Total Acres
ALEUTIANS EAST BOROU	\$229,686.00	2,683,450
ALEUTIANS WEST	\$511,079.00	2,357,968
BETHEL	\$899,769.00	16,799,817
BRISTOL BAY BOROUGH	\$105,064.00	85,001
DENALI BOROUGH	\$171,196.00	4,797,263
DILLINGHAM	\$454,824.00	3,256,650
FAIRBANKS NORTHSTAR	\$591,102.00	434,507
HAINES BOROUGH	\$211,312.00	1,189,686
JUNEAU CITY & BOROUG	\$757,684.00	1,717,390
KENAI PENINSULA BORO	\$1,800,761.00	6,385,070
KETCHIKAN GATEWAY BO	\$516,305.00	740,053
KODIAK ISLAND BOROUG	\$786,014.00	2,828,810
LAKE & PENINSULA BOR	\$147,545.00	9,255,154
MATANUSKA SUSITNA BO	\$1,818,359.00	4,747,051
MUNICIPALITY OF ANCH	\$458,865.00	340,928
NOME	\$625,150.00	8,427,626
NORTH SLOPE BOROUGH	\$561,467.00	42,348,664
NORTHWEST ARTIC BORO	\$561,467.00	17,882,355
PRINCE OF WALES	\$511,079.00	4,312,465
S.E. FAIRBANKS	\$511,079.00	5,636,702
SITKA CITY BOROUGH	\$326,698.00	1,796,672

SKAGWAY/YAKUTAT	\$300,184.00	5,236,089
VALDEZ/CORDOVA	\$636,693.00	15,594,116
WADE HAMPTON	\$561,467.00	9,720,340
WRANGEL/PETERSBURG	\$561,467.00	3,559,687
YAKUTAT BOROUGH	\$68,588.00	4,448,986
YUKON KOYUKUK	\$511,079.00	60,793,485
TOTAL	\$15,195,983.00	237,375,985

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SB

387

Community Quota Entity (CQE) Legislation:

HB554/SB387

Commercial Fishing Loans to Eligible CQE's

Background

- The National Marine Fisheries Service (NMFS) is expected to publish the final rule implementing Amendment 66 to the Fishery Management Plan (FMP) for groundfish in the Gulf of Alaska in May 2004.
- Amendment 66 is the outcome of a series of public meetings with the North Pacific Fishery Management Council (NPFMC) and represents a consensus on how to reverse the outward migrating of IFQs from rural Alaska communities to the Lower 48 states.
- The proposed rule would allow 42 coastal communities to be eligible purchase Individual Fishing Quotas (IFQs). These organizations would be known as Community Quota Entities (CQEs) and they would be authorized to purchase halibut and sablefish quota shares on the open market and lease these shares back to harvesters who are residents of the eligible communities.
- Communities represented by CQEs cumulatively would be limited to holding a maximum of 3 percent of the total halibut and black cod quota share in each area for the first seven years of the program up to a total of 21%.
- CQEs in Area 2C and 3A could only receive and use halibut quota share assigned to vessels greater than 35 feet and less than or equal to 60 feet (Category C) and greater than 60 feet (Category B). This provision would prohibit CQE's from holding halibut quota share assigned to vessels less than or equal to 35 feet (Category D). The Council did not recommend catcher vessel restrictions for CQEs holding sablefish quota shares as sablefish are typically harvested by larger vessels.
- The proposed rule identifies eligibility criteria, transfer restrictions and provides limited administrative oversight, however, it does not identify a funding mechanism for these communities to purchase the quota shares.

Legislation

- HB554/SB387 amends the Commercial Fishing Revolving Loan Fund (CFRLF) to allow the Department of Community & Economic Development to make loans to CQEs and in turn create a new local revenue stream. The department is currently able to make loans only to individuals to purchase quota shares.
- CQE applicants would be limited to \$2 million in outstanding loans per community.
- A down payment of 35% would be required for loans secured by quota share.

Benefits of CQEs:

- CQEs improve the economic viability of these communities through local control of fishing privileges.
- The majority of the 42 eligible communities in the proposed rule have experienced an out-migration of quota resulting in a significant decline in the number of quota shares held by local residents. The amendment should provide these communities with a mechanism to reverse the trend and this legislation will provide essential funding for the program.
- CQEs will provide additional employment opportunities for residents, help diversify fishing operations from salmon to halibut and sablefish, and increase efficiency by using existing salmon infrastructure such as vessels, processing plant and cold storage facilities.

Impact of the CQE legislation on Financial Services

- This legislation will not adversely impact private sector lenders. Section one of the bill requires that loans may be made only if the applicant is not eligible or qualified for financing from other recognized commercial lending institutions. This same requirement is already contained in the Commercial Fishing Revolving Loan Fund (CFRLF) statute for loans made to individuals to purchase quota shares.
- The CFRLF has adequate cash flow to handle anticipated loan demand. The Department of Community and Economic Development (Department) expects the program to phase in over a period of several years as communities form CQE's, establish a capital base necessary to meet down payment requirements and locate quota shares to purchase.
- The Department will amend the CFRLF regulations (3 AAC 80.055 (a)) to ensure that if total loan demand for the program ever exceeds the amount of capital available for loans that applications submitted by individuals to purchase limited entry permits, vessels, gear, or quota shares will be processed first.
- There will be no additional administrative costs associated with this proposal. The Department will use existing staff, expertise and infrastructure to handle CQE loans requests.

April 15, 2004

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 387
 (S) Publish Date: 4/13/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Commercial Fishing Loans to Eligible RDU Investments (122)
Community Quota Entities Component Investments
 Sponsor Rules
 Requester By Request of the Governor Component No. 383

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1036)	0.0	0.0	0.0	0.0	0.0	0.0
------------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1036 Commercial Fishing Loan Fund						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend the Commercial Fishing Revolving Loan Fund (CFRLF) to allow the department to make loans to a new group of quota share purchasers, Community Quota Entities (CQE), eligible under federal statute or regulation. This bill would accommodate a new class of borrowers under the National Marine Fisheries Service (NMFS) proposed rule (50 CRR 679) that will allow Individual Fishing Quota Shares (IFQs) to be purchased by non-profit entities as identified by the NMFS. The total balances of loans may not exceed \$2 million per community eligible under federal statute or regulation. The department anticipates making approximately \$1 million in CQE loans in FY05 and approximately \$3 million in each fiscal year thereafter through FY10.

No additional administrative costs would be required to accommodate this amendment to the CFRLF.

Prepared by: Greg Winegar, Director Phone (907) 465-2510
 Division Investments Date/Time 2/12/04 11:50 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/12/2004
 Agency Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 387
 (S) Publish Date: 4/13/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Making commercial fishing loans RDU _____
to eligible community quota entities Component _____
 Sponsor Rules Committee
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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 (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson Phone 465-6137
 Division: Legislative Liaison Date/Time 1/25/04 11:55 AM
 Approved by: Commissioner Kevin Duffy Date 1/25/2004
 Agency: Alaska Department of Fish & Game

SJR

14

Alaska State Legislature

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Diomedea
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
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Koyuk
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Noatak
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Nunam Iqua
Pilot Station
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Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmare
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Unalakleet
Wainwright
Wales
White Mountain

4/23/04

To:
Representative Morgan, Chair
House Community and Regional Affairs Committee

From:
Sen. Olson

H.H. for D.O.

Re: SJR 14 FAA Flight Service Stations

I respectfully request a hearing for SJR 14 in the House Community and Regional Affairs committee at your earliest convenience. I have attached my sponsor statement and supporting information. Please contact me if you need additional information.

Thank you for your consideration of this request.

Alaska State Legislature

Out of Session:
PO Box 531
Golovin, Alaska 99762
(907) 443-5599

In Session:
State Capitol, Suite 510
Juneau, Alaska 99801-1182
(800) 597-3707
(907) 465-3707
(907) 465-4821 Fax

SENATOR DONALD C. OLSON

DISTRICT T

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brevig Mission
Browerville
Buckland
Chevak
Deering
Diomedea
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mountain Village
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pilot Station
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Unalakleet
Wainwright
Wales
White Mountain

Sponsor Statement

SJR 14, FAA Flight Service Stations

SJR 14 is a resolution requesting the Federal Aviation Administration to fully staff and maintain its flight service stations in Alaska.

Alaska is a vast state that relies on air transportation for much of its commerce and connectivity. A substantial portion of the State of Alaska does not have the road infrastructure to facilitate the transport of freight and the movement of people.

Furthermore, coastal and river communities in Western, Central, and Northern Alaska lose their marine transportation alternative during the 5 to 8 months of winter ice conditions. These communities then are solely dependent on air transportation for travel, goods and emergency services for a substantial part of the year.

Furthermore, there is a large number of Alaskans that own and fly airplanes. Indeed, Alaska has the highest percentage of general aviation users per capita in the United States. General aviation users depend on FAA flight service stations to inform them of runway closures and conflicting runway traffic.

FAA flight service stations are essential for the continued safety and dependability of Alaska's vital air transportation network. Both commercial and private pilots are totally reliant on the expertise and competence of FAA's flight service personnel. The state of Alaska has over 180 airports that depend on flight service stations for weather updates, runway conditions, and assistance with safe air travel.

I respectfully urge your support for this resolution, helping to ensure the safety of air travel in Alaska.

Subject: [Fwd: SJR14 FAA FSS]

Date: Mon, 07 Apr 2003 11:30:30 -0800

From: Senator Donny Olson <Senator_Donny_Olson@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Haven Harris <Haven_Harris@legis.state.ak.us>

Subject: SJR14 FAA FSS

Date: Sun, 6 Apr 2003 13:57:10 -0500

From: "Mary Ellen Cunningham" <maryelen@starband.net>

To: Senator_Thomas_Wagoner@legis.state.ak.us, Senator_Gene_Therriault@legis.state.ak.us,
Senator_Georgianna_Lincoln@legis.state.ak.us, Senator_Donny_Olson@legis.state.ak.us,
Senator_John_Cowdery@legis.state.ak.us

CC: Senator_Johnny_Ellis@legis.state.ak.us

It was just brought to my attention that on Monday 10 April 2003 the Senate Transportation Committee will be hearing testimony on SJR14 FAA FSS. I am currently on rotational travel from the Kenai AIFSS to the Dillingham FSS, so I will not be able to call in. I have thus copied quotes from both the National Association of Air Traffic Specialists (NAATS) and the National Air Traffic Controllers Association (NATCA).

Mary Ellen Cunningham
1539 Toyon Way
Kenai, Alaska 99611-7926

maryelen@starband.net

ENA 907-283-0206
DLG 907-842-5626

NAATS

Federal Aviation Administration
Plans to Contract Out U.S. Air Traffic Control
Services To The Lowest Bidder

The Air Traffic Control system in the United States is the largest and safest in the world. Our system is the envy of all nations. It has been carefully designed to ensure that tragedies like the one in Switzerland this year -- a collision between two airlines -- will not happen here. Ensuring the safety and security of its citizens is the clearest mandate the federal government has. It is clearly an inherently governmental function. But the FAA has already compromised safety by contracting out air traffic control towers at smaller airports and the installation and maintenance of flight-critical navigation equipment.

The FAA plans to continue to sell additional Air Traffic Control services by privatizing the functions of Flight Service Controllers. One

only needs to look to Europe's and Canada's results to see how this will turn out. Nationalization and privatization of these services have been an expensive and inefficient failure by any standard. Europe's system is now so complicated and expensive, only the wealthiest can fly their own planes and airline passengers pay excessive premiums for the European Community's commercialized Air Traffic Control. American Flight Service Controllers provide critical weather and aeronautical information to our nation's pilots. They also played a major role in managing the National Airspace System on 9/11. As the Air Traffic Control services slowly returned, amidst the confusion and complexity of new, more detailed security requirements, FAA Flight Service Controllers responded with professionalism. Aviation safety and security of the national Airspace System were never compromised.

The events of 9/11 demonstrated that safety and security should never be compromised. However, the FAA has set the wheels in motion to privatize your Air Traffic Control system. Small towers were the first to go, followed by aviation systems. Now, Flight Service Controller duties will be sold to the lowest bidder with no system announced as of yet to monitor safety and security. Left unchecked, the FAA will sell safety and security all the way to the next mid-air collision.

NATCA

Bush Administration - Outsourcing
Ever after the tragic events of September 11, the Administration remains firm in its commitment to contract over 400,000 federal jobs to the private sector and to mandate A-76 competitions for half of the positions listed on the FAIR inventories. The Office of Management and Budget has directed federal agencies to open up at least five percent of commercial jobs to contractor competition in FY02 and ten percent in FY03, with the goal of eventually reaching 50 percent of commercial jobs. NATCA opposes the Bush Administration competitive outsourcing initiative that sets arbitrary quotas for federal agencies and provides incentives to meet those quotas.

The OMB will rely on accurate FAIR Act lists provided by agencies that identify jobs that are commercial in nature. In addition, agencies are being required to submit lists of inherently governmental jobs. OMB intends to scrutinize these lists, which are due on June 30, to ensure that jobs are properly classified.

Subject: * SJR 14 *****

Date: Sun, 6 Apr 2003 20:32:23 -0700 (PDT)

From: Tim <timbeaux12002@yahoo.com>

To: haven_harris@legis.state.ak.us

Honorable Members of the Senate Transportation Committee,

My name is Tim Fowler. I am one of over 200 devoted men and women working in Alaska's Automated Flight Service Stations. Alaska's Automated Flight Service Stations provide the Alaskan aviation community with essential weather, aeronautical data and interpretation, and provide support and service to the private and public support infrastructure of the Alaskan aviation community. We assist pilots before and during their flights to help them make critical and often life saving decisions. In addition, we initiate, conduct, and assist in searches for missing and overdue aircraft. Unlike any other state, Alaska is dependent upon aviation for our way of life and in many instances our very existence. Whether it is assisting Alaska bush pilots, air ambulance flights, commercial operators flying people and supplies over rugged terrain often in the worst of weather or assisting our military in matters of national security; Alaska's Flight Service Stations provide an invaluable service that is intimately related to the public interest.

Unfortunately, the FAA continues to allow the degradation of these services in Alaska. Staffing levels are falling dangerously low, funding is being cut on a regular basis and necessary equipment is often in a state of disrepair.

Additionally, an A-76 study that may privatize each and every Automated Flight Service Station in the lower 48 within the next few years, is currently being conducted. Alaska is exempt from this current study, but if successful, the Federal government could soon set their sights on Alaska Flight Service Stations, resulting in fewer Alaskan jobs, and less income to those who staff Flight Service jobs. Degradation in service to the aviation community, less money for the Alaskan economy, and ultimately, an untold rippling effect through the entire state in service and expense to each and every Alaskan are likely possibilities. It is my belief that SJR 14 would send a strong clear message, and show early support against any efforts by the Federal government in the future to privatize Alaskan Automated Flight Service Stations.

We feel that with your support, "SJR 14" would send a very strong message to the Federal government and the FAA expressing our resolve to maintain only the highest degree of aviation safety in Alaska

Thank you for your support in this matter.

Sincerely,

Tim Fowler

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Subject: SJR 14

Date: Sat, 05 Apr 2003 18:10:00 -0900

From: Mike Evans <frostbite@gci.net>

To: haven_harris@legis.state.ak.us

Honorable Members of the Senate Transportation
Committee,

My name is Mike Evans and I work at the Fairbanks Automated Flight Service Station. It is one of 14 Flight Service Stations that provide pilots with essential weather and aeronautical data and interpretation before and during their flights to help them make critical and often life saving decisions. As you know, Alaska is dependent on its aviation community more than any other state in the union. This was evident right after the attacks of Sept 11, 2001 when we passed the word to all pilots, commercial and private to land immediately or risk interception by the military. If it had not been for the Flight Service Controllers it would have been more of a nightmare than it was. As you know it pretty much shut down most services, ie: mail, food, fuel delivery for the state.

Unfortunately, the FAA, in it's ultimate wisdom, continues to allow the degradation of the services provided by the Flight Service Stations in Alaska. Staffing levels are falling dangerously low, funding is being cut on a regular basis and necessary equipment is often in a state of disrepair. We are still using 1970's era equipment and technology. Up to date equipment and technology is slowly being installed in the lower United States, but it won't reach Alaska Flight Service Stations for several years and most of it is at least 5 or more years old technology and still has a few teething problems.

Fairbanks AFSS is losing 2 controllers in the next two months to retirement and possibly 3-4 more to transfers by the end of the year. Fairbanks AFSS has only received 3 Flight Service Controllers within the past 12 months and these were in service transfers. Although the FAA administered an Air Traffic Controllers exam earlier this year, the FAA has put a hiring freeze on due to the current world situation and we have no idea when it will lift.

I feel that with your support for "SJR 14" will send a very strong message to the Federal government and the FAA our resolve to maintain the best possible service and the highest degree of safety in Alaska.

Thank you,

Mike Evans

Subject: SJR-14 Support Flight Service

Date: Sat, 05 Apr 2003 01:22:58 -0500

From: PMAmes8@aol.com

To: haven_harris@legis.state.ak.us

Hi Donnie,

I would like to thank you for sponsoring SJR-14 supporting the Flight Service in Alaska and keeping it 'inherently governmental'.

Thanks for all your great support of the FSS's and your initiative to get this resolution passed. I hope this trend can continue into the lower 48 as well.

I know the rest of us here at Nome FSS support you whole-heartedly. If there is anything we can do to help, let me know.

Margaret Ames
Nome FSS 443-2502

Subject: SJR- 14

Date: Thu, 03 Apr 2003 08:32:25 -0900

From: Charleen <ccajun@gci.net>

To: haven_harris@legis.state.ak.us

CC: retrofed@acsalaska.net

Dear Senator Don Olson.

My name is Charleen Hollier. I am a devoted and proud Flight Service Station employee working in the Fairbanks, Deadhorse and Burrow, Alaska Flight Service Stations. I provide pilots with not only essential weather and aeronautical data and interpretation before and during their flights to help them make critical and often life saving decisions but I am the eyes and ears that helps that pilot make it into the airport when the weather is bad. Unlike any other state, Alaska pilots are dependent upon Flight Service Station Specialists. Whether it is assisting the Alaska bush pilots, or the air ambulance flights and commercial operators flying people and supplies over rugged terrain often in the worst of weather or assisting our military in matters of national security; Alaska's Flight Service Stations provide an invaluable service that is intimately related to the public interest of safety. I talk to bush pilots and state employees who maintain the states runways everyday. I update them on the proposed "future" of Alaska Flight Service and the feedback I get back is this: "We won't feel safe flying out here without you, we need your eyes and ears to help us". Taking us away/reducing staffing personnel and hours of operations means pilots and state employees will be more fearful of their lives.

Unfortunately, the FAA continues to allow the degradation of these services in Alaska. Staffing levels are falling dangerously low, funding is being cut on a regular basis and necessary equipment is often in a state of disrepair.

We feel that with your support, "SJR 14" would send a very strong message to the Federal government and the FAA expressing our resolve to maintain only the highest degree of aviation safety in Alaska.

Thank you for your time,

Charleen Hollier

Subject: SJR-14

Date: Thu, 3 Apr 2003 10:00:34 -0800 (PST)

From: dennis carman <astroboy483@yahoo.com>

To: haven_harris@legis.state.ak.us

Senator Olsen,

I have been following the news and I'm looking forward to reports that SJR-14 has been passed by the Alaska Legislature.

Aviation in Alaska is vital. It is difficult to emphasize how vital to someone who has not experienced the distance and transportation hurdles some Alaskans face to eat and heat their homes. The government support must not be allowed to decrease. Safety and human lives are literally are first casualties if SJR-14 is not approved.

Thank you for your support.

Sincerely,

Dennis Carman

613 Fir Drive

Kenai, AK 99611

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SJR14.

Subject: SJR14

Date: Thu, 03 Apr 2003 14:37:35 -0900

From: connie cloud <ccloud@gci.net>

To: haven_harris@legis.state.ak.us

I want to thank Senator Olson for supporting SJR14 in support of the Alaska Flight Service Stations. As a pilot and a FSS employee I know the value these station provide.

Thanks again for the support

Connie Cloud
pob 71208
Fairbanks Alaska 99707
ccloud@gci.net

Subject: SRJ-14

Date: Fri, 04 Apr 2003 00:09:35 +0000

From: "steve kelsey" <skelsey@hotmail.com>

To: haven_harris@legis.state.ak.us

To Honorable Senator Don Olson,

My Name is Steve Kelsey. I am the Kotzebue flight Service Station Union Facrep. Needless to say the Current A76 Study to Privatize flight Service is more than a little bothersome. There are currently 9 Air Traffic Control specialists stationed to Kotzebue Flight service. We are all glad to see the introduction of bill SRJ-14. I would like to pledge our full support for the bill. Aviation Safety is not for Sale in Alaska. Thank You for your efforts on this important Matter.

Steve Kelsey
NAATS Facrep OTZ FSS

Help STOP SPAM with the new MSN 8 and get 2 months FREE*
<http://join.msn.com/?page=features/junkmail>

Subject:

Date: Thu, 3 Apr 2003 15:12:48 -0900

From: john.newell@faa.gov

To: haven_harris@legis.state.ak.us

Senator Don Olson,

I am an Air Traffic Controller at the Juneau Automated Flight Service Station and I am asking you to not only support SJR-14 on saving Flight Service Stations in Alaska, but to help promote SJR-14.

Flight Service, and the safety of the flying public should not be compromised just so private companies can take over inherently governmental jobs.

I have lived in Alaska for over 35 years and have worked in Flight Service for 15 of these. My years of commitment to Alaska and Alaska's flying community is typical of the average Flight Service Station Air Traffic Controller. To ask a private company to move up to Alaska from the lower 48 and try to provide this level of service and experience would prove to be costly to the Alaskan people in not only dollars, but lives!

So once again I urge you to help support SJR-14.

Thank you,

John Newell
Juneau Alaska

Subject: SJR-14

Date: Thu, 03 Apr 2003 16:42:49 -0900

From: Mark Boberick <naatsak1@ptialaska.net>

To: <haven_harris@legis.state.ak.us>

Dear Senator Olson,

I am writing to encourage your support and efforts on behalf of SJR-14. I have invested the better part of my adult life in service to Alaska's flying public as an air traffic controller. The FAA needs to hear from our legislature that the further reduction or elimination of Alaskan Flight Service Stations will result in a serious degradation of aviation safety.

Thank you again for your efforts.

Mark Boberick
Fairbanks
Air Traffic Control Specialist

Subject: SJR-14 /A-76

Date: Thu, 03 Apr 2003 19:21:09 -0900

From: WTyson <wtyson@gci.net>

To: haven_harris@legis.state.ak.us



Senator Don Olson

It has been brought to my attention that you are sponsoring SJR-14. I can't begin to express my appreciation for your support of Flight Service in Alaska. After the passage of your bill helps ensure flight safety in Alaska, we can only hope it will be the springboard needed to do the same in the lower 48 by shutting down the A-76 study. Your support will not be forgotten.

William A. Tyson
Air Traffic Specialist, Fairbanks Automated Flight Service Station

I support SJR-14

Subject: I support SJR-14

Date: Fri, 04 Apr 2003 00:02:22 -0900

From: "Jeffrey C. Thompson" <jqar80a@gci.net>

To: haven_harris@legis.state.ak.us

Senator Don Olsen,

I support the passage of SJR-14. I am a current Alaska resident, have lived in this state since 1964 and have been involved with aviation in Alaska since 1980.

Sincerely,

Jeffrey C. Thompson
1820 Esquire Avenue
Fairbanks, Alaska 99709

email: jqar80a@gci.net

SJR

25

Alaska State Legislature



Out of Session:
PO Box 521
Golovin, Alaska 99762
(907) 443-5599

In Session:
State Capitol, Suite 510
Juneau, Alaska 99801-1182
(800) 597-3707
(907) 465-3707
(907) 465-4821 Fax

SENATOR DONALD C. OLSON

DISTRICT

Sponsor Statement

SJR 25, FLOODING AND EROSION CONTROL ASSISTANCE

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brevig Mission
Browerville
Buckland
Chevak
Deering
Diomedes
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mountain Village
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pilot Station
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktoolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Unalakleet
Wainwright
Wales
White Mountain

SJR 25 is a resolution requesting the Army Corp of Engineers ease their cost and benefit analysis for projects in rural Alaska.

I have proposed this resolution in response to many concerns voiced by my constituents with regards to the erosion and flooding problems that plague western Alaska. Currently many of the villages in western Alaska are not receiving the assistance needed for the protection of life and property.

On November 8, 2003 a winter storm hit western Alaska. This storm caused considerable damage to Unalakleet, Shishmaref, and some of Nome's surrounding areas. While the Governor has declared a state of disaster because of this storm, the continued effects of erosion on the villages of Alaska are not going to be solved by emergency disaster

Sponsor Statement

declarations. A more comprehensive, coordinated effort is required by the Army Corps of Engineers and other federal and state agencies.

I respectfully urge your support for this resolution to focus attention on this serious problem.

GAO

Report to Congressional Committees

184 Communities in danger.

December 2003

ALASKA NATIVE VILLAGES

Most Are Affected by
Flooding and Erosion,
but Few Qualify for
Federal Assistance



GAO

Accountability • Integrity • Reliability

Several bills have been introduced to authorize tribal governments also to bundle federal funding for economic development programs and for alcohol and substance abuse programs. For example, in the 106th, 107th, and 108th sessions of Congress, bills were introduced to authorize the integration and coordination of federal funding for community, business, and economic development of Native American communities.²⁴ Under these bills, tribal governments or their agencies may identify federal assistance programs to be integrated for the purpose of supporting economic development projects. Similarly, in the 107th and 108th Congresses, S. 210 and S. 285 were introduced to authorize, respectively, the integration and consolidation of alcohol and substance abuse programs and services provided by tribal governments.

Conclusion

Alaska Native villages that are not making plans to relocate, but are severely affected by flooding and erosion, must find ways to respond to these problems. However, many of these villages have difficulty finding assistance under several federal programs, largely because the economic costs of the proposed project to control flooding and erosion exceed the expected economic benefits. As a result, many private homes and other infrastructure continue to be threatened and are in danger from flooding and erosion. In addition, many Alaska Native villages that are small, remote, and have a subsistence lifestyle, lack the resources to help them respond to flooding and erosion. Given the unique circumstances of Alaska Native villages, special measures may be required to ensure that these communities receive assistance in responding to flooding and erosion.

Alaska Native villages that cannot be protected from flooding and erosion through engineering structures and must relocate face a particularly daunting challenge. These villages are working with federal and state agencies to find ways to address this challenge. Any potential solution, however, whether a single erosion protection project or full relocation, goes through stages of planning and execution that can take years to complete. In the interim, investment decisions must be made regarding delivery of services such as building new structures or renovating and upgrading existing structures. Such decisions for villages should be made in light of the status of their efforts to address flooding and erosion. We identified a number of instances where projects were approved and

²⁴The bills introduced in the 106th, 107th, and 108th Congresses were S. 2052, S. 343, and S. 1528, respectively.

designed without considering a village's relocation plans. Investing in infrastructure that cannot be easily moved or may be costly to move may not be the best use of limited federal funds. It is encouraging that the Denali Commission is working on a policy to ensure that investments are made in a conscientious and sustainable manner for villages threatened by flooding and erosion. Successful implementation of such a policy will depend in part on its adoption by individual federal agencies that also fund infrastructure development in Alaska Native villages.

Recommendations for Executive Action

In order to ensure that federal funds are expended in the most effective and efficient manner possible, we recommend that the federal cochairperson of the Denali Commission, in conjunction with the state of Alaska cochairperson, adopt a policy to guide future investment decisions and project designs in Alaska Native villages affected by flooding and erosion. The policy should ensure that (1) the Commission is aware of villages' efforts to address flooding and erosion and (2) projects are designed appropriately in light of a village's plans to address its flooding and erosion problems.

Matter for Congressional Consideration

Determining the appropriate level of service for Alaska Native villages is a policy decision that rests with Congress. We present four alternatives that Congress may wish to consider as it deliberates over how, and to what extent, federal programs could better respond to flooding and erosion in Alaska Native villages. In any such decision, two factors that would be important to consider are the cost and the national policy implications of implementing any alternative or combination of alternatives. If Congress would like to provide additional federal assistance to Alaska Native villages, it may wish to consider directing relevant executive agencies and the Denali Commission to assess the cost and policy implications of implementing the alternatives that we have identified or others that may be appropriate.

Agency Comments and Our Evaluation

We provided copies of our draft report to the Departments of Agriculture, Defense, Health and Human Services, Housing and Urban Development, the Interior, and Transportation; the Denali Commission; and the state of Alaska. The Departments of Defense, Housing and Urban Development, and the Interior, as well as the Denali Commission and the state of Alaska provided official written comments. (See appendixes IV through VIII,

respectively, for the full text of the comments received from these agencies and our responses.) The comments were generally technical in nature with few comments on the report's overall findings, recommendation, and alternatives. The Departments of Health and Human Services and Transportation provided informal technical comments, and the Department of Agriculture had no comments on the report. We made changes to the draft report, where appropriate, based on the technical comments provided by the seven entities that commented on the draft report.

The Denali Commission was the only entity to comment on our recommendation that the commission adopt an investment policy. The commission agreed with the recommendation and noted that such a policy should help avoid flawed decision making in the future. Furthermore, the commission commented that it was not sufficient for it alone to have an investment policy, but believed that all funding agencies should use a similar policy to guide investments. We acknowledge the commission's concerns that other funding agencies should also make sound investment decisions. As noted in our report, the Denali Commission has signed a memorandum of understanding with 31 federal and state agencies with the goal of systematic planning and coordination for investments in infrastructure, economic development, and training, and we believe that this memorandum could serve as a vehicle by which other federal agencies would follow the lead of the commission regarding decisions to invest in communities.

Of the four alternatives presented in the report, the alternative to funnel funding for flooding and erosion projects through the Denali Commission received the most comments. The Denali Commission, the U.S. Army (commenting on behalf of the Department of Defense), and the Department of Housing and Urban Development all raised some concerns about this alternative. The Denali Commission commented that it is not convinced that expanding its role to include responsibilities for managing a flooding and erosion program is the appropriate response. The Army commented that the alternative to expand the role of the Denali Commission to manage a flooding and erosion program might exceed the capabilities of the organization. Lastly, the Department of Housing and Urban Development commented that the Denali Commission, as an independent agency, does not have the capacity to be fully integrated with the efforts of federal agencies to address this issue. Moreover, while each of these entities recognized the need for improved coordination of federal efforts to address flooding and erosion in Alaska Native villages, none of them provided any specific suggestions on how or by whom this should be accomplished. As

discussed in our report, the Denali Commission currently does not have the authority to manage a flooding and erosion program, and should Congress choose this alternative, the commission would need to develop such a program. Consequently, we still believe that expanding the role of the commission continues to be a possible option for helping to mitigate the barriers that villages face in obtaining federal services.

We are sending copies of this report to the Secretaries of Agriculture, the Army, Health and Human Services, Housing and Urban Development, the Interior, and Transportation, as well as to the federal and state co-chairs of the Denali Commission, the Governor of the state of Alaska, appropriate congressional committees, and other interested Members of Congress. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-3841. Key contributors to this report are listed in appendix IX.



Anu Mittal
Director, Natural Resources
and Environment

SENATE AND HOUSE JOINT JOURNAL SUPPLEMENT

No. 14

February 16, 2004

First among these challenges is coastal erosion. Flooding and erosion affects 184 Alaska Native villages. At my request, the Government Accounting Office studied this problem and recently issued a report that discussed their findings. I have brought a copy of that report for each of you. The GAO reviewed nine of our villages and found four to be in imminent danger from flooding and erosion.

I plan to hold hearings in Alaska on this report to explore how this crisis can be resolved while meeting the needs of all Alaskans. The cost of moving entire villages is enormous, and our state and federal agencies must listen to those affected and determine what can be done to help.

State and local advice is needed to develop solutions so I propose that a commission be formed with federal, state, and local representatives. Such a commission could identify solutions and make recommendations for how best to respond to the effects of coastal erosion.

I am currently drafting legislation to form such a commission. If this Legislature agrees to appoint commissioners, I will submit that legislation for consideration by the Congress. It will be similar to the Land Use Planning Commission created in the Alaska Native Claims Settlement Act.

Another issue deeply connected to the future of our state is the effort to reach an Alaskan consensus about law enforcement in rural communities. My relationship with the Alaska Native community began when I was Solicitor of the Department of the Interior in 1960. Throughout my tenure in the Senate, I have remained focused on their concerns.

Late last year, when I addressed the Alaska Federation of Natives conference, I discussed the sustainability of tribal justice funding.

To try to resolve the issues I raised in that speech and meet the needs of rural communities, Congress established the new Alaska Rural Justice and Law Enforcement Commission in January. I know there's some concern about this approach, but this panel was not developed with the intention of taking sides on the question of sovereignty for

SENATE AND HOUSE JOINT JOURNAL SUPPLEMENT

February 16, 2004

No. 14

tribes in Alaska. It will take years to settle the legal issue of tribal sovereignty. The panel's primary objectives will be stronger law enforcement and a swift, fair system of justice for all. It is my hope that all Alaskans will let the panel do its work and try to achieve practical solutions.

In the last several years, an onslaught of lawsuits and the preparation of uneconomic timber sales devastated our timber industry. The Tongass once helped support 4,000 timber jobs. Today, nearly two-thirds of those jobs have disappeared. In the last ten years, all of our pulp mills have closed, taking some of southeast Alaska's highest paying jobs with them.

Last year, new steps were taken to revitalize our timber industry. The Congress created deadlines for the filing of lawsuits and allowed the Forest Service to mutually cancel uneconomic timber sales. The judicial review provision will ensure stability in our timber supply by quickly resolving timber disputes. Already there have been benefits from contract termination; the Forest Service, working with our timber producers, recently cancelled 20 uneconomic timber sales. These sales will be reconfigured and reoffered as economically viable sales.

On the fisheries front, Americans are looking for alternative sources of protein in the wake of the mad cow scare and fear over PCB levels in farmed salmon. The Alaska Fisheries Marketing Board is currently developing a national advertising campaign that will promote wild Alaska salmon to fill that void.

In January, our national government acted to rationalize the Bering Sea/Aleutian Islands crab fisheries. Our efforts protected the resource, made the crab fisheries safer, and ensured that vital seafood industry jobs remained in Alaska's coastal communities.

Some opponents criticized this plan; they argued that it was agreed to without public input and violated industry practices and anti-trust laws. They were wrong.

This action was based on a report from the North Pacific Fisheries Management Council. Their plan was the product of an open process that spanned five years - three years of meetings and discussion

First among these challenges is coastal erosion. Flooding and erosion affects 184 Alaska Native villages. At my request, the Government Accounting Office studied this problem and recently issued a report that discussed their findings. I have brought a copy of that report for each of you. The GAO reviewed nine of our villages and found four to be in imminent danger from flooding and erosion.

I plan to hold hearings in Alaska on this report to explore how this crisis can be resolved while meeting the needs of all Alaskans. The cost of moving entire villages is enormous, and our state and federal agencies must listen to those affected and determine what can be done to help.

State and local advice is needed to develop solutions so I propose that a commission be formed with federal, state, and local representatives. Such a commission could identify solutions and make recommendations for how best to respond to the effects of coastal erosion.

I am currently drafting legislation to form such a commission. If this Legislature agrees to appoint commissioners, I will submit that legislation for consideration by the Congress. It will be similar to the Land Use Planning Commission created in the Alaska Native Claims Settlement Act.

Another issue deeply connected to the future of our state is the effort to reach an Alaskan consensus about law enforcement in rural communities. My relationship with the Alaska Native community began when I was Solicitor of the Department of the Interior in 1960. Throughout my tenure in the Senate, I have remained focused on their concerns.

Late last year, when I addressed the Alaska Federation of Natives conference, I discussed the sustainability of tribal justice funding.

To try to resolve the issues I raised in that speech and meet the needs of rural communities, Congress established the new Alaska Rural Justice and Law Enforcement Commission in January. I know there's some concern about this approach, but this panel was not developed with the intention of taking sides on the question of sovereignty for

tribes in Alaska. It will take years to settle the legal issue of tribal sovereignty. The panel's primary objectives will be stronger law enforcement and a swift, fair system of justice for all. It is my hope that all Alaskans will let the panel do its work and try to achieve practical solutions.

In the last several years, an onslaught of lawsuits and the preparation of uneconomic timber sales devastated our timber industry. The Tongass once helped support 4,000 timber jobs. Today, nearly two-thirds of those jobs have disappeared. In the last ten years, all of our pulp mills have closed, taking some of southeast Alaska's highest paying jobs with them.

Last year, new steps were taken to revitalize our timber industry. The Congress created deadlines for the filing of lawsuits and allowed the Forest Service to mutually cancel uneconomic timber sales. The judicial review provision will ensure stability in our timber supply by quickly resolving timber disputes. Already there have been benefits from contract termination; the Forest Service, working with our timber producers, recently cancelled 20 uneconomic timber sales. These sales will be reconfigured and reoffered as economically viable sales.

On the fisheries front, Americans are looking for alternative sources of protein in the wake of the mad cow scare and fear over PCB levels in farmed salmon. The Alaska Fisheries Marketing Board is currently developing a national advertising campaign that will promote wild Alaska salmon to fill that void.

In January, our national government acted to rationalize the Bering Sea/Aleutian Islands crab fisheries. Our efforts protected the resource, made the crab fisheries safer, and ensured that vital seafood industry jobs remained in Alaska's coastal communities.

Some opponents criticized this plan; they argued that it was agreed to without public input and violated industry practices and anti-trust laws. They were wrong.

This action was based on a report from the North Pacific Fisheries Management Council. Their plan was the product of an open process that spanned five years – three years of meetings and discussion