

ALPHA BETA GAMMA DELTA Epsilon ZETA Eta Theta Iota Kappa Lambda Mu Nu Xi Omicron Pi Rho Sigma Tau Upsilon Phi Chi Psi Omega

11573 HOUSE RESOURCES

Pogo Mine

Currently located in the Unorganized Borough

Valuation:

Real Property	\$250,000,000
Personal Property	\$ included above
Total Value	\$250,000,000

Local Revenue Generation:

None

Donlin Creek

Currently located in the Unorganized Borough

Valuation:

Unknown

*\$1 Billion ?
possible
cost
James
Frey*

Local Revenue Generation:

None

Nixon Fort

Currently located in the Unorganized Borough

Valuation:

Unknown

Local Revenue Generation:

None

Illinois Cree'

Currently located in the Unorganized Borough

Valuation:

Unknown

Local Revenue Generation:

None

Pebble Mine

Sec. 14.17.410. Public school funding.

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(2) the required local contribution of a city or borough school district is the **equivalent of a four mill tax levy** on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection. (emphasis added)

Sec. 43.82.400. Preliminary findings and determination regarding the contract.

Statute text

(a) If the commissioner develops a proposed contract under AS 43.82.200 - 43.82.270, the commissioner shall

(1) make preliminary findings and a determination that the proposed contract terms are in the long-term fiscal interests of the state and further the purposes of this chapter; and

(2) prepare a proposed contract that includes those terms and shall submit the contract to the governor.

(b) To make the preliminary findings and determination required by (a)(1) of this section, the commissioner shall compare the projected public revenue anticipated from the approved qualified project with the estimated operating and capital costs of the additional state and municipal services anticipated to arise from the construction and operation of the approved qualified project. The commissioner shall address the reasonably foreseeable effects of the proposed contract on the public revenue.

Sec. 43.82.410. Notice and comment regarding the contract.

Statute text

The commissioner shall

(1) give reasonable public notice of the preliminary findings and determination made under AS 43.82.400;

(2) make copies of the proposed contract, the commissioner's preliminary findings and determination, and, to the extent the information is not required to be kept confidential under AS 43.82.310, the supporting financial, technical, and market data, including the work papers, analyses, and recommendations of any independent contractors used under AS 43.82.240 available to the public and to

(A) the presiding officer of each house of the legislature;

(B) the chairs of the finance and resources committees of the legislature; and

(C) the chairs of the special committees on oil and gas, if any, of the legislature;

(3) offer to appear before the Legislative Budget and Audit Committee to provide the committee a review of the commissioner's preliminary findings and determination, the proposed contract, and the supporting financial, technical, and market data; if the Legislative Budget and Audit

Committee accepts the commissioner's offer, the committee shall give notice of the committee's meeting to the public and all members of the legislature; if the financial, technical, and market data that is to be provided must be kept confidential under AS 43.82.310, the commissioner may not release the confidential information during a public portion of a committee meeting; and (4) establish a period of at least 30 days for the public and members of the legislature to comment on the proposed contract and the preliminary findings and determination made under AS 43.82.400.

History

(§ 3 ch 104 SLA 1998)

Sec. 43.82.420. Coordination of public and legislative review.

Statute text

To the extent practicable, the commissioner shall coordinate the public comment opportunity provided under AS 43.82.410(4) with a review by the Legislative Budget and Audit Committee under AS 43.82.410(3).

History

(§ 3 ch 104 SLA 1998)

Sec. 43.82.430. Final findings, determination, and proposed amendments; execution of the contract.

Statute text

(a) Within 30 days after the close of the public comment period under AS 43.82.410(4), the commissioner of revenue shall

(1) prepare a summary of the public comments received in response to the proposed contract and the preliminary findings and determination;

(2) after consultation with the commissioner of natural resources, if appropriate, and with the pertinent municipal advisory group established under AS 43.82.510, prepare a list of proposed amendments, if any, to the proposed contract that the commissioner of revenue determines are necessary to respond to public comments;

(3) make final findings and a determination as to whether the proposed contract and any proposed amendments prepared under (2) of this subsection meet the requirements and purposes of this chapter.

(b) After considering the material described in (a) of this section and securing the agreement of the other parties to the proposed contract regarding any proposed amendments prepared under (a) of this section, if the commissioner determines that the contract is in the long-term fiscal interests of the state, the commissioner shall submit the contract to the governor.

(c) The commissioner's final findings and determination under (a) of this section are final agency decisions under this chapter.

History

(§ 3 ch 104 SLA 1998)

Sec. 43.82.435. Legislative authorization.

Statute text

The governor may transmit a contract developed under this chapter to the legislature together with a request for authorization to execute the contract. A contract developed under this chapter is not binding upon or enforceable against the state or other parties to the contract unless the governor is authorized to execute the contract by law. The state and the other parties to the contract may execute the contract within 60 days after the effective date of the law authorizing the contract.

History

(§ 3 ch 104 SLA 1998)

Sec. 43.82.440. Judicial review.

Statute text

A person may not bring an action challenging the constitutionality of a law authorizing a contract enacted under AS 43.82.435 or the enforceability of a contract executed under a law authorizing a contract enacted under AS 43.82.435 unless the action is commenced within 120 days after the date that the contract was executed by the state and the other parties to the contract.

History

(§ 3 ch 104 SLA 1998)

Sec. 43.56.040. State Assessment Review Board.

Statute text

The State Assessment Review Board is created within the department. The board consists of five persons appointed by the governor to serve at the pleasure of the governor, each of whom must be knowledgeable of assessment procedures. Each board member is subject to confirmation by a majority of the members of the legislature in joint session.

History

(§ 1 ch 1 F3SLA 1973)

Annotations

Administrative Code. - For oil and gas exploration, production and pipeline transportation property tax, see 15 AAC 56.

Sec. 14.17.300. Public school account.

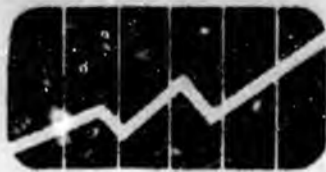
Statute text

(a) The public school account is established. The account consists of appropriations for distribution to school districts, the state boarding school, and for centralized correspondence study under this chapter.

(b) The money in the account may be used only in aid of public schools, including community school programs, and for centralized correspondence study programs under this chapter.

History

(§ 2 ch 83 SLA 1998)



The Kuskokwim Corporation

Senator Gene Therriault
State Capitol
Juneau, Alaska
99801-1182

April 25, 2005

RE: SB179

Dear Senator Therriault:

The Kuskokwim Corporation was formed in 1977 when ten Alaska Native Claims Settlement Act village corporations located along the middle region of the Kuskokwim River merged. These 10 villages are: Upper Kalskag, Lower Kalskag, Aniak, Chauthbaluk, Napaimiute, Crooked Creek, Georgetown, Red Devil, Sleetmute and Stony River.

Economic development in our region to date has been minimal. Our area suffers from a lack of jobs and high unemployment, with too many people having incomes in the poverty range. The Kuskokwim Corporation (TKC) supports economic development for our area and we want to encourage environmentally responsible mining in our area and throughout Alaska to benefit rural residents. Mining can provide needed jobs to our area and is a welcomed activity so long as our current and future subsistence needs are not adversely impacted. Your bill seeks to encourage this needed economic development by providing predictability regarding taxation on large mines. We understand this predictability would assure mine planners about a mine's feasibility and assist major mining companies when they seek financing for their projects.

TKC supports your efforts and this bill, SB179, so long as it does not discourage future local governments and potential borough formation, allowing local control to address the social and infrastructure requirements necessitated by the impacts of regional development.

TKC appreciates your efforts on behalf of Alaska's rural residents. Please don't hesitate to call us concerning our perspective and views on this and future legislation that may impact the middle Kuskokwim River region.

Sincerely,

Maver Carey, CEO
The Kuskokwim Corporation

Leo Morgan, Chairman
The Kuskokwim Corporation

CC: Stan Foo, Placer Dome Mining
James Fueg, Placer Dome Mining
Paul Fuhs, TKC Lobbyist

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P.O. Box 227, Aniak, AK 99557-0227
(907) 675-4275 Fax (907) 675-4276

Jim Pound

From: Matt Davidson [matt@akvoice.org]
Sent: Monday, May 02, 2005 9:44 AM
To: Jim Pound; Henry Webb
Subject: HB 280 FDNM: Mining legislation irks Deltana group

For Committee packet on HB 280-
Mining legislation irks Deltana group

Thursday, April 21, 2005 - Less than a week after a bill advocating a tax on mines outside of Alaska's organized boroughs was introduced, the Deltana Borough Charter Commission voiced strong opposition to the legislation.

In a strongly worded letter to bill sponsor Sen. Gerie Therriault, R-North Pole, the volunteer group drafting a charter to submit to the Local Boundary Commission said Senate Bill 179 would "have a highly destructive effect on the formation of new boroughs."

The bill calls for the state to collect a tax from mining companies in unorganized areas at a rate equal to what organized boroughs must contribute in local education funding. That amount currently stands at 4 mills.

The Deltana group opposes the legislation because it would place a limit on the amount of money the proposed borough could raise by taxing Pogo Mine, which would fall within its boundaries.

"(The bill) drastically limit(s) the taxing authority of a local government to 4 or 6 mills on mining property," said Mike Schultz, chair of the Deltana Borough Charter Commission, in a letter to the senator.

"Under this legislation, mining taxes would be higher in the existing Fairbanks North Star Borough than in the new Deltana Borough. This is constitutionally impermissible and will lead to litigation challenging this legislation."

After working more than a year on the draft charter, the Deltana group voted on April 6 to fund its proposed borough by imposing a 2 percent severance tax on the amount of gold removed from Pogo Mine.

Passage of the severance tax appears to have been a strategic maneuver on the part of the group as it has been negotiating with Pogo representatives since early this year for a payment in lieu of taxes arrangement in the event a borough is created.

However, the parties have yet to come to an agreement on a PILT dollar figure.

Karl Hanneman, Alaska regional director for Teck-Pogo Inc. refused to comment on the severance tax at that meeting. Less than two weeks later, Senate Bill 179 was introduced.

Delta Library Board holds fund-raiser

The Delta Library Board is hosting its annual Open House and Baskets of Books Silent Auction on Saturday from 10 a.m. until 4 p.m. The event is the board's largest fund-raiser of the year and the group's goal is to surpass the \$5,000 mark with its efforts, said librarian Joyce McCombs.

The auction features more than 100 "Baskets of Books" filled with items from nearly every business in Delta Junction, McCombs said. The Forget Me Knot Quilters Guild, for example has donated two baskets of quilt squares in the Jacob's Ladder pattern, she explained. The baskets also hold books on quilting and sewing supplies needed to complete the quilts.

In addition, several Fairbanks vendors have complemented the local donations. This year the Alaska Railroad has donated two round-trip tickets from Fairbanks to Anchorage, valued at \$400, McCombs said, and Chena Hot Springs is offering passes to soak in their mineral waters.

"We hope people will come early and bid often," she added.

The proceeds from the event are used to purchase items not covered by the money the library gets from the city. Past purchases have included encyclopedias, an outdoor book drop and books to give to each child participating in the library's summer reading program. With the move to a new facility earlier this year, the board is hoping to spend the money raised at this event on landscaping at the new structure.

Theme selected for Deltana Fair

"Farming in the Friendly Frontier" is the theme for the 2005 Deltana Fair. The winning theme and logo design were submitted by longtime Delta resident Ann Geise, who has created a number of winning Deltana Fair logos over the last 25 years.

This year's logo is loosely based on the painting "American Gothic" by Grant Wood showing a cow and bull moose with a pitchfork rather than the farmers as in the painting.

The competition for the winning design was fierce as 14 entries were received. The other designs were retained by the Deltana Fair Association for possible future use.

Geise received \$100 and a T-shirt with her winning design emblazoned upon it.

The 2005 Deltana Fair is scheduled for Aug. 19-21.

Janet Boyer's column about Delta Junction happenings appears weekly in the News-Miner.



217 Second Street, Suite 200 • Juneau, Alaska 99801
tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

May 2, 2005

Honorable Representative Jay Ramras
House Resources,
State Capitol, Room 104
Juneau, Alaska 99801

Dear Representative Ramras,

This letter is to inform you as to the Alaska Municipal League's position on SB179 and HB280. After listening to testimony last week, it became apparent that AML must weigh in quickly. AML is opposed to SB179 and HB280.

Senator Therriault made reference to the fact that this bill had been introduced to bring "stability" to the mining industry. Yet, he also assured Senator Stedman that the six mill cap could be changed by a future legislature, should they deem it necessary. That, in itself, seems to undo the stability goal and thus makes the bill moot.

The legislature does have the right and/or responsibility to tax the unorganized borough. Therefore, a 4 mill property tax paid by a mine in the unorganized borough to the state is not something with which we have a problem. But if a borough is formed, having that same mine pay only 6 mills for a period of 15 years, while yet being exempt from all other municipal taxes is a decision that should be made by that potential borough. While we understand the mining industry's need to make an agreement with the Legislature with regards to the unorganized borough, we do not feel that agreement should carry on if and when a borough is organized.

We feel this bill is a disincentive to form boroughs; sets up an unequal taxing basis and takes away municipal taxing authority. We would encourage you to stop this bill in committee.

Sincerely,

Mike Catsi, Chairman
AML Land Use Legislative Committee

HB

300

ALASKA STATE LEGISLATURE

Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax (907) 373-4729



Session:

State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-2186
Fax (907) 465-3818

REPRESENTATIVE VIC KOHRING
DISTRICT 14

House Bill 300 Sponsor Statement

House Bill 300 requires that the *public seat* on the three member Oil & Gas Conservation Commission be filled by one with demonstrated experience in the oil and gas industry.

Currently this requirement applies only to the two technical seats, the geologist and engineer. It's critical that all members of the Commission have a fundamental understanding of the industry they regulate, and this legislation helps accomplish that.

HB 300 requires the public member to possess training or experience in the field, demonstrating a clear, essential knowledge of the state's oil and gas operations.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: 24-LS0997A
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: Qualifications of the third member of AOGCC RDU: AK Oil & Gas Conservation Commission
Component: AK Oil & Gas Conservation Commission
Sponsor: Representative Kohring
Requester: Representative Kohring Component No.: 2010

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation will not have a fiscal impact upon the Alaska Oil and Gas Conservation Commission (AOGCC).

Prepared by: Daniel T. Seamount, Jr., Commissioner
Division: Alaska Oil and Gas Conservation Commission
Approved by: Michael Tibbles, Deputy Commissioner
Agency: Administration

Phone 907-793-1221
Date/Time 1/23/06 2:30 PM
Date _____

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

338 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3639
PHONE (907) 278-1433
FAX (907) 278-7542

January 20, 2006

The Honorable Victor Kohring
Chair, House Special Committee on Oil and Gas
State Capitol
Juneau, Alaska 99801

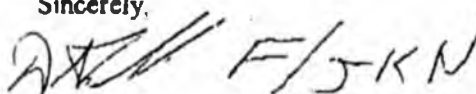
Re: House Bill No. 300

Dear Representative Kohring:

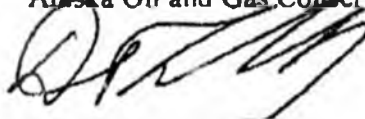
Thank you for this opportunity to comment on HB300. The Alaska Oil and Gas Conservation Commission ("Commission") supports this amendment regarding the qualifications of the third member of the Commission. This very simple revision will help protect the oil and gas interests of the people of Alaska by expressing a preference for applicants for any of the three Commission seats who demonstrate experience in oil and gas operations in the state. Currently this requirement applies only to the two technical seats, the geologist and the engineer. Because Alaska is moving into a time of extremely critical and diverse oil and gas activities, it is important that all members of the Commission have a fundamental understanding of the industry they regulate.

We would be please to respond to any questions you or other members of the committee you may have.

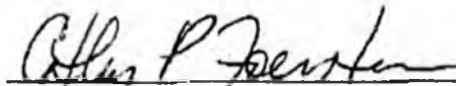
Sincerely,



John K. Norman, Chairman
Alaska Oil and Gas Conservation Commission



Daniel T. Seamount, Jr., Commissioner
Alaska Oil and Gas Conservation Commission



Cathy P. Foerster, Commissioner
Alaska Oil and Gas Conservation Commission



State of Alaska > Departments > Administration > Alaska Oil and Gas Conservation Commission [www.2](#)

News

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- **South-Central Alaska Natural Gas Study**
- **Guidelines & Principles for Qualification of Multiphase Metering Systems for Well Testing**
- **USGS Northern AK Petroleum Studies**

Of Interest

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- **2005 State Calendar**
2006 State Calendar
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- **Mission & Staff**

Information

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- **State Forecasts: Oil Production, Prices, Revenue**
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- **Information Available**
- **Public Request Fee Schedule**
- **Release Dates & Extensions**
- **Commission Functions & Processes**
- **Permit to Drill Process & Schedule**
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- **Regulations**

Quick Links

- **Oil and Gas Links**
- **State of Alaska**
- **Department of Administration**
- **Dept. of Natural Resources**
- **DNR - Land Administration**
- **Division of Oil and Gas**
- **Division of Geophysical Geological Services**
- **EPA's UIC Program**
- **IOGCC - Interstate Oil Compact Commission**
- **GWPC - Ground Water Council**
- **MMS - Minerals Management Service**
- **BLM - Bureau of Land Management**
- **Glossary of Oil Field (courtesy of Schiumberger)**
- **DOE Fossil Energy**

Alaska Oil & Gas Conservation Commission • 333 W. 7th Ave., Ste. 100 • Anchorage, Alaska 995
Voice (907) 279-1433 • Fax (907) 276-7542

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Regulations

Oil and Gas Conservation Commission > Regulations Updated 13 December 2005

The regulations reproduced below are intended to reflect the complete amended set of regulations for the AOGCC. Please note that there are differences between this version and the version published by Lexis Law Publishing. The AOGCC has attempted to accurately reproduce the regulations as adopted and filed by the Lt. Governor and to correct certain errors that appear in the published version. However, readers are advised that the AOGCC cannot guarantee the accuracy of the following version and that in the event of any unintentional discrepancies between the following version and the regulations originally filed by the Lt. Governor (copies of which are available from the AOGCC), the regulations are under the Lt. Governor's control.

Amended Regulations: Updated 13 December 2005

- Well branches, permit to drill applications, drilling program changes, and redrills.

Alaska Administrative Code

Title 20 - CHAPTER 25

Article

- 1. Drilling (20 AAC 25 005 – 20 AAC 25 080)
- 2. Abandonment and Plugging (20 AAC 25 105 – 20 AAC 25 172)
- 3. Production Practices (20 AAC 25 200 – 20 AAC 25 290)
- 4. Reports (20 AAC 25 300 – 20 AAC 25 320)
- 5. Enhanced Recovery (20 AAC 25 400 – 20 AAC 25 460)
- 6. General Provisions (20 AAC 25 505 – 20 AAC 25 630)
- 7. Definitions (20 AAC 25 990)

Editor's Notes-

This chapter is based on the former regulations of the division of oil and gas conservation formerly located in 11 AAC 22

 State of Alaska Oil and Gas Conservation Commission

COMMISSIONERS - TERMS IN OFFICE

Petroleum Engineer	Geologist	Public Member
Hoyle H. Hamilton Jan 1, 1979 to Dec 31, 1981	Harry W. Kugler Jan 1, 1979 to May 15, 1986	Lonnie C. Smith Jan 1, 1979 to Jul 1, 1992
C. V. "Chat" Chatterton Jan 18, 1982 to Aug 1, 1990	William W. Barnwell Jul 1, 1986 to Aug 11, 1988	Leigh Griffin Sep 9, 1992 to Feb 1, 1993
Russell A. Douglass Nov 26, 1990 to Nov 17, 1995	David W. Johnston Jan 19, 1989 to Jan 12, 2000	Tuckerman Babcock Jun 1, 1993 to Dec 31, 1996
J. David Norton Nov 20, 1995 to May 7, 1996	Dan Seamount Jan 13, 2000 to Present	Mary Marshburn Jan 1, 1997 to May 9, 1997
Robert Christenson May 9, 1997 to Jun 8, 2000		Camille Oechsli Taylor Sep 1, 1997 to Feb 18, 2003
Julie Heusser Nov 1, 2000 to Mar 15, 2002		Sarah Palin Feb 19, 2003 to Jan 23, 2004
Mike Bill Oct 1, 2002 to Feb 18, 2003		John K. Norman Jan 26, 2004 to Present
Randy Ruedrich Feb 19, 2003 to Nov 8, 2003		
Cathy Foerster March 30, 2005 to Present		

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Alaska Oil & Gas Conservation Commission

Commission History

The Alaska Oil and Gas Conservation Act (1955) created the Alaska Oil and Gas Conservation Commission (AOGCC or Commission). The Commission was composed of the Governor of the Territory of Alaska, the Territorial Commissioner of Mines, and the Territorial Highway Engineer. Rules and regulations governing Commission activities became effective on October 1, 1958.

Under the State Organization Act of 1959, the Oil and Gas Conservation Commission was abolished, its function and authority transferred to the Department of Natural Resources, Division of Mines and Minerals. A group within the department was designated to hold hearings and issue decisions on oil and gas matters. This group was the Alaska Oil and Gas Conservation Committee which consisted of the Director of the Division of Mines and Minerals (Chairman), the State Petroleum Geologist, the State Petroleum Engineer, and the Deputy Commissioner of the Department of Natural Resources.

In 1968 the Division of Oil and Gas was created within the Department on Natural Resources. The new division arose from the Petroleum Branch of the Division of Mines and Minerals. The Alaska Oil and Gas Committee was placed within the new division, and consisted of the Director, Chief Petroleum Geologist, and Chief Petroleum Engineer. In 1976 the word "conservation" was added to the division's title, and it became the Division of Oil and Gas Conservation.

With the advent of production from Prudhoe Bay in 1977, the Legislature became concerned with the potential conflict between the state's revenue interest in high production rates on state leases and the state's conservation interest in protecting total ultimate recovery. To obviate its concern, the Legislature amended AS 31.05 by Chapter 158, SLA 1978 to create a new Commission, effective January 1, 1979, as an independent quasi-judicial agency within the executive branch of the state. Initially, the new Commission was housed within the Department of Natural Resources, but in 1980 it was transferred to the Department of Commerce and Economic Development. More recently, Governor Hickel transferred the Commission to the Department of Administration on February 17, 1994.

[Commissioner Terms of Office](#) [Home](#) [Webmaster](#)

Alaska Oil & Gas Conservation Commission

AOGCC Mission

The mission of the Alaska Oil and Gas Conservation Commission (AOGCC) is to protect the public interest in exploration and development of oil and gas resources, ensuring conservation practices, and increasing ultimate recovery, while protecting health, safety, the environment, and property rights.

The Commission functions as the regulatory agency overseeing the underground operation of the Alaska oil industry on private and public lands and waters. Its responsibilities include regulating drilling and production of oil and gas to ensure that physical waste does not occur, protecting correlative rights of mineral interest owners, ensuring greater ultimate resource recovery and managing the Class II Underground Injection Control (UIC) program for oil and gas wells in Alaska as authorized by the U.S. Environmental Protection Agency on June 19, 1986.

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 State of Alaska Oil and Gas Conservation Commission

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Chasity Smith
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HB

304



House Bill 304 Commercial Fishing Loan Program

SPONSOR STATEMENT

This bill is a product of my philosophical belief that government should not compete with the private sector. I want to make sure that any loan program the State administers is the source of last resort.

This bill would require someone applying for a loan through the Commercial Fishing Revolving Loan Fund (CFRLF) for repair, restoration, or upgrading of vessels and gear, for the purchase of entry permits and gear, and for construction and purchase of vessels to be ineligible for financing from other recognized commercial lending institutions. While the division currently utilizes this practice I want it codify it to make it a permanent statutory requirement.

HB 304 reduces the amount of loans for refinancing a debt to \$200,000 per person, down from \$300,000. It increases the loan limit for past due federal tax obligations to \$35,000. And it limits all loans, including purchase of entry permits and gear, vessel purchases, repair of existing vessels, and federal tax debt for one person to \$335,000. The bill reduces security of a loan from 90% to 80% of the appraised value of the collateral. It adjusts the interest rate to the prime rate plus two percentage points. The interest rate currently is a maximum of 10.5%

This bill has been a work in progress. I have been working with the department diligently for the last year to clarify and tighten requirements in the Commercial Fishing Revolving Loan Program.

ALASKA STATE HOUSE OF REPRESENTATIVES



Contact:

Location Address:

**3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271**

Session

**(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 204**

REPRESENTATIVE JOHN COGHILL

HB 304 Commercial Fishing Loan Program

SECTIONAL

Section 1. Provides another qualification, that being the person is not eligible for financing from other recognized commercial lending institutions, for an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels if the individual has been a state resident for a continuous two years immediately preceding the date of the application.

It also eliminates one category of applicants for a loan to pay federal tax obligations. With the change the applicant must show lack training or lack of employment opportunities in the area other than commercial fishing or is economically dependent on commercial fishing as a livelihood and commercial fishing has been a traditional way of life.

It reduces the refinance obligation limit from \$300,000 to \$200,000.

Section 2. The bill changes the prime rate from a fixed 10.5 % interest rate to a sliding "prime rate plus two percentage points". Prime rate in AS 44.88.599 is defined as "the lowest United States money center prime rate of interest that is published in the Wall Street Journal.

It reduces the percent of appraised value of the collateral that can be loaned to secure a loan from 90% to 80% of the appraised value of the collateral.

Section 3. This section increases the amount of the total balance of federal tax loans from \$30,000 to \$35,000.

Excluding the purchase of fishing quotas by community quota entities, the total outstanding loans for a borrower may not exceed \$335,000.

Section 4. AS 16.10.315 is repealed. This provision required to department to allocate at least 10 percent of the money appropriated annually for loans of \$35,000 or less made for repair, restoration, or upgrading of existing vessels and gear, for purchase of entry permits and gear, and for construction and purchase of vessels.

Section 5. Effective date of July 1, 2006.

Sectional

1

4-5-06

AMENDMENT

OFFERED IN THE HOUSE

BY REP. GATTO

TO: CSHB 304

UNAN.

1 Page 2, line 8:

2 Delete:

3 "other recognized commercial lending institutions,"

4

5 Insert:

6 a state financial institution as defined in AS 06.01.050(3), a federally-chartered

7 financial institution, or the Commercial Fishing and Agricultural Bank,

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12 Mark Davis, Director of the Division of Banking and Securities suggested this language.

13

14

STATE OF ALASKA		P & P No.	Page
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT		LB3	1 of 3
POLICY AND PROCEDURES		Effective Date February 5, 2004	
SUBJECT Processing Commercial Fishing Loans and prequalifications Under SECTION C of AS 16.10.310(a)(1)		Supersedes P & P No.	Dated
		LB3	Nov. 1, 2002
DIVISION Investments		Approved By <i>Greg Winegar</i> Greg Winegar, Director	
		SECTION Lending	

POLICY

Commercial fishing loans and prequalifications for the purchase of quota shares may be considered approved under certain conditions.

CONSIDERATIONS

1. statutory and regulatory requirements (AS 16.10.300-.370 and 3 AAC 80.010-.900);
2. past fishing experience;
3. financial capacity for repayment of the loan;
4. collateral offered to secure the loan;
5. credit history;
6. strengths added by addition of a guarantor (When applicable);
7. application of various financial ratios (See Appendix A);
8. access to vessel and gear; and
9. availability of down payment.

GUIDELINES

1. Past due child support includes payment plans for arrears even though current with those payments.
2. Two-year residency: use a 365-day year. See LB7.
3. Active participation: use a completed calendar year.
4. **Alternative sources of financing.** To meet the requirements of AS 16.10.310(a)(1)(C)(iv), a denial letter from a recognized commercial lending institution that makes loans for the purchase of quota shares, such as the Commercial Fishing and Agriculture Bank (CFAB), the National Marine Fisheries Service (NMFS), Farm Credit Services or commercial banks must be obtained in order to consider the loan request. The denial letter must address the reason(s) for denial.
5. **Minors:** Applicants who are under 18 years of age may apply for loans if :
 - a. meet all eligibility requirements;
 - b. a guarantor is provided;
 - c. the guarantor pledges separate collateral to fully secure the loan;
 - d. the asset being purchased is placed in the name of the applicant; and
 - e. the applicant and guarantor sign the appropriate loan documents.
6. Must be U.S. citizen.
7. Deferred interest account balances (280) do not reduce loan limit eligibility on new loans, but will be considered when evaluating the credit history and repayment ability of the applicant.



Alaska Division of Investments
Department of Commerce, Community, and
Economic Development
P.O. Box 34159 Juneau, AK 99803
Office of the Director ~ Fax: (907) 465-2690

FAX COVER SHEET

DELIVER TO: **TIM BENIUTENDI**

DATE: **4/4/06**

ATTENTION:

FAX NUMBER: **465-3810**

FROM: **GREG WINEGAR**

NUMBER OF PAGES (INCLUDING THIS COVER SHEET): **1**

Comments: **TIM,**

**ATTACHED IS OUR POLICY DEFINING
ALTERNATIVE SOURCES OF FINANCING FOR
SECTION C LOANS. WE COULD ADD SIMILAR
LANGUAGE FOR SECTION B IF CSAB 304(FSH)
PASSES.
THANKS,
GREG**

Telephone: (907) 465-2510 Text Telephone (907) 465-5437
Telephone Toll Free Within Alaska: 1 (800) 478-LOAN (5626)
Email: investments@commerce.state.ak.us Website: <http://www.commerce.state.ak.us/investments/>

If this FAX does not transmit properly, please call the number listed immediately.
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2

AMENDMENT

OFFERED IN THE HOUSE RES.

BY REPRESENTATIVE SEATON

TO: CS HB 304(FSH)

4-5-06

Page 5, line 24

Delete "\$335,000"

Insert "\$400,000"

UNAN

CONCEPTUAL AMENDMENT 4

Seaton

OFFERED IN THE HOUSE
RESOURCES COMMITTEE
TO CSHB 304 (FSH)

S to 1

Page 4, line 31-Page 5, line 2

Delete all revised language

(2) may not bear interest exceeding [*the prime rate plus two percentage points; for purposes of this paragraph. "prime rate" has the meaning given in AS 44.88.599;*]

Insert existing statutory language to read:

(2) may not bear interest exceeding 10 ½ percent;

New Text Underlined [~~DELETED TEXT BRACKETED~~]

ALASKA STATE LEGISLATURE HOUSE RESOURCES COMMITTEE

Representative Jay Ramras
Co-Chairman

(907) 465-3004

Fax: (907) 465-2833

Representative_Jay_Ramras@legis.state.ak.us

119 N. Cushman St., Suite 213
Fairbanks, AK 99701



Representative Ralph Samuels
Co-Chairman

(907) 465-2095

Fax: (907) 465-3810

Representative_Ralph_Samuels@legis.state.ak.us

716 W. 4th Avenue
Anchorage, AK 99501

State Capitol, Juneau, Alaska 99801-1182

FAX

Please deliver the following pages to: Legis. Legal

Fm:  Jim Round, Staff, Resources Committee

Fax #: 2029

Total number of pages including cover: 2

Date: 4/10/06 3:55 PM

Re: CSHB 304 (FSH) 24-LS0523\L

Please amend as per instructions on page 2 and return as a final CSHB 304(RES).

Thanks

The information contained in this fax is **CONFIDENTIAL** and/or privileged. This fax is intended to be reviewed initially by only the individual named above. If the reader of this transmittal page is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of this fax or the information contained herein is prohibited. If you have received this fax in error, please immediately notify the sender by telephone and return this fax to the sender at the above address.

Thank you

Please amend CSHB 304(FSH) 24-LS0523\ as referenced below and return in final as CSHB 304 (RES)

Page 2, line 8

Delete:

Other recognized commercial lending institutions,

Insert:

A state financial institution as defined in AS 06.01.050(3), a federally-chartered financial institution, or Commercial Fishing and Agricultural Bank,

Page 4, Line 31- Page 5, line 2

Delete all revised language

(2) may not bear interest exceeding [the prime rate plus two percentage points; for purposes of this paragraph. "prime rate" has the meaning given in AS 44.88.199;]

Insert existing statutory language to read:

(2) may not bear interest exceeding 10 ½ percent;

Page 5, Line 24

Delete

\$335,000

Insert

\$400,000

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 304(FSH)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Commercial Fishing Loan Program RDU Investments (122)
 Component Investments
 Sponsor Coghill
 Requester House Fisheries Component No. 383

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2008	FY 2010	FY 2011	FY 2012
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 (1036)	0.0	(33.0)	(64.8)	(95.4)	(124.6)	(152.4)
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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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would make several changes to the Commercial Fishing Revolving Loan Fund (CFRLF). Two of the changes would result in fewer loans being made that would reduce the amount of interest earned by the fund. Section 1 of the bill would reduce the amount of vessel and gear refinancing allowed from \$300,000 to \$200,000. The department estimates that this would result in one fewer loan each year totaling \$200,000. A 9% interest rate and a 9.6% delinquency rate were used in the calculation of lost interest earnings.

Section 3 of the bill would reduce the total amount that a borrower could have in outstanding loans at any given time from \$630,000 to \$335,000. The department estimates that this would result in three fewer loans per year totaling \$204,639. A 9% interest rate and a 9.6% delinquency rate was also used in this calculation of lost interest earnings.

Prepared by: Greg Winegar, Director Phone (907) 465-2510
 Division Investments Date/Time 3/21/06 4:39 PM
 Approved by: William C. Noll, Commissioner Date 3/21/2006
 Agency Department of Commerce, Community, and Economic Development

AMENDMENT

OFFERED IN THE HOUSE

BY WILSON

TO: CSHB 304(FSH)

1 Page 2, line 10:

2 After "commercial fishing;"

3 Insert: or

4

5 Page 2, line 13:

6 Delete: "or"

7 Insert: and

8

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HB

306

ALASKA STATE LEGISLATURE

Vice Chair:
House Finance Committee

Chair:
House Finance Subcommittees for:
Department of Public Safety
Department of Law



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

Interim:
PO Box 464
Chugiak, AK 99567

BILL STOLTZE STATE REPRESENTATIVE

Representative_Bill_Stoltze@legis.state.ak.us

House Bill 306

Convey Hatcher Pass to Mat-Su Borough

"An act making certain land available for selection by the Matanuska-Susitna Borough."

The Matanuska-Susitna Borough has been working with the Department of Natural Resources to convey land ownership of Borough and State lands. One particular piece of land is located within the Hatcher Pass Public Use Area. This parcel is on the southern boundary of the public use area, and is actually outside of the real natural entrance to the area. In order to convey this land, its public use designation must first be removed.

The provisions of HB 306 will make the acreage on the southern border of the Hatcher Pass Public Use Area available to the Matanuska-Susitna Borough.

- The Matanuska-Susitna Borough may only select the acreage described in the legislation.
- The acreage of land must have been selected on or before January 1, 2007, or it will remain in the Hatcher Pass Public Use Area unless otherwise specified by law.
- Any of the land selected shall remain available for conveyance until all administrative and judicial appeals have been exhausted.

I ask for your consideration and support of HB 306.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

2

STOLTZE

AMENDMENT

OFFERED IN THE HOUSE
TO: CSHB 306 (RES)

- 1 Page 2, line 7, following "(b)":
- 2 Delete "The"
- 3 Insert "Subject to authorization by a majority of the qualified voters in
- 4 the borough voting on the question at a general or special election, the"

*adopted
w/o objection*

1

AMENDMENT

STOLTZE

OFFERED IN THE HOUSE
TO: CSHB 306 (RES)

adopted 4-5
N-0
as amended

- 1 Page 2, following line 22, following:
- 2 Insert a new subsection to read:
- 3 "(d) That portion of the land selected under (b) of this section that lies
- 4 within 1,000 feet of the line of ordinary high water of the Little Susitna
- 5 may not be developed or improved."

Reletter the following subsection accordingly.

4 = SAMUELS
RAMRAS
CRAWFORD
GATTO
OLSON

amendment to # 1

Conceptual Amendment
To HB 306

adopted
w/o objection

In House Resources by Representative Seaton

Page ___ Line 4

Delete 1000

Insert 600

Page ___ Line 5

After "improved

Insert

except for trails and may not be transferred from public ownership.

adopted

24-LS0907F
Bullock
2/1/06

CS FOR HOUSE BILL NO. 306()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE STOLTZE

A BILL

FOR AN ACT ENTITLED

1 **"An Act making certain land available for selection by the Matanuska-Susitna**
2 **Borough."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS OF FACT.** The legislature finds that making the lands specified in sec.
7 2(b) of this Act available to the Matanuska-Susitna Borough for selection and conveyance
8 under AS 29.65 is consistent with the testimony and position of the Department of Natural
9 Resources at the time the Hatcher Pass Public Use Area was created. Furthermore, the
10 selection is consistent and compatible with the Hatcher Pass Management Plan, as amended.

11 *** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 **AVAILABILITY OF HATCHER PASS PUBLIC USE AREA LAND FOR**
14 **SELECTION AND CONVEYANCE TO THE MATANUSKA-SUSITNA BOROUGH. (a)**

1 Notwithstanding the reservation of land, designation of the reserved land as the Hatcher Pass
2 Public Use Area, and assignment of control and management of the land to the Department of
3 Natural Resources made by AS 41.23.130, the land in sec. 2(b) of this Act, intended to
4 accommodate alpine, Nordic, and resort development, is available to the Matanuska-Susitna
5 Borough for selection and conveyance under AS 29.65 or AS 38.05.810, and subject to
6 AS 38.05.035 and 38.05.945.

7 (b) The Matanuska-Susitna Borough may select the following land within Township
8 19 North, Range 1 East, Seward Meridian, that is part of the Hatcher Pass Public Use Area:

9 Section 26: W1/2SW1/4 west of the line of ordinary high water of the Little

10 Susitna River; and

11 Section 27: E1/2E1/2

12 Totaling 200 acres more or less.

13 (c) Land described in (b) of this section that

14 (1) has not been selected by the Matanuska-Susitna Borough before January 1,
15 2007, shall remain in the Hatcher Pass Public Use Area;

16 (2) is selected by the Matanuska-Susitna Borough but not conveyed by the
17 Department of Natural Resources shall remain available for conveyance to the Matanuska-
18 Susitna Borough until all administrative and judicial appeals regarding the failure to convey
19 the selected land have been exhausted; and

20 (3) is not ultimately conveyed to the Matanuska-Susitna Borough following
21 the exhaustion of all administrative and judicial appeals shall remain in the Hatcher Pass
22 Public Use Area unless otherwise specified by law.

23 (d) The commissioner of natural resources shall promptly notify the revisor of statutes
24 of the conveyance made by the Department of Natural Resources to the Matanuska-Susitna
25 Borough of land described in (b) of this section.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB306-DNR-ML&W-04-17-06
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Convey Hatcher Pass to Mat-Su Borough RDU Resource Development
 Component Title Acquisition and Defense
 Sponsor Rep. Stoltze
 Requester (H) RES Component No. 2459

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation allows DNR to convey title to approximately 200 acres within the Hatcher Pass Public Use Area to the Matanuska-Susitna Borough under the Municipal land entitlements statute (AS 29.65).

There is no anticipated significant fiscal impact associated with the implementation of this proposed legislation. DNR will use existing municipal entitlement and land planning staff to process the Borough's request for transfer of the parcel.

Prepared by: Dick Mylius, Acting Director
 Division: Mining, Land & Water
 Approved by: Michael L. Menge
 Agency: Natural Resources

Phone 907-269-8625
 Date/Time 4/17/2006
 Date 4/17/2006

April 18, 2006

TO: Representative Ralph Samuels, Co-Chair
FROM: Franice Barker, Chickaloon, Alaska
RE: HB 306, *Conveyance of Hatcher Pass Public Use Area Land to Mat-Su Borough*

I am writing you regarding HB 306, which seeks approval from the Legislature to transfer 200 acres of the Hatcher Pass Public Use Area from the State of Alaska to the Mat-Su Borough (MSB), for the development of the ski area and surrounding commercial properties. I oppose this land transfer of the Public Use Area lands for a variety of reasons including the risks to water quality and potential impacts to the Little Susitna fishery and other recreational uses.

This 200 acres is located along the headwaters of the Little Su River and was specifically designated as a Public Use Area "to provide for public recreation activities; to protect and enhance the fishery, waterfowl, and wildlife resources and habitat and provide for the public use of the fishery and wildlife resources, including fishing, grazing, hunting, and trapping; and, to protect the water quality and scenic resources within the Hatcher Pass Public Use Area. (AS 41.23.100).

Why does MSB need 200 more acres? MSB already holds sufficient land to make the development possible (3,000 acres) and should develop that property before acquiring more acres. The public has not yet had the opportunity to review a development proposal for the existing MSB 3,000 acres and MSB has not specified publicly what they would do with the additional 200. It's another one of those secret negotiations (can't tell anyone till it's done) deals.

Although I am an avid skier and would like nothing more than for this recreational ski development to happen, it doesn't need to happen at the expense of this valuable river corridor that is critical for water quality and healthy fisheries in the Susitna valley.

The 200 acres in question was appropriately set aside by the State as Public Use area in 1986. Its status should not change.

April 17, 2006

Dear Representative Samuels,

RE: comments regarding HB 306
CONVEY HATCHER PASS PUBLIC USE AREA LAND TO MAT-SU BOROUGH

Alaska Statute 41.23.100 establishes the Hatcher Pass Public Use Area for the following purposes:

- To provide for public recreation activities;
- To protect and enhance the fishery, waterfowl, and wildlife resources and habitat and provide for the public use of the fishery and wildlife resources, including fishing, grazing, hunting, and trapping;
- And, to protect the water quality and scenic resources within the Hatcher Pass Public Use Area

I oppose HB 306. To convey 200 acres of land within the Hatcher Pass Public Use Area (HP PUA) to the Mat-Su Borough for the purpose of creating a subdivision or future commercial development to augment the ski area violates the establishment of the public use area.

- The Mat-Su Borough (MSB) already holds title to 3,000 acres of land within the 11,000 acre ski lease area for the ski area development
- The MSB has not stated clearly why they want the 200 acre withdrawal from the HP PUA – MSB and JL Properties have been "flip flopping" on the need and intent for the 200 acres this past year
- The MSB Parks, Rec & Trails Board and the Mat-Su State Parks Citizen Advisory Board both passed resolutions against the withdrawal of any HP PUA land
- If the land is transferred public access will be denied as it will be privately owned
- The Hatcher Pass Public Use Area was created for the public and by the public and should stay in public hands
- The MSB previously attempted to remove approx. 1,000 acres from the public use area, however, only received 160 acres – part of the acreage provides an easement through the HP PUA to access the 3,000 acres so access is secured, therefore, the 200 acres is not needed to provide access
- Any large scale development on the Little Su has the ability to negatively impact the fishery and water quality
- The Little Su River is a valuable and economic public resource that supports a primary fishery and public recreation

Enough is enough, do not allow any more land within the Hatcher Pass Public Use Area to be removed and given away to any entity. It belongs to the public.

Kathy Stella
Palmer, AK



Cascadia Wildlands Project

Alaska Field Office

907.424.3835 • POB 853 • Cordova AK 99574 • cascadia@alaska.com • www.cascwild.org

April 19, 2006

Dear Representative,

As an Alaska resident and on behalf of Cascadia Wildlands Project, I am writing to urge **Against HB 306**. I was on this land a few days ago and value it very highly. Cascadia has a longstanding interest in this spot. We are party, along with the State and Mat-Su Borough, in a Settlement Agreement that holds the Hatcher Pass Management Plan binding on the Borough. We also have an administrative appeal currently pending before DNR over transfer of this land, among other issues.

This land, along the banks of the Little Su River, is uniquely valuable for Water Quality, salmon and moose habitat, and public recreation. JL Properties and the Mat-Su Borough are planning development of what amounts to a strip mall, or at least a housing subdivision, on this land. That is a bad idea made worse by HB 306.

Our interest here is conservation. We see the "ski resort" being used as a mask to win public funding for more Mat-Su subdivisions on what should be public recreation land along the Little Su river at Hatcher Pass. Your constituents also have clear **hunting, fishing and recreation access interests** that would be damaged by this bill.

The bill as written has the following serious flaws:

- As the developer (JL Properties) has recently indicated, **this land is not necessary for ski resort development**. The Borough also recently withdrew their request to DNR for conveyance. I could talk with you all day about why this land has nothing to do with the proposed ski hill, which would be miles up the road in a different direction.
- The state has already given the Borough over 3,000 acres, including over 100 acres within this Public Use Area, for ski resort development. How many times are they going to come back with their hand out?
- The language of HB 306 **does not accommodate DNR's current decision** to convey this land, which depends on the land being removed from the Public Use Area. This is the Decision that we have currently under Appeal to the DNR Commissioner. This version of HB 306 results in overlapping decisions to convey the same land, and a hopelessly legal muddle.
- Conveyance would **junk the Hatcher Pass Management Plan**, which would not be binding on the Borough or whatever private developer they give the land to. We sued DNR over this issue in 2002, and settled in 2003 when the state and Borough agreed to

attach a special condition to the land patent holding, the HPMP binding. HB 306 does not include this language, with the following negative results:

1. **Could result in litigation, just like in 2002.**
 2. **Results in muddled management & legal status.** Per our 2003 Settlement Agreement, the surrounding land is all subject to the Management Plan.
 3. **Call's good faith of state and Borough into question, that land really will be managed consistent with the management plan.**
- **The Findings of Fact are not true.** It is not true that proposed development is consistent with the original intent of the Public Use Area. Neither is not true that this land is "authorized for development purposes in the Hatcher Pass Management Plan..." (page 1, lines 10-11) Making this finding of fact circumvents the Management Plan process.

Because our interest is conservation, we might support this version of HB 306 for the simple reason it is so muddled it would certainly give us cause for further legal delays to development. However, we would prefer to avoid that pointless and wasteful conflict.

Please do not pass HB 306. Please feel free to call if you have any questions at all regarding our interest in this matter.

Sincerely,



Gabriel Scott

Alaska Field Representative

Cascadia Wildlands Project

cc: House Resources Committee

From: Gabriel Scott [cascadia@alaska.com]
Sent: Wednesday, April 19, 2006 12:25 PM
To: Rep. Jay Ramras
Subject: HB306

Dear Representative Ramras,

As an Alaska resident and on behalf of Cascadia Wildlands Project, I am writing to urge **Against HB 306**. I was on this land a few days ago and value it very highly. Cascadia has a longstanding interest in this spot. We are party, along with the State and Mat-Su Borough, in a Settlement Agreement that holds the Hatcher Pass Management Plan binding on the Borough. We also have an administrative appeal currently pending before DNR over transfer of this land, among other issues.

This land, along the banks of the Little Su River, is uniquely valuable for Water Quality, salmon and moose habitat, and public recreation. JL Properties and the Mat-Su Borough are planning development of what amounts to a strip mall, or at least a housing subdivision, on this land. That is a bad idea made worse by HB 306.

Our interest here is conservation. We see the "ski resort" being used as a mask to win public funding for more Mat-Su subdivisions on what should be public recreation land along the Little Su river at Hatcher Pass. Your constituents also have clear **hunting, fishing and recreation access interests** that would be damaged by this bill.

The bill as written has the following serious flaws:

- As the developer (JL Properties) has recently indicated, **this land is not necessary for ski resort development**. The Borough also recently withdrew their request to DNR for conveyance. I could talk with you all day about why this land has nothing to do with the proposed ski hill, which would be miles up the road in a different direction.
- The state has already given the Borough over 3,000 acres, including over 100 acres within this Public Use Area, for ski resort development. How many times are they going to come back with their hand out?
- The language of HB 306 **does not accommodate DNR's current decision** to convey this land, which depends on the land being removed from the Public Use Area. This is the Decision that we have currently under Appeal to the DNR Commissioner. This version of HB 306 results in overlapping decisions to convey the same land, and a hopeless legal muddle.
- Conveyance would **junk the Hatcher Pass Management Plan**, which would not be binding on the Borough or whatever private developer they give the land to. We sued DNR over this issue in 2002, and settled in 2003 when the state and Borough agreed to attach a special condition to the land patent holding the HPMP binding. HB 306 does not include this language, with the following negative results:
 1. **Could result in litigation**, just like in 2002.
 2. Results in **muddled management & legal status**. Per our 2003 Settlement Agreement, the surrounding land is all subject to the Management Plan.

3. **Call's good faith of state and Borough into question**, that land really will be managed consistent with the management plan.
- **The Findings of Fact are not true.** It is not true that proposed development is consistent with the original intent of the Public Use Area. Neither is not true that this land is "authorized for development purposes in the Hatcher Pass Management Plan..." (page 1, lines 10-11) Making this finding of fact circumvents the Management Plan process.

Because our interest is conservation, we might support this version of HB 306 for the simple reason it is so muddled it would certainly give us cause for further legal delays to development. However, we would prefer to avoid that pointless and wasteful conflict.

Please do not pass HB 306. Please feel free to call if you have any questions at all regarding our interest in this matter.

Sincerely,
Gabriel Scott, Alaska Field Representative
Cascadia Wildlands Project, Alaska Field Office
PO Box 853
Cordova, AK 99574
(907) 424-3835

cc: House Resources Committee

TESTIMONY FOR HB306 April 19, 2006

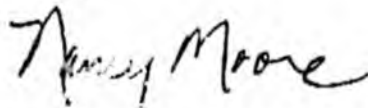
The Mat-Su Borough already has title to 3,000 acres of public land and some of it is public use land. This 3000 acres should be developed before any additional land is transferred to the Borough. The acreage that is being requested is along the Little Su River and could be used for housing development.

The statute that established the Hatcher Pass Public Use Area states the purposes for the lands are to provide public recreation, protect and enhance fisheries and wildlife resources and to protect water quality and scenic qualities. The 200 acres requested by the borough should remain in Hatcher Pass Public Use Area.

Should the borough receive this conveyance then deed restrictions should state that no development should occur within 1200 feet of the river. Wildlife habitat, scenic qualities, and water quality are the values that need to be maintained in the Hatcher Pass Area.

Please do not transfer an additional 200 acres to the Mat -Su Borough.

Thank you
Nancy Moore
PO Box 399
Palmer, Alaska



907-745-1540



This legislation would make approximately 200 acres available to the Mat-Su Borough in the Hatcher Pass Public Use Area. The Mat-Su Borough, in concert with the private sector, is developing a portion of the area into a regional Alpine and Nordic ski area along with housing and commercial development.

Transfer of this land to the Borough is consistent with the purposes of the Municipal Land Act (AS 29.65) which provides for the transfer of land to municipalities to encourage economic growth and self-sufficiency. Because the land is located within a legislatively created Public Use Area, approval by the legislature is necessary.

Background

The Hatcher Pass Public Use Area was established by the Alaska Legislature in 1986. In its entirety it totals about 5,200 acres. The area was established to: 1) provide for public recreation activities; 2) protect and enhance the fishery and wildlife resources, including fishing, grazing, hunting, and trapping; and, 2) protect the water quality and scenic resources with the area.

What the public use area did not allow was "disposal" of the land. Even a conveyance to a municipal government for a public purpose or to foster economic development is considered to be a disposal.

In 1989 the Hatcher Pass Management Plan was amended to provide for the development of the Government Peak sub-unit of Hatcher Pass into a ski resort along with residential and some commercial development. While allowing development, rules were put in place to protect the values of the area.

Since the Public Use Area was created and the Management Plan adopted much has happened. The state, through the Department of Natural Resources, has turned over development of the ski area project to the Borough, the Borough has assumed management and ownership of the lease for the area, and the Borough has obtained ownership of land outside of the Public Use Area that will support the development of area with numerous recreational opportunities along with some residential and commercial activities.

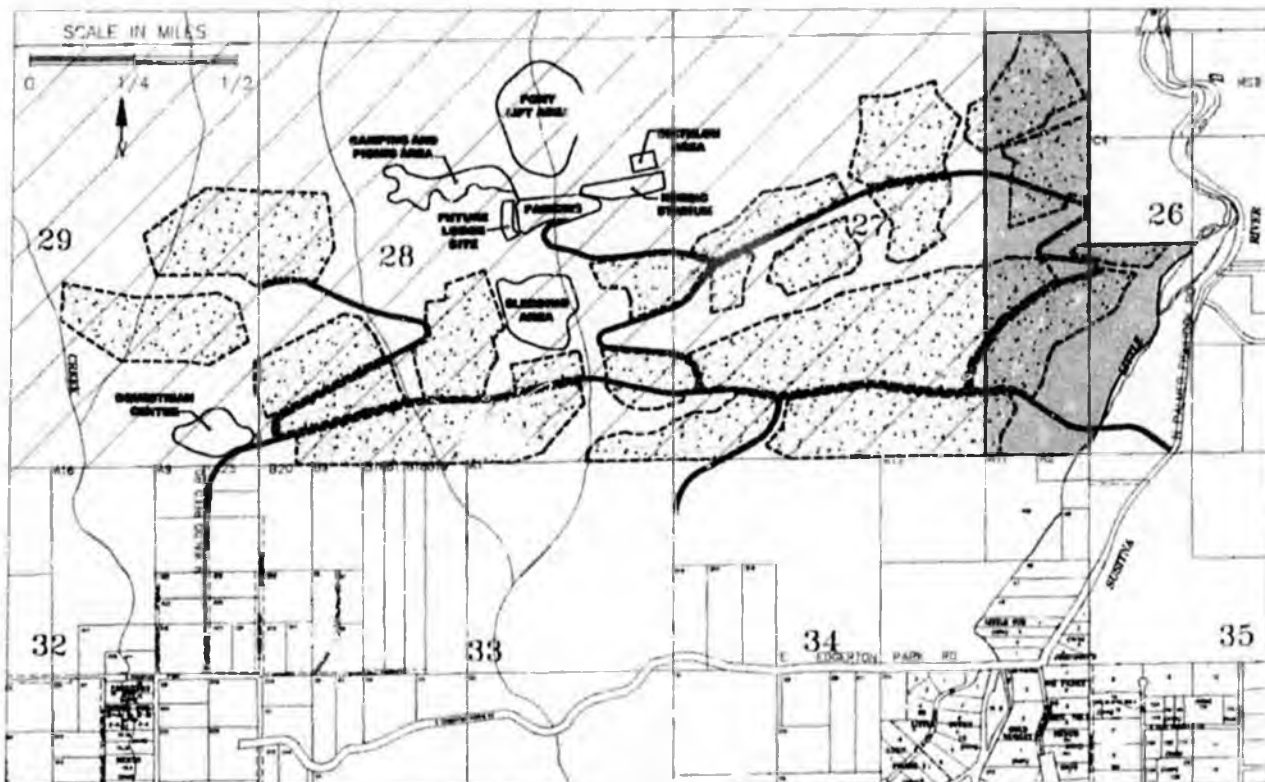
The Borough continues to take steps to ensure that the Hatcher Pass area is developed at a level of quality, taking fullest advantage of the area's unique attributes, including diverse recreation opportunities, taking advantage of the areas spectacular setting, great views, quality land and proximity to two of Southcentral Alaska's population centers. This commitment began with the Borough fully endorsing the Hatcher Pass Management Plan in 1989, and continues today as we complete the final stages of adopting a Special Land Use District (zoning) for the entire development and recreation area. Obtaining this final 200 acres of land is one of the last key pieces for turning this project into reality.

Request

The Borough is requesting that the legislature authorize a conveyance of 200 acres of land to the Borough at the southern end of the existing Public Use Area by adopting HB 306. We have consistently stated, and the proposed legislation clearly states, that the transfer of this land to the Borough shall be subject to Hatcher Pass Management Plan. This includes some development restrictions, as well as water body and wetland buffers that will ensure that water quality and quantity is maintained in the Little Susitna watershed.

This request is wholly consistent with the public record when representatives of the Department of Natural Resources testified before the legislature that development was envisioned to occur in the area when the Hatcher Pass Public Use Area was created. The Hatcher Pass Management Plan was amended, specifically to deal with the proposed development of the ski area in the 1980's and the lease area, when originally issued by DNR, included the area covered by this legislation.

The Borough now owns 3,000 acres immediately adjacent to the land involved with this legislation and approximately 150 acres at the base of Government Peak where the Alpine ski area base facilities will be located. Once you cross the Little Susitna River from the Hatcher Pass Road this parcel will be the gateway or entrance to the South Side development and recreation area. This legislation will consolidate land ownership with the Borough instead of having a small piece of the development area also owned by the state and is a key component to the Borough for the development and management of the area.



Matanuska-Susitna Borough
Community Development/LMD 4-14-2006



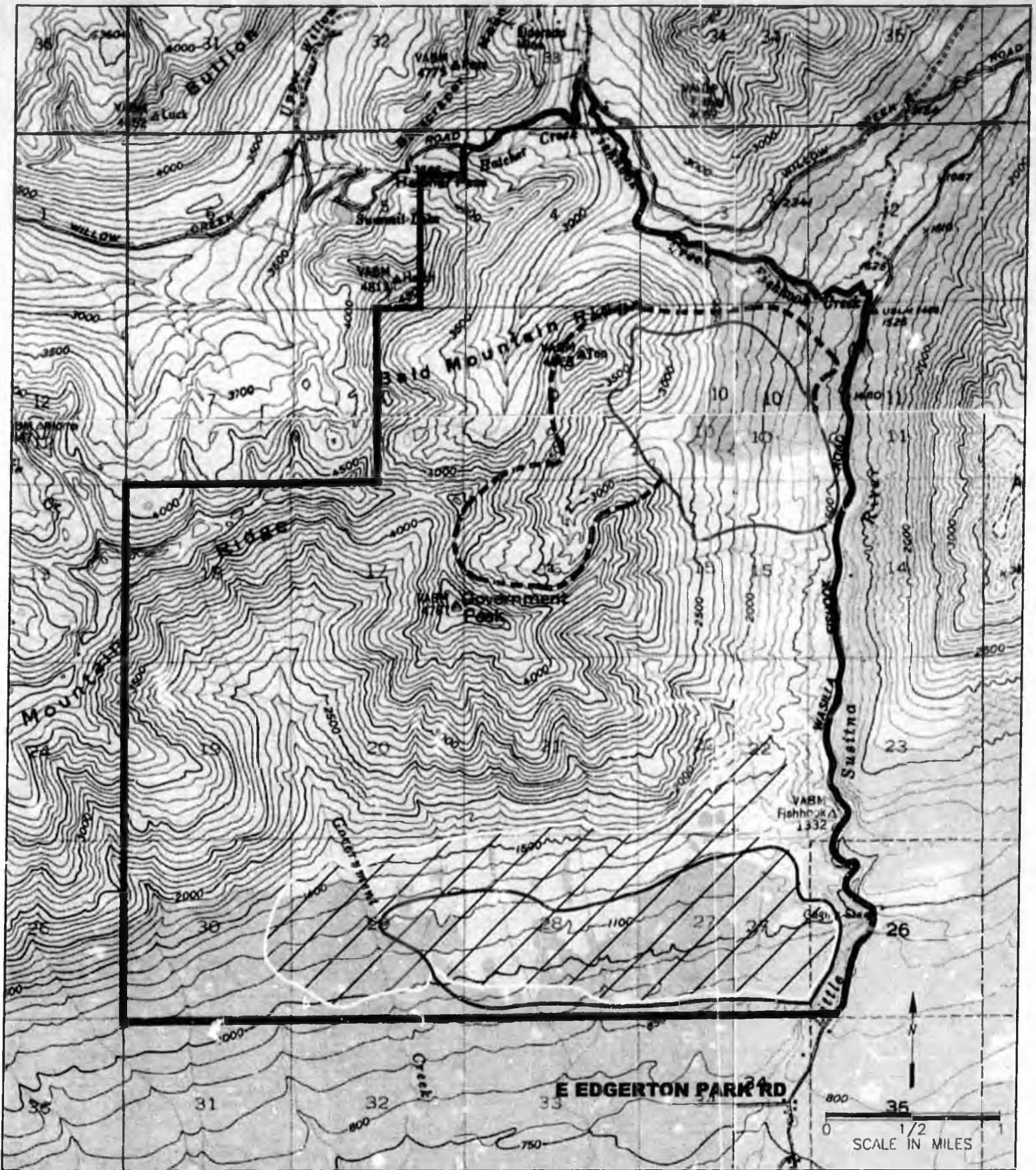
Borough Owned



Commercial/Residential
Development Areas



HB 306



COMMUNITY DEVELOPMENT/LMD - April 14, 2006

- Future alpine expansion (600 acres)
- Alpine ski area (700 acres)
- Special Land Use District Boundary

- Residential development area (1100 acres)
- /// Area of nordic ski trail, recreation trail & equestrian trail system (1400 acres)



	Amended:	12/06/05
	Adopted:	12/06/05
Motion to Amend Previously Adopted	Passed:	12/15/05
	Amended:	12/15/05
	Adopted:	12/15/05

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 05-151 (AM)**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING STATE LEGISLATIVE PRIORITIES FOR THE MATANUSKA-SUSITNA BOROUGH FOR THE YEAR 2006.

WHEREAS, the 24th session of the Alaska State Legislature will reconvene in January 2006; and

WHEREAS, the Matanuska-Susitna Borough remains the fastest growing community in the State of Alaska and is predicted to maintain above average growth rates for the next decade; and

WHEREAS, to meet the needs of the Borough's growing population, to help diversify the local economy, and to develop an efficient and effective transportation and educational system the Assembly has determined the State legislative priorities for the year 2006.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly hereby sets the following State legislative operating budget priorities to provide property tax relief for the residents of the Matanuska-Susitna Borough:

1. Property tax relief in the form of municipal assistance/revenue sharing/community dividends
2. Full funding of mandated Senior Citizen and Disabled Veterans tax exemption programs

3. Foundation funding - minimum base student allocation of \$5,347
4. Full funding of the Teachers and Public Employee Retirement System shortfall
5. Full funding of pupil transportation assistance
6. Increased funding of the Alaska State Department of Transportation and Public Facilities operations and maintenance budget

BE IT FURTHER RESOLVED, that the Matanuska-Susitna Borough Assembly hereby sets the following capital project State legislative priorities for the Matanuska-Susitna Borough for the year 2006:

1. Emergency full funding for roof replacement and major renovation of Su-Valley High School
2. Hatcher Pass road and infrastructure improvements
3. Restoration of the \$50 million to the Statewide Transportation Improvement Program (STIP) for projects within the Borough
4. Matanuska River erosion management
5. Funding for construction of portables in the amount of \$2.6 million

BE IT FURTHER RESOLVED, that the Matanuska-Susitna Borough Assembly hereby sets the following additional State legislative priorities for the Matanuska-Susitna Borough for the year 2006:

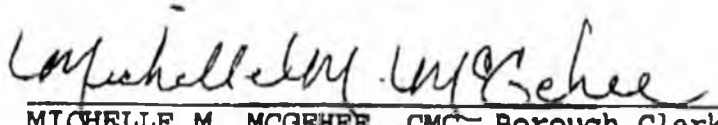
1. Re-Authorization of the School Construction Debt Reimbursement program
2. Hatcher Pass land transfer
3. Expansion of correctional facilities within the Borough
4. Increased response to community threats posed by Meth labs
5. Expansion of residential treatment centers within the Borough

ADOPTED by the Matanuska-Susitna Borough Assembly this 6 day of December, 2005.



 TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:



 MICHELLE M. MCGEHEE, CMC, Borough Clerk
 (SEAL)

PASSED UNANIMOUSLY: Woods, Allen, Colberg, Kvalheim, Bettine, Colver, and Vehrs

AMEND PREVIOUSLY ADOPTED PASSED UNANIMOUSLY DECEMBER 15, 2005: Woods, Allen, Kvalheim, Bettine, Colver, and Vehrs

**MATANUSKA-SUSITNA BOROUGH****Borough Manager's Office**

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-9689 • Fax (907) 745-9669

jduffy@matanusgov.us

January 28, 2006

The Honorable Bill Stoltze
State Representative
State of Alaska
State Capitol Building
Juneau, Alaska 99801

Dear Representative Stoltze:

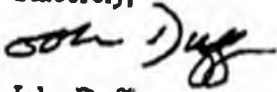
Thank you again for introducing HB306 the legislation regarding the land transfer to the Matanuska-Susitna Borough within the Hatcher Pass area. This land transfer will allow for the development of a community based Nordic ski facility as well as commercial and residential development. The project will have long term positive impacts by creating local employment and business opportunities as well as providing our youth with a place to recreate. Indeed, a recently completed economic impact assessment of the project has found that the project will create 1,350 long-term construction jobs and between 185 to 490 long term jobs when in operation. Our local school district has indicated that the project will be ideal for hosting training and regional and statewide competitive events. The recreation and tourism related benefits are immeasurable.

To recap, the land transfer and removal of the Public Use Area designation for approximately 200 acres of land is necessary in order to provide sufficient lands for the proposed Olympic class Nordic and Biathlon ski trail system, multiple purpose trails, and residential development. The Borough and State of Alaska, Department of Natural Resources previously co-authored development management guidelines to protect the environment and uses of the area while maximizing the development and recreational potential of these lands. These guidelines are found within the Hatcher Pass Management Plan, as amended. Moreover the Borough, working with local citizens and developer, has developed a Special Use District which will further guide development of the project. Thus, more than adequate land use and development protections will be available to properly manage this important asset.

As reported by the media, a small part of the lands, about twenty acres, are no longer needed for the proposed commercial village as the hotel, lodge and ancillary commercial development will be relocated to the middle of the project area and away from the Little Susitna River. The twenty acres however, are still required to provide access to the development and to properly manage the entire development area and the recreational trails that may be developed on the property.

The Hatcher Pass ski area project has been a goal of the Borough and State of Alaska for over twenty years and is now very close to fruition. I have attached our Assembly's resolution that identifies this project as one of the Borough's top priorities. Your leadership in sponsoring the HB306 and working to obtain its passage is a critical element in the ultimate success of the project and is greatly appreciated. Thank you for your support. Please do not hesitate to contact me at 907-7435-9689 if you require any additional information.

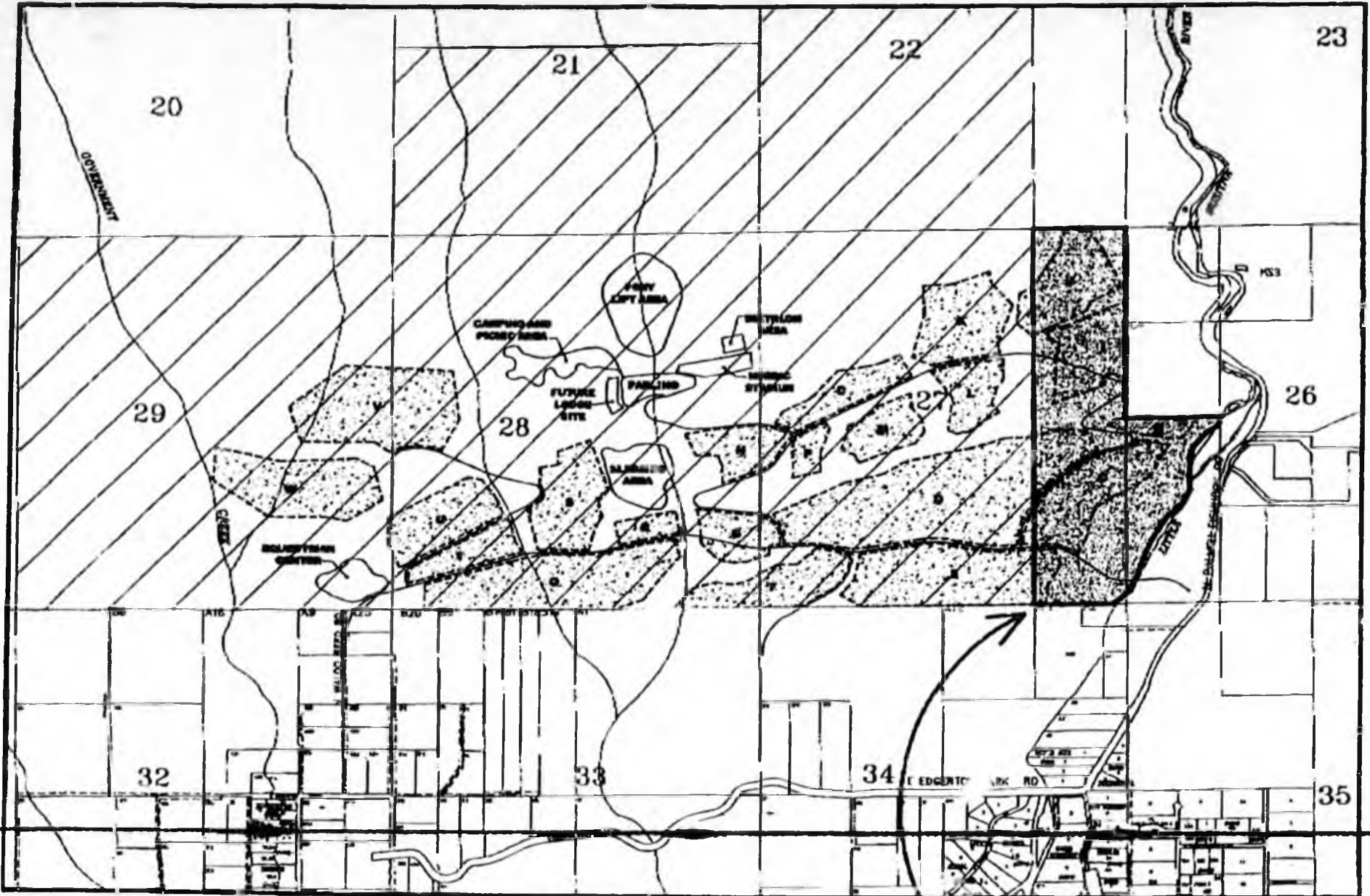
Sincerely,



John Duffy
Borough Manager

cc: Senator Huggins

Attachments: Assembly Resolution
Project Map



Community Development/LUC -31-2005



Borough Owned



Commercial/Residential Development Areas



HB 306



0 1/4 1/2
SCALE IN MILES

HB

307



Alaska State Legislature

Please enter into the record my testimony to the House Resources
Committee name
Committee on HB 307, dated 3/29/06
Bill/Subject

Please see attached.

Signed:

Gary Dorsey
Testifier

Representing (Optional)

Address

Phone number

USGS MAPS

March 30, 2006
House Resource committee
Re: House Bill 307
Rep. Stoltze

Thank you for listening to us yesterday. You asked for the recommended boundary changes to make this Bill work. Here they are.

The South Knik River Community will not approve the boundary going through our residential community. Please modify as follows:

- Township 16 North, range 4 East, Seward Meridian
 - Sections 1-18
 - Section 19-20: Portions located below the ordinary high water of Knik River
 - Sections 21-26
 - Sections 27-29: Portions located below the ordinary high water of Knik River
 - Sections 34-35: Portions located below the ordinary high water of Knik River
 - Section 36

1) Delete:

Township 15 North, Range 4 East, Seward Meridian - entirely

2) Delete:

Township 17 North, Range 3 East, Seward Meridian - entirely

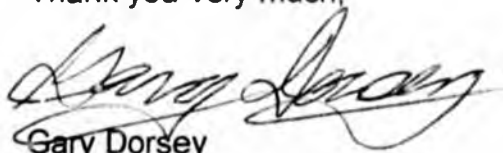
This wetland area must be separately Billed as a State Recreation Area.

*per 1985 DNR Suiting Area Plan, 1987
MAISU BOA*

The remaining PUA area listed should satisfy all users very well. Gunshots in the middle of the night, revelry, and other loud noises are very tolerable from this adjusted location. Bullets will have lost their energy before striking the South side of the river.

Additionally, The South Knik River Community Council and our developing Comprehensive Planning committee wish that this Bill 307 be redesignated as the "NORTH KNIK RIVER PUBLIC USE AREA". There is no land south of the river suitable as PUA or SRA.

Thank you very much,



Gary Dorsey
President: South Knik River Community Council



Alaska State Legislature

Please enter into the record my testimony in the HOUSE RESOURCE
Committee name

Committee on Senate Bill 307, dated 5-15-06
Bill/Subject

see accompanying letter please.

Thanks

Bob High

Signed:

Bob High Carl Bingham/Pam Bingham
Testifier

Property owner
Representing (Optional)

18927 E Knik River rd. Palmer 99645
Address

746-0201
Phone number

3-26 9:24pm

To whom it does concern:

My name is Carl Bingham, I can't be at this meeting, I have a job. My Parents Homesteaded across from Jim Creek in 1952. Currently I and my wife and 3 of my 4 children, plus my Mother of 83 years of age live on the family Homestead. We are at the end of our rope.

Most Every day we have to listen to guns

I've had buildings shot into a hole I was in them, I've had bullets ricocheted off playground equipment while my children played on them.

I've listened to bullets zip by very close to where I've stood.

It's getting un-nerving. I like guns, but enough. We'll keep living on the river, but give us a safe standard of living, give us a bill with some teeth to it.

Thank you for your time
Carl Bingham Jr.



Alaska State Legislature

Please enter into the record my testimony to the House Resource
Committee name

Committee on Senate Bill 307, dated 3-15-06
Bill/Subject

This draft still does not address any enforcement. I + love the whole of Jim/Swan Lake area needs to be a designated State Recreation area and I do not think any of the existing ATV Public use trails should be grandfathered in. I believe there should be designated trails that do NOT harm streams or lands. As a resident of Knik River Rd. for 20 plus years I would like the Knik River Rd portion of this bill deleted as well as the entire section south of Knik River Rd.

Signed: Jeanie Whittak, Mike Whittak
Testifier

Representing (Optional)

22411 E. Knik River Rd. Palmer AK 99645
Address

907 745 3062
Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Resources
Committee name
Committee on HB 307, dated 3-29-06
Bill/Subject

As a resident of Knik River area, I want everything that deals with Knik River Road and everything south of it deleted from the bill.

The Swan Lake area should be SAA and Jim Creek. The rest, minus the deleted area, can be PUA.

Signed:

Margie Blaine
Testifier

Representing (Optional)

18590 E Knik River Rd Palmer
Address

907-745-2407
Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Resources
Committee name
Committee on HB 307, dated 3/29/06
Bill/Subject

Please see the attached 5
Pages

Signed: DICK COURTS
Testifier

Representing (Optional)

Address

Phone number

To: State of Alaska
House Resource Committee

Subject: The creation of a ***Knik River Public Use Area***

Hello, my name is Dick Coutts. I am a board member of the Butte Community Council and I am in favor of creating a Knik River Public Use Area. There is an old traditional method in the United States that decides the outcome of issues when there is a controversy or disagreement. It is called "the majority rules".

Even though the small handful of opponents of this issue are organized and loud, I think that the people in Juneau responsible for deciding this issue are intelligent enough to realize that there are thousands of legitimate lawful motorized users of the Knik River Valley off-road use area and there are only a handful of fanatics that are complaining about the "burnt cars" etc.

I hope this old tradition of "the majority rules" will still work for us in deciding this issue of creating a Knik River Public Use Area in the Knik River Valley.

We need a public use area, not another park. Three of the Public Use Areas now in existence (Nelchina, Goldstream, and Ernie Haugen) and the 6 Rivers Rec. Area all have provisions in their statutes that they will not be managed as a unit of the state park system!

Nelchina: Sec 41.23.010 (e)
Ernie Haugen: Sec 41.23.050 (c)
Goldstream Sec 41.23.140 (f)
6 Rivers Rec Area Sec 41.23.480 (c)

There are already millions of acres of "non-motorized" National Parks in Alaska. There are millions of acres of designated Wilderness Areas including the eastern part of Chugach State Park which is adjacent to the Knik River. The Chugach State Park, which is 1/2 million acre's in size, and is mostly non-motorized is right at the back door of the people complaining about motorized users in the Knik River Valley.
Sec 41.21.121 Chugach State Park Wilderness

We wish to retain our traditional uses and lifestyles. There is a definition in the Alaska Statutes, that any method of transportation that has become "popular" is traditional. All-Terrain vehicles have definitely become popular and are obviously included in that definition! *Alaska statute Sec 38.04.200 (2)*

We have extensive support for the creation of a Knik River Public Use Area. Such as the 5 Butte Community Council resolutions that the BCC passed in the last 13 years for keeping existing trails open for public use. Copy's of these resolutions are included in the 91 page report from the Butte Community Council that was sent to all committee members.

We have two petitions with over 3,000 names supporting keeping existing trails open, and supporting a Public Use Area.

There is a Mat-Su Borough resolution supporting a Public Use area. *Resolution Serial No. 05-068 (AM) 05/17/05*

There are the existing **generally allowed uses** of the DNR that support motorized access on state lands).

Alaska statutes 11AAC 96.020

There is documentation from the Alaska Dept. of Fish and Game stating that fish & game populations in the Knik River area are healthy. *Aug 16, 2005 by Tony Kavalok, state of Alaska wildlife biologist. There are approx. 15,000 trumpeter swans in Alaska and they are not endangered! BLM Ring of Fire Volume I page 3-72*

There are approximately 50 public "agency's", sub agency's, plans and acts that have regulations in place that apply to the public lands in question and form the basis for an Infrastructure for management and regulation of a Knik River Public Use Area.

Susitna area plan

Mat-Su Borough Comp Plan

Asset management plan for borough owned land in the Butte area

DNR allowed uses on state land

DEC regulations

EPA regulations

Coastal Management Plan (State)

Coastal Management Plan (Borough)

Alaska Department of Fish and Game regulations

Alaska Division of Geological and Geophysical Surveys

North Anchorage land agreement

BLM federal regulations

BLM "Ring of Fire Management Plan and Environmental Impact Statement

USACE.... U.S Army Corps of Engineers

Mat-Su Borough general regulations for public and private land

Alaska Bureau of Wildlife Enforcement

State troopers

FBI (federal lands)

FAA aircraft operations

Fire Department Butte area)

Fire Fighting (State of Alaska)

BATF
Coast Guard
The Endangered Species Act
ANILCA
Alien Species Prevention Enforcement Act
Antiquities Act
Archaeological Resources Protection Act
Coastal Wetlands Planning, Protection and Restoration Act
Coastal Zone Management Act
Eagle Protection Act
Endangered Species Act
Historic Sites Act
Migratory Bird Conservation Act
North American Wetlands Conservation Act
Soil and Water Conservation Act
Watershed Protection and Flood Control Act
Federal Land Policy and Management Act
ANCSA Alaska Native Claims Settlement Act
U.S. Water Resources Council
Multiple Use Sustained Yield Act of 1960
U.S. Department of Agriculture
Soil Conservation District
Alaska Interagency Fire Management Council
National Environmental Policy Act
Cook Inlet Intrastate Air Quality Control Region
National Ambient Air Quality Standards
Soil Conservation Service
NHPA National Historic Preservation Act
NRHP National Register of Historic Places

The state of Alaska has certified the main trail corridor through the Knik River Valley to the Knik Glacier as an RS 2477 Public Right-Of-Way for access to mining claims, private property, and other uses.

There are many other public easements that provide an infrastructure for a trail system and a Knik River Public use Area.

In summary: We don't think that it is appropriate to punish and restrict all users of this area because a few kids are burning cars, any more than we should punish and restrict all the residents of Anchorage for the murders, bank robberies, rapes, drug deals and other crimes committed there.

Some documentation and verification of these facts was included in the 91 page report that was created by the Butte Community Council and sent to Committee members. Any specific additional documentation needed will be sent on request.

Thank you.

Dick Coutts
P.O. Box 185
Palmer, Alaska
99645

To: Representative Jay Ramras, Co-Chairman
Re: Public Hearing on the Knik River Public Use Area
Date: March 29, 2006

Summary: Statement of Opposition to HB307 and the redraft, CS HB307A. Due to time restraints at the hearing, I may be unable to voice my concerns. Below is my statement of record regarding the Knik River Public Use Area legislation.

My name is Scott Wolfe and I am a south Knik River resident.

I wish to thank the legislatures for their efforts at attempting to develop legislation to address concerns and conflicts that have developed because of repeated, irresponsible use of the Knik River area by recreational users. However, HB307 and the redraft, CS HB307A sound as if they were written to perpetuate and enhance the problems instead of develop solutions. Clearly, this is special interest legislation to protect the rights of motorized users at the expense of everyone else (including the quality of life for local residents). Representative Bill Stoltze, the writer, is the director at large of the Alaska Outdoor Council, an affiliation of the Alaska Outdoor Access Alliance so there is a potential conflict of interest. This potential bias was shown again during Monday's hearing when Stoltze failed to mention that during the previous 2 public hearings nearly half of the testimonies were against the bill. Moreover, Stoltze mentioned that the Butte Community Council voted in favor of the bill but failed to mention that the South Knik River Community Council voted against the bill.

For over 20 years, residents have expressed concerns about the following problems caused by overuse and abuse:

1. Burned and abandoned vehicles
2. Uncontrolled gunfire
3. Erosion, dust, and damage to habitat caused by ORVs
4. Pollution (Ground, air, water, noise)
5. Abandoned campfires
6. Poaching
7. Wildlife and fish harassment and disturbance
8. Trespassing
9. Alcohol and drug use while operating motorized vehicles
10. Incompatible uses (e.g.; airboats on Jim Creek adjacent to Jim Lake while canoes are present, lead shot in waterways)

I strongly recommend for the legislators to review everyone's recommendations, reject this bill, and allow a more extensive public review process before approving any legislation for this critical area.

The Knik River area and its residents deserve much better than a Public Use Area. Now is the opportunity to pave the way for wise- and sustainable- use, instead of the "take what you can, give nothing back" attitude so prevalent with many current users and in this proposed bill. Yes, the State must act on this ever-growing problem. However, HB307 and the redraft are not the best answer.

Scott Wolfe

I apologize for not using Representative Stoltze for each & every reference. However, this was just to save time to get the speech in the 2 minute time frame.

Date: March 29, 2006
Re: Knik River Public Use Area Legislation (HB 307/CS HB307A)
Summary: Resident Opposition of HB307 and the redraft, CS HB307A.

My name is Carrie Gray Wolfe and I am a South Knik River resident.

I oppose HB307 and the redraft.

Representative Bill Stoltze, the director at large of the Alaska Outdoor Council and affiliation of the Alaska Outdoor Access Alliance, drafted legislation catering to special interest groups. This bill is heavily biased towards off-road vehicle use. This bias is at the expense of most other user groups. For example, Page 3, Lines 11-16, is dedicated solely to the protection and rights of off-road users. Where is the language that specifically includes the "recognition" of existing areas of non-motorized uses or the "accommodations, maintenance, and enhancement" of areas for non-motorized trails and waterways?

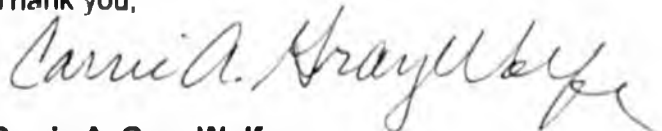
Page 2, Lines 7-11, states, "the commissioner may designate incompatible uses," but, Page 3, Lines 5-10, states, "the commissioner shall allow...activities that include all-terrain vehicles, etc..." As written, there are no "incompatible uses." What if one or more of the stated activities is determined harmful to the perpetuation and enhancement of general recreation or the protection and maintenance of wildlife habitat?" (See Page 1, Lines 7-12)

Page 3, Lines 2-4, fails to adequately address target shooting. It states, "The commissioner may not restrict the use of weapons...except in locations...that the use of weapons constitutes a threat to public safety." Target shooting is a constant threat in most areas. Local residents fear for their safety and safety of their children. Weapons are being discharged up to 24 hours a day, 7 days a week towards homes, residents, and other recreational users. Residents have no relief from the noise pollution or potential danger. And, fish and wildlife are at greater risk to lead poisoning from excessive shooting practices.

Representative Stoltze misled the committee this past Monday. The opposition nearly equaled those who supported this bill at the public hearings in 2005. The South Knik River Community Council voted against this legislation as written. Please review the testimonies of those unable to attend today's hearing but who made the effort on Monday. Many were against the bill.

This issue goes far beyond recreational activities. Why should hundreds of Knik River residents continue to suffer from users who destroy the land and disrespect the local inhabitants? The residents need a better solution than this poorly written legislation such as creating a Knik River State Recreation Area.

Thank you,



Carrie A. Gray Wolfe
HC02 Box 7686-J
Palmer, Alaska 99645
Telephone: (907) 746-8008
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Wednesday 3/29/06

Re: HB307 Knik River Public Use Area

Oppose HB307 as originally written

Support Rep Stoltze's work draft of 3/15/06 with further changes suggested below

I am Charlotte Sartor a 33 year resident of the Butte. The Butte area is a divided community where a large percentage of residents do not feel represented by the current community council.

Regarding this bill: Special ^{Recreation} ~~Use~~ Area designation rather than Public Use area would allow easier enforcement and follow the recommendations of previous studies. But action is needed, so we should work together for changes to make this bill an effective compromise.

I opposed HB307/SB197 as originally written – it continues the status quo. I support the recent changes regarding management plan, shooting safety & enforcement plan.

Further needed changes include: *to the redraft*

Line 14 Purposes Section, (41.23.180) Page 1.

“Provide for the public to enjoy the full spectrum of public uses including off-road (and *ADD the phrase*) and non-motorized recreation determined to be compatible with (1) and (2) of this section”

Lines 5 -11, Management section, (41.23.190) Page 2.

Include workshops, a citizen's advisory board, and a deadline for implementing the management plan

Incompatible Uses section (41.23.200) Page 2 & 3.

Has lots of problems. It is contradictory and ineffective.

Page 2 lines 21 & 22, allows the commissioner to regulate uses except as provided in the section, [Page 3 Lines 5 -16 (d) (1) & (2)] lists all uses and existing trails.

The result is that the commissioner cannot regulate any use or any existing trail even if it is detrimental to the purposes.

Page 3 Line 6. Need to Add the phrase, AS COMPATIBLE WITH PURPOSES in AS 41.23.180. ALL USES NEED TO BE COMPATIBLE WITH PURPOSES! It is not necessary to list every activity.

Page3 Lines 11-16 Delete “recognize existing ” Substitute allow as compatible with purposes.

Page 3 starting line 19 - Enforcement authority 41.23.210 & 41.23.220

The need cannot be overstated. Ensure that the wording allows timely enforcement
Suggested funding is not adequate.

This is a wonderful area –scenic, abundant wildlife, close to a large population. We desperately need a bill that addresses the problems & ensures continued use by all without ruining it. But without further changes, this bill should not be passed.

Charlotte Sartor
5900 S Our Rd
Palmer, AK 99645



I am Brit Lively, represent Butte Area Residents Civic Organization, am opposed to HB 307 but support responsible multiple use.

For Background: Last year, area residents asked Mr. Stoltze for a plan to help to protect us and our surroundings destructive effects of irresponsible and illegal recreation, including motorized. Instead, motorized groups statewide banded together as AOAA and with AOC wrote HB 307 to manage the area FOR motorized recreation and additional unrestricted access, which Rep. Stoltze, Director at Large of AOC, introduced on their behalf without working with residents.

Because none of you can imagine life in Butte unless you spend a weekend with us to experience the terrible side-effects of unrestricted motor recreation, we implore you to study the material we took to your Juneau offices as well as the thoughtful letters you received, before deciding the fate of our community. Take the time and let us show you how we see things here.

You are the governing stewards of our lands and our waters which we are so richly blessed with in the Knik River Valley. They are indeed our biblical "blessed waters" because they give and sustain life. We understand that you are under much pressure to do right by everyone. Fortunately you have the Alaska statutes and the DNR mission statement to guide you, to: "Develop, conserve and enhance natural resources for present and future Alaskans." HB 307 rewrite Public Use Area doesn't.

Only a State Recreation Area, can as for the HB307 deficiencies submitted in writing. The major reason is based on DNR's mission where the "Purpose of HB307" should have the paragraphs reversed. If you put recreation ahead of protection of habitat and wildlife along with the limited enforcement in this legislation, you may well end up with a gravel pit and a dust bowl extending beyond the boundaries of this proposed Public Use Area considering that 1-3,000 people on motors are using this area on sunny weekends.

Purpose, Page 1, line 7-12 should read

1) Perpetuate, mitigate, protect and maintain migratory waterfowl nesting areas and fish and wildlife habitat for sustaining and enhancing

- a) traditional public use of fish and wildlife populations and**
- b) general public enjoyment and recreation**

Our small community should not have to suffer the entire burden of motorized recreation for south-central Alaska, where we already endure the race track noise every weekend up to 12 hours a day all summer from May to Labor Day. Add to that the noise and other detrimental activities described by others during this hearing, it is just too much.

Please, help our community discard the prevalent perception of, "who cares, it's the Butte," and provide a strong framework of a State Recreation area designation which will give us the respect we deserve and the wings we need to soar to new heights.

Butte Area Residents Civic Organization Email: resource@buttealaska.org

R Howard for Brit Lively

3/29/06



Alaska State Legislature

Please enter into the record my testimony to the Bureau of Land Management
Committee name

Committee on HB307 and SB197, dated 3-28-06
Bill/Subject

I support HB307 and SB197 to keep
Knik river drainage open to motorized vehicles and
boats.

Signed:

Arthur Stevens

Testifier

Representing (Optional)

3555 Sams Dr. Wasilla AK. 99654

Address

907-357-3370

Phone number



Alaska State Legislature

Please enter into the record my testimony to the House Resource Committee
Committee name
Committee on House Bill 307 Knick River dated 3-27-06
Bill/Subject

I am in support of H.B. 307
and wish to continue to have public
Access and motorized usage. As
a senior citizen I wish to
continue access.

Signed:

Mac J. Dangeloh

Testifier

Representing (Optional)

Address

225 Goldendale Dr. Wasilla 99654

Phone number

907-376-8989