

ALASKA LEGISLATURE COMMITTEE FILES

2007-2008

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KETCHIKAN DAILY NEWS

45°/40°

ENTS

FRIDAY, NOV. 2, 2007

KETCHIKAN, ALASKA

VOL. 79 NO. 257 (USPS 293-940)

14 PAGES

No conflict for new manager

LBC Tuesday hearing will go on as planned, division director says

By **ANDREW DAMSTEDT**
Daily News Staff Writer

The director of the Division of Community and Regional Affairs found no reason for a conflict of interest investigation into the new Ketchikan Gateway Borough manager's involvement in the borough's annexation petition.

Tara Jollie, division director, concluded there was no reason to support a conflict of interest claim against Dan Bockhorst, former state local government specialist, or request an investigation.

She also wrote that Tuesday's Local Boundary Commission hearings will not be canceled. The division provides staff support to the Local

Boundary Commission.

Craig City Administrator Jon Bolling and Craig Community Association Tribal President Millie Stevens sent a letter, dated Oct. 19, to Gov. Sarah Palin asking that the LBC hearing on Tuesday be canceled until a conflict of interest investigation by the Attorney General's office could be completed. Jollie's letter Wednesday was addressed to Bolling and Stevens and released to the Daily News by the governor's office.

Sharon Leighow, the governor's deputy press secretary, said Jollie's letter was the official response from the governor's office, but said the Alaska Department of Law had yet to

See 'No conflict claim,' page 2

No conflict claim ————— Continued from page 1

review the original complaint.

Neither Bolling nor Jollie returned phone calls by the Daily News requesting comment.

Bockhorst said Thursday he had no comment on Jollie's decision.

The letter from Bolling and Stevens alleged that shortly after Bockhorst wrote the preliminary report recommending the LBC approve Ketchikan's annexation petition, he applied for the vacant borough manager position. The letter also alleged that Bockhorst reversed his position on annexation from his recommendation to deny of 1998.

Jollie noted in her response that Bockhorst does not set policy direction and the 1998 decision was based upon a prior administration's policy direction.

Jollie wrote that she carefully reviewed official division records, going over the timeline of events. She wrote that Bockhorst began his analysis of the Ketchikan annexation proposal on March 26 and concluded his analysis on June 28, with the preliminary report being published June 30. In that report, Bockhorst recommended the LBC approve Ketchikan's petition.

Former Borough Manager Roy Eckert resigned in June, but his last day was not until Wednesday. The borough began advertising for a new manager July 29. Bockhorst applied for the job Aug. 11 and was chosen for the job Oct. 13. He started Thursday.

Jollie wrote that Bockhorst told his ethics supervisor Aug. 1 that he had interest in applying for the borough manager job. The final analysis on the Ketchikan annexation petition was given to Jeanne McPherrin, who completed the report Oct. 15. McPherrin also recommended approval of the petition.

The LBC will conduct a public hearing Saturday in Wrangell on the Wrangell borough petition. The City of Wrangell submitted a petition to incorporate a Wrangell borough, which also would include a 191-square mile area around Meyers Chuck that the Ketchikan Gateway Borough seeks to annex.

A public hearing on the Ketchikan annexation is scheduled for Tuesday at 9 a.m. in the Ketchikan City Council Chambers. A decisional meeting on both petitions is Wednesday, also in the City Council Chambers, beginning at 10 a.m.

andrew@ketchikandailynews.com

TO: People of Metlakatla

Dec. 17, 2007

FR: Lindarae Shearer, member
and concerned citizen

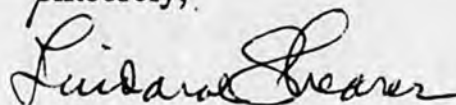
Distributed by
Senator Albert Kookesh

RE: Annexation by Ketchikan

This petition is in response to Annette Island School District's plea to all people of Metlakatla to OPPOSE annexation of our school system and that of other school districts on Prince of Wales Island. I am putting this petition around town in coordination with Mr. Brett Agenbroad, Superintendent of AISD. Our school district has officially expressed its dismay regarding this issue, but it will take a huge effort by Metlakatla citizens to express our loud opposition to this measure.

I will pick up all originals of this petition on or about Friday December 28, 2007 to send it to Senator Kookesh's office. Senator Kookesh's staff will make sure that all legislators will have received a copy of the petition by the time the next legislative session begins on January 15, 2008.

Efforts will be made through legal channels, but it is important that the Alaska State Legislature hears from the communities this will impact. This annexation, if allowed to stand, will take money away from our school district. We cannot afford to lose any funding for our children's education. Your signing this petition will ensure our lawmakers know you care. **YOUR VOICES WILL BE HEARD!!**

Sincerely,


Lindarae Shearer

*If questions, call me at
886-4133 or 729-9835
or refer queries to
Superintendent's Office, AISD*

*Cc: Brett Agenbroad
Senator Kookesh*

PETITIONS WILL LIKELY BE LOCATED AT: Leask Market, Mini-Mart, Sea Cells, Visions, Bingo Hall, Senior Center, AISD Superintendent's Office, Middle School Front Office, Elementary School Front Office, and Larry and I will each carry one with us in our vehicles.

PETITION

To: Alaska State Legislature

page 1

We, the people of Metlakatla, Alaska, respectfully request the Alaska State Legislature's support in our opposition to the 2006 Ketchikan Gateway Borough Annexation Application of the present Unorganized Borough lands in southern Southeast Alaska.

We, the undersigned, urge you, our elected representatives, to work to reverse the November 7, 2007 Local Boundary Commission's approval of the Ketchikan Gateway Borough's Annexation Application.

We ask that you vigorously pursue legislation that would stop the annexation of 4,700 miles of the current unorganized Borough land in South East Alaska. We have grave concerns regarding the adverse financial impacts annexation will have upon Annette Islands School District in Metlakatla as well as other school districts in the region. We are further concerned that the application as approved requires no substantial extension of Borough services by Ketchikan Gateway Borough, having excluded Hyder, Alaska as an enclave, and losing the community of Myers Chuck to the Wrangell Borough expansion.

<i>Name (printed)</i>	<i>Metlakatla Post Office Box #</i>	<i>Signature</i>
Phoebe A Gray	554	Phoebe Gray
Audrey Hudson	618	Audrey Hudson
Patricia B. Faber	555	Patricia Faber
Alice L. Dundas	Box 191	Alice L. Dundas
I. Sharon Coe	Box 805	I. Sharon Coe
BETHE CAWYER	Box 9	Bette J. Cawyer
Richard H Dundas	Box 308	Richard H Dundas
Charles Dundas	Box 742	Charles Dundas
MARVIN G. MILTONSON	Box 461	Marvin G. Miltonson
Randy B. Hayward	Box 71	Randy B. Hayward
ROSE PATTERSON	Box 715	Rose Patterson

Anita Dunne	807	Anita Dunne
Josh Marsden	815	Josh Marsden
Charlene ^{Jimenez} Warren	486	Charlene Jimenez
Harold M. Warren ^{Melton Sr.}		Harold Melton Sr.
Kristen Howell	6033	Kristen Howell
_____		_____
Lina M. Warren ^{Runkas}	308	Lina M. Runkas
Leandro A. Warren ^{Guthrie Sr.}	84	Leandro A. Guthrie Sr.
Jolene Warren ^{Shaver}	677	Jolene Shaver
Jim Warren ^{Burgoyne}	157	Jim Burgoyne
Allan FAWCETT JR	786	Allan Fawcett Jr.
Angela Dunn	897	Angela M. Dunn
Richard J. Warren ^{Barton}	159	Richard J. Barton
Anna Maria A. Barton	159	Anna Maria A. Barton
Patricia A. Barton	159	Patricia A. Barton
Joel Nelson	6473	Joel Nelson
Sharon Nelson	6473	Sharon Nelson
Michael Askren	681	Michael Askren
Judy Hudson	69	Judy Hudson
Edmore D. White	76	Edmore D. White
Debbie Warren ^{Guthrie Jr.}	594	Debbie Guthrie Jr.
Chris Boutil	416	Chris Boutil
Mark Dondac	714	Mark Dondac

Printed	BOX #	SIGNATURE
Solomon D Atkinson	Box 425	Solomon D Atkinson
MARY A BROWN	Box 661	Mary A Brown
WILLIAM T BOLTON	Box 661	William T Bolton
Tim Williams	Box 702	Tim Williams
Mae Williams	Box 702	Mae Williams
Candra Deguzman	Box 827	Candra Deguzman
Byron Hayward	Box 446	Byron Hayward
Kezyn McKeethan	Box 763	Kezyn McKeethan
Jannie Lindsay	Box 101	Jannie Lindsay
Clara VERA	Box 603	Clara Vera
Gail Rogers	744	Gail Rogers
Mila Hlavem	511	Mila Hlavem
Raymond King Sr.	223	Raymond King Sr.
Bob [unclear]	227	[unclear]
Don Vep	444	Don Vep
Frank Guthrie	822	Frank Guthrie
Jamie Guthrie	822	Jamie Guthrie
[unclear]	[unclear]	[unclear]
ROSA Williams	506	Rosa Williams
TIA ATKINSON	471	Tia Atkinson
Dannelle Chalmers	542	Dannelle Chalmers
Angela Sveringer	258	Angela Sveringer

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To: Alaska State Legislature

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<i>Name (printed)</i>	<i>Metlakatla Post Office Box #</i>	<i>Signature</i>
Mark Sixbey	431	
Annette Nelson	643	Annette Nelson
Vivil D. Williams	473	Vivil D. Williams
Fred Walker	433	Fred Walker
PATRICIA Michreksen	705	Patricia Michreksen
Katherine Blandou	144	Katherine Blandou
Laura Eisenberg	468	Laura Eisenberg
Michellette Blandou	635	Michellette Blandou
Jacqueline Williams	244	Jacqueline Williams
Philip A. Lawson	198	Philip Lawson
Thomas W Booth	767	Thomas Booth

Tim I Schleusner SR Box 421

Tim I Schleusner SR

Tim I Schleusner TR Box 421

Tim I Schleusner TR

Zena D. Blander P.O. Box 357

Zena D. Blander

Talia R. Marsden P.O. Box 601

T.R.M.

Daniel M. Marsden Sr. Box 601 Daniel M. Marsden Sr.

Alan Fawcett Box 396

Alan Fawcett

STEVE FABER Box 621

Steve Faber

Jennifer Boyd Box 414

Jennifer Boyd

CASEY NELSON JR. Box 434

Casey Nelson Jr.

CHARLES OLSEN Box 604

Charles Olsen

APRIL R. BUTTACE Box 84

April R. Buttace

OSCAR CHRISTIANSEN SR Box 196

Oscar Christiansen Sr.

Berene CHRISTIANSEN Box 196

Berene Christiansen

David Barnes

David Barnes

Georgina Dundas Box 172

Georgina Dundas

Michael D. Bethel

Michael D. Bethel

James T. Williams

James T. Williams

Steven M. Nelson Box 327

Steve M. Nelson

Anita Albert Box 647

Anita Albert

Tiffany Gaube Box 608

Tiffany Gaube

Beverly Guthrie Box 105

Beverly Guthrie

Crystal M. Christiansen Box 543

Crystal M. Christiansen

Michele E. Mak

Michele E. Mak

Allene Milton Box 194

Allene Milton

Kris A. Dedrickson Box 682

Gerald T. Martij

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Dec. 1, 2007

John Major Box 598
Bernice N. Christiansen - 196 -
George E FAWCETT - 583
Ellen L Ryan 496

John Major
Bernice N. Christiansen
George E Fawcett
Ellen L Ryan

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We, the people of Metlakatla, Alaska, respectfully request the Alaska State Legislature's support in our opposition to the 2006 Ketchikan Gateway Borough Annexation Application of the present Unorganized Borough lands in southern Southeast Alaska.

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Name (printed)	Metlakatla Post Office Box #	Signature
Laurie Buxton	426	Laurie Buxton
Barbara Hernandez	146	Barbara Hernandez
Joni S. Hudson	126	Joni S. Hudson
L. Henry	296	Lawrence Henry
LES JACKSON JR	352	Les Jackson Jr
Richelle Brendible	568	Richelle Brendible
Scott Hudson	126	Scott Hudson
Lori Cook	284	Lori Cook
Irving B Dundas	22	Irving B Dundas
Steven R Shlesner	697	Steven R Shlesner
Kristopher Hedlin	261	Kristopher Hedlin

Annie Fawcett

PO Box 786

Annie Fawcett

Mercy Schleusner

P.O. Box 271

Mercy Schleusner

~~Raymond O. Barnes~~ ~~P.O. Box 289~~

Raymond O. Barnes

P.O. Box 289

Raymond O. Barnes

Freeman McGilton

Box 201

Freeman McGilton

Raymond P. Martinez

Box 457

Raymond P. Martinez

Lorena Weston

Box 281

Lorena Weston

Robert S. Duncan

Box 494

Robert S. Duncan

Ellen Gazzaway

Box 261

Ellen Gazzaway

Diana M. Yliniemi

Bx 246

Diana Yliniemi

~~Antonia D. ...~~

Bx 395

Steven M. Schleusner

Bx 271

Steven M. Schleusner

June McKeehan

Box 311

June McKeehan

Monte J. Hayward

Box 265

MONTTE J HAYWARD

Dennis Dumas

Box 224

Dennis Dumas

Kristy Didrickson

Box 1086

Kristy Didrickson

Lawrence Henry

Box 296

Arnold Gray

Bx 554

Arnold Gray

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Metlakatla

Name (printed)	Post Office Box #	Signature
Vern R. Baines	P.O. Box 39	<i>[Signature]</i>
Frank Williams	504	<i>Frank Williams</i>
Stephen Nelson	678	<i>Step Nelson</i>
Nina Natham	P.O.B 734	<i>Nina Natham</i>
Floyd T Russell Sr	P.O. Box 71	<i>Floyd T Russell Sr</i>
Arlene Henry	4	<i>Arlene HENRY</i>
Alice Clewley	372	<i>Alice Clewley</i>
HB TYLER	582	<i>[Signature]</i>
<i>[Signature]</i>	307	<i>[Signature]</i>
Clyton E. Williams	374	<i>Clyton E. Williams</i>
Karl Dodson	824	<i>Karl Dodson</i>
Dorothy A. Atka	231	<i>Dorothy Atka</i>

Aplone Edwards P.O. Box 726

Aplone Edwards

Michael J Roth Box 273

Cary Atkinson Box 585

Cornel & Portia Br 457

Marian Hudson Box 366 Marian Hudson

Stephanie Jordan Box 734 Stephanie Jordan

Tamela D McGilton Box 398 PAMELA D MCGILTON

Wendy Wellington Box 163 Wendy S Wellington

Kenneth W. Milton Sr. Box 383 KENNETH W. MILTON SR.

Brenda E Benson Box 16 Brenda E Benson

Ted RG Benson Box 16 Ted RG Benson

Chlex Benson Box 16 *Chlex Benson*

Vernon Dundas Jr Box 232

Courtney Gomme Box 131 Courtney Gomme

Nick Gilser Box 131 Nick Gilser

Jani Faber Box 621 Janis Faber

Brian Faber Box 621 Brian Faber

Mary Jo Brendible Box 375 Mary Jo Brendible

Tim Holt Box 378 Tim Holt

Tim Schleuener JR 421 Tim Schleuener

David Hewson Box 222 David Hewson

Thorley F Hayward Box 456 *Thorley F Hayward*

William F Hayward Sr Box 456 *William F Hayward*

Edward F. Oli P.O. Box 41 Edward F. Oli

Stephanie K. Oli P.O. Box 478 Stephen K. Oli

Brenda Christensen Brenda Christensen

William Brandible Jr. 735 William Brandible

Albert Wellington #236 Old Wright

Wesman & Cook Box 423 Vivian Cook

RENEE GORE 695 Renee Gore

Christine Brend. blb P⁸⁰⁵ 613 Christine Brend. blb

Julian Russell Box 751 Julian Russell

Janna S Valley Box 676 Janna S Valley

Kirk E. Anderson #533 Kirk E. Anderson

Dan Edenshaw Box 202 Dan Edenshaw

Michael L Harris #160 Michael L Harris

Lester Booth Sr. Box 245 Lester Booth Sr.

Beatrice Booth Box 245 Beatrice Booth

Jegle [unclear] Box 205 Met

[unclear] Box 203 Met

Bob H. [unclear] Box 6010 Met, AK

Nathleen Dattusa P.O. Box 683 Met.

Rymttz F. [unclear] P.O. Box 483 - Met. AK

Reanna Dusssette PO Box 485 Reanna Dusssette

Conrad Hanson Sr. Box 618 Conrad Hanson Sr.

Lillian M'Gilt Box 171 Lillian M'Gilt

Baxter Dundas Box 131 Baxter Dundas

Kristine Gilmartin Box 425 (-) Kristine Gilmartin

PETITION OPPOSING ANNEXATION

Metlakatla, Alaska

December, 2007

Page 12 Printed Name

P.O. BOX

Signature

Wilfred Leask

351

Wilfred Leask

Dolores Dundas

274

Dolores Dundas

Freeman Dundas

1038

Freeman Dundas Jr

Judy Winter

600

Judy Winter

Roy Winter

600

Roy Winter

Tom Leask Sr

463

TOM LEASK SR.

DONNA HORNE

1016

Donna Horne

Fred Berkeley

472

Fred Berkeley

THOMAS R LEASK

351

Thomas R Leask

Ralph Williams

617

Ralph Williams

Ernest F Leask

351

Ernest F. Leask sr

Ellen Milton

461

ELLEN MILTON.

James Hotal William

788

James H. Williams

Mystique Dawson

7104

Mystique Dawson

Jerilyn L. Hudson

33

J L Hudson

Alex Atkinson

Box 162

Alex Atkinson

Kira Booth

529

Kira Booth

Alfred Eaton II

Box 253

Alfred Eaton II

Natasha D Ermaloff

Box 368

Natasha D Ermaloff

John T. Holloway

Box 174

John T. Holloway

Danny Booth

Box 576

Danny Booth

Christopher Booth

Box 576

Christopher Booth

C. Handerson

Box 501

C.H.

ROBERT J. CLARK

337

Robert J. Clark

PETITION

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<i>Name (printed)</i>	<i>Metlakatla Post Office Box #</i>	<i>Signature</i>
Marcia Brendible	392	Marcia Brendible
Judith A. Eaton	24	Judith A. Eaton
Danann Chavez	706	Danann Chavez
Darcy Bailey	26	Darcy Bailey
Burlington Wellington	11	Burlington Wellington
Ramona Edenshaw	202	Ramona Edenshaw
Lindarae Shearer	305	Lindarae Shearer
Elizabeth M. Holloway	174	Elizabeth M. Holloway
Gary Weston	281	GARY WESTON
Shannon Clin	678	Shannon Clin
Meagan Lindsey	305	Meagan Lindsey

Lana J Cook	Bx 313	Lana J Cook
Cindy Hudson	252	Cindy Hudson
Earl S Atkinson	58	Earl S ATKINSON
James Dundas	Bx 134	James Dundas Sr.
Lucille Dundas	Box 276	Lucille Dundas
Alanzo Letsholma	Box 385	Alanzo Letsholma
Barbara Jewett	" 44	Barbara Jewett
Dorothy R. And	Box 193	Dorothy F. Anderson
Colleen Marsden	Box 1001	Colleen Marsden
Arlene Buxton	Bx 426	Arlene Buxton
Sean D. Enright	Box	Sean D Enright
C. W. WILSON	Box 314	C. W. Wilson
Ruth Booth	Box 301	RUTH BOOTH
David R. Hewson	Box 222	David R. Hewson
Bruce W. Guthrie Sr.	Box 185	Bruce W. Guthrie Sr.
Michael D Bethel	Bx 111	Michael D Bethel
Michael D Bethel	Bx 111	Michael D Bethel
Dem Olofer	Bx 116	Dennis Olofer
Mindy Beal-Tar	Bx 444	Mindy Beal-Taylor
Edith Olin	Box 670	Edith Olin
Sheelna Olin	Box 832	Sheelna Olin
Talin R. Marsden	Box 15	T. R. M.
Daniel M. Marsden	Box 15	Dan. M. Marsden

Harold W. Blandas Box 445 *H. W. Blandas*

Frank & Joan Hayward Box 289

Laurie Marsden Box 384

J. [unclear] Box 714

Ann P. Bahr Box 26

Stanton R. White Box 372

James [unclear] Box 372

Kizzie Milton Box 316 KDM

Tim Schlusser 421 Tim Schlusser

David Henson 222 David Henson

Rudence McKay 81

James [unclear] Box 34

Mr. & Mrs. F.D. Blandas Box 322

Bruce Nelson 302

Kelaine Atkinson Box 557 *Kelaine Atkinson*

Art J. Wil Box 703

Sherrie Williams Box 656

Donnelly Williams Jr Box 656

[unclear]

[unclear] Box 157

Benjamin A. Berkley 632 Benjamin A. Berkley

Theresa [unclear] 69

PETITION

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Name (printed)	Metlakatla Post Office Box #	Signature
CHARLES LEASK JR	307	<i>Charles Leask Jr</i>
DALE OTHIN	PO BOX 670	<i>Dale Othin</i>
M/M Demmett	" " 458	<i>Demmett</i>
<i>J Cooper</i>	733	<i>J Cooper</i>
Dan Leask	570	<i>Dan Leask</i>
Jerry A. Darling	264	<i>Jerry A Darling</i>
Donald	601	<i>Donald R Minum</i>
Vance + Booth	112	<i>Vance + Booth Jr</i>
June M Fawcett	677	<i>June M. Fawcett</i>
Ernest Leask	247	ERNEST F. LEASK JR
Vanessa R Anniskett	Box 787	<i>Vanessa R Anniskett</i>

Frank A. Faber	555	Frank A. Faber
Tim L Schlemmer - Jr.	421	Tim L Schlemmer - Jr.
Gilbert Hudson	126	Gilbert Hudson
Sack Huckelberry	693	Sack Huckelberry
Tim Gilmore	425	Tim Gilmore
Vicky L. McGitten	418	Vicky L. McGitten
Kendal McGitten	418	Kendal McGitten
Angie Dundas	112	Angie Dundas
Angie Dundas		
Jandra R King	241	Jandra R King
John Atkinson	281	John Atkinson
Grace Milton	424	Grace Milton
Margaret Martinez	381	Margaret Martinez
Lori Schwahn	453	Lori Schwahn
Cindy L. Williams	473	Cindy L. Williams
Phillip Dundas	182	Phillip Dundas
Larry Sheerer, Sr.	P.O. Box 305	Larry Sheerer, Sr.
Edward K. GUNYAN	P.O. Box 358	Edward K. Gunyan
Mark Gunyan	P.O. Box 355	Mark Gunyan
Marlene Dundas	Box 22	Marlene Dundas
Lloyd Bracks	P.O. Box 804	Lloyd Bracks
Mary Baxter	P.O. Box 544	Mary Baxter
Leona Baxter	" "	Leona Baxter

Page PRINT NAME

P.O. BOX

Signature

Talia Marsden 15

[Signature]

Daniel M. Marsden 13

Dan M. Marsden Sr

Carolee Fry PO Box 507 Metlakatla, AK

Carolee Fry

Joan Collier Bx 95 Met. AK

Joan Collier

Tamara Guthrie BOX 765

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Lucinda Williams Box 473^{met} AK

Lucinda Williams

Fred Lavolette Bx 412 Met. AK

Fred Lavolette

Tony FAWCETT 622

Tony Fawcett

Jeanie Nix 377

Jeanie Nix

[Signature] 808

Jerry Lee

Michelle Caspersen 808

M. Caspersen

Rachael ASKREN Box 68

Rachael As

Dolores Andrews Box 224

Flora Berry Box 127

Flora Berry

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Shirley *[Signature]*

PETITION

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Name (printed)	Metlakatla Post Office Box #	Signature
Jeff Michielssen	Box 205	Jeff Michielssen
Matthew Milne-Russell	Box 52	Matthew Milne-Russell
Delbert Dundas	Box 172	Delbert Dundas
Garrett Williams	Box 244	Garrett Williams
John R. Nelson	Box 113	John R. Nelson
Connie Darling	Box 201	Connie Darling
Marsha L. Shearer	Box 249	Marsha L. Shearer
Gerald P Gray III	554	Gerald P Gray III
Stephanie Jordan	734	Stephanie Jordan
Charles Nelson	225	Charles Nelson
Keristyn Nobel	82	Keristyn Nobel

Cynthia R White Box 83

Carla Schleusner Bx 421

Tami Schleusner BOX 421

Wmoo Burtin Bx 5104

Kyle Burtin Box 831

Barbara F. Fink Bx 449

Carl Klauke Box 502

Loch Guthrie Box 72 Seal Pt Alaska

Sean Connors Box 605

Earl Connors 36481

Wmoo Burtin Sr Box 119

Frances Burtin Box 221

Christie Burtin Box 222

Wmoo Burtin 454

Wmoo Burtin Box 503

Gilbert Burtin Jr Box 602

Campbell White Box 83

Jason C Valley Box 193

Teresa D Valley Box 193

Wmoo Burtin Sr Box 144

Carla Schleusner Box 418

Wmoo Burtin Box 71

Wmoo Burtin 605

Wmoo Burtin

Michael Henderson - Box 501 Michael H

Naomi Leask Box 457 Naomi Leask

A Bennett Box 511 ~~A Bennett~~

Apollo Muskien Box 518 Apollo Muskien

Donna Chinuhuk Box 488 Donna Chinuhuk

Ronnie S. Henry Box 701 Ronnie S. Henry

Heidi Foley Box 239

Kayla Baines 205 Kay Baines

PETITION

To: Alaska State Legislature

oe page 22

We, the people of Metlakatla, Alaska, respectfully request the Alaska State Legislature's support in our opposition to the 2006 Ketchikan Gateway Borough Annexation Application of the present Unorganized Borough lands in southern Southeast Alaska.

We, the undersigned, urge you, our elected representatives, to work to reverse the November 7, 2007 Local Boundary Commission's approval of the Ketchikan Gateway Borough's Annexation Application.

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<i>Name (printed)</i>	<i>Metlakatla Post Office Box #</i>	<i>Signature</i>
Heather Henderson	501	<i>Heather Henderson</i>
Wendy R. Brown	265	<i>Wendy R. Brown</i>
Shauna Atkinson	327	<i>Shauna Atkinson</i>
Andrea McElton	146	<i>Andrea McElton</i>
Aiz Bryant	465	<i>Aiz Bryant</i>
Louise MBoal	326	<i>Louise MBoal</i>
Walarus Dunder	274	<i>Walarus Dunder</i>
Julie Gregorioff	562	<i>Julie Gregorioff</i>
Stephanie Jordan	734	<i>Stephanie Jordan</i>
Jane Henderson	501	<i>Jane Henderson</i>
Jesse Duncan	235	<i>Jesse Duncan</i>
Tyrel Williams	101	<i>Tyrel Williams</i>
Mindy Wishom	385	<i>Mindy Wishom</i>
Archie Wellman	12	<i>Archie Wellman</i>

Fred Lalliolette P.O. Box 412

Ined Lalliolette

~~DANIELA MINERS 542~~

~~Wife~~

PETITION

page 24

To: Alaska State Legislature

We, the people of Metlakatla, Alaska, respectfully request the Alaska State Legislature's support in our opposition to the 2006 Ketchikan Gateway Borough Annexation Application of the present Unorganized Borough lands in southern Southeast Alaska.

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Name (printed)	Metlakatla Post Office Box #	Signature
Janet M Guthrie	BX 529	Janet Guthrie
Elden Hayward	Box 593	Elden Hayward
Dorothy Brennan	Box 224	Dorothy Brennan
Dorothy Brennan	Box 654	Dorothy Brennan
Lydia M Fawcett	PO Box 583	Lydia M Fawcett
Lydia M Fawcett		
Judith Hudson	Box 454	Judith Hudson
Mike Milton	Box 454	Mike Milton
Conrad Fagan Jr.	Box 496	Conrad Fagan
Michelle Davis	P.O. Box 623	
Johanna Bolter	P.O. Box 133	Johanna Bolter

Beverly Chalvers Box 443 Beverly Chalvers

Ed Guthrie Box 447 Ed Guthrie

Lorraine Williams Box 602 Lorraine Williams

Fred Williams Sr. Box 602 Fred G. Williams Sr.

Albert Booth Box 92 Albert Booth

Jerma L Byrd Box 92 Jerma Byrd

LEONARD A GUTHRIE SR Box 84 Leonard A. Guthrie Sr.

KATHLEEN S. GUTHRIE Box 84 Kathleen S. Guthrie Sr.

[Empty lined area for additional entries]

Superintendent's Office
(907) 886-6332
FAX: (907) 886-5130

Business Office
(907) 886-6009
FAX: (907) 886-5130

Special Education
(907) 886-6020
FAX: (907) 886-4122



ANNETTE ISLANDS SCHOOL DISTRICT
P.O. Box 7 • Metlakatla, AK 99926
Accredited by Northwest Accreditation Association

Metlakatla High School
(907) 886-6000
FAX: (907) 886-5120

C.R. Leask Sr. Middle School
(907) 886-6003
FAX: (907) 886-6019

R.J. Elementary School
(907) 886-4121
FAX: (907) 886-4120

January 14, 2008

TO: The Honorable Senator Albert Kookesh
Attn: Nancy Barnes
State Capitol, Room 11
Juneau, Alaska 99801-1182

FROM: Brett Agenbroad
Superintendent of Schools

Please find enclosed a petition from the people of Metlakatla, Alaska in our opposition to the 2006 Ketchikan Gateway Borough Annexation Application of the present unorganized Borough lands in southern Southeast Alaska

Would you please send us a completed piece including the petition once you have finished this task?

Thank you.

/word:
Senator Albert Kookesh, 1-14-08

PETITION

To: Alaska State Legislature

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Name (printed)	Metlakatla, Alaska 99926 Post Office Box #	Signature
John D. Steinberg	Box 43	John D. Steinberg
George Duddas	Box 386	George Duddas
Amber Booth	Box 1296	Amber Booth
Deanna Nelson	Box 225	
Carrie Guthrie	Box 591	Carrie Guthrie
Michael Carter	Box 591	Michael Carter
Bertha Bousley	Box 506	Bertha Bousley
Jacqueline Horne	Box 46	Jacqueline Horne
Kenneth L. Dunder	Box 1301	Kenneth L. Dunder
Catherine Beam	Box 612	Catherine Beam
Elden Hayward	Box 593	Elden Hayward
Beruita Brouderle	Box 217	Beruita Brouderle
Carol Daniels	132	Carol Daniels
Delbert R. Hayward	Box 72	Delbert R. Hayward
AUSTIN STEVENSON	Box 794	Austin Stevenson
Janna Sturgeon	794	Janna Sturgeon
Arnold G. Bortz	547	Arnold G. Bortz
Stan R. Patterson	683	Stan R. Patterson
Hudx Dodge	538	Hudx Dodge
Stephen J. G	477	Stephen D. Leask
Buck Danliker	105	Stephane Smiley
Shannon Dodge	566	Buck Danliker
	538	Shannon Dodge

PETITION

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Metlakatla, Alaska 99926		
Name (printed)	Post Office Box #	Signature
Danann Chavez	706	Danann Chavez
Christina Brendible	55	Brendible
Colleen Brendible	55	Colleen Brendible
Frank Hagwood	287	Frank Hagwood
Fred M. Blandov	635	Fred M. Blandov
MARVIN G. MILTON SR	461	Marvin G. Milton Sr
Thomas C. Brendible Jr	375	Thomas C. Brendible Jr
Vicky L McSilton	418	Vicky L McSilton
Amel West D. Booth	2	Amel West D. Booth
Carly A. Booth	772	Carly A. Booth
Shauna Scudero	208	Shauna Scudero
Richie Hayward	651	Richie Hayward
Brook Friese	243	Brook Friese
Krystal Friese	243	Krystal A. Friese
Nevada Benton	108	Nevada Benton
Nate Benton	108	Nate Benton
Cheryl Cook	289	Cheryl B Cook
MAKON HANUMAL	288	Makon Hanumal
Walter Winter	575	Walter Winter
DEREK WINTER	528	Derek Winter
Genelle Winter	532	Genelle Winter
DISTIN WINTER	572	Distin Winter
Patricia A. Stenberg	413	Patricia A. Stenberg

PETITION

To: Alaska State Legislature

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Metlakatla, Alaska 99926		
Name (printed)	Post Office Box #	Signature
Peter Christant	287	
Bryan Hayward	71	
Brian Hayward	255	
Karen Kistler	552	
Deanne Emight	1057	Deanne Emight
Blaine Hayward	256	Blaine Hayward
Bryan Hayward	446	
Victor Wellington	69	
Lisa Long	446	
TRUDI P. DEFOUR	755	
Jeffrey Hill	121	Jeffrey Hill
Johnnie Hill	343	
Shirley Patterson	343	Shirley Patterson
Andrew Milne Sr.	652	Andrew J. Milne Sr.
Robert Eschling	525	
Roger W. McKeelhan	668	Roger W. McKeelhan
Michael J. Blandov	706	
Adeline McGillton	723	Adeline J. McGillton
Harold E. McGillton Jr.	723	Harold E. McGillton Jr.
Joni Alexander	96	
Jessie L. Christiansen	545	Cecilia Christiansen
Darby Christiansen	543	
Beryl Eaton	553	Beryl Eaton

PETITION

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Name (printed)	Metlakatla, Alaska 99926 Post Office Box #	Signature
TREVOR DUNDAS	315	Trevor Dundas
BOB J. CASPERSEN	663	Bob Caspersen
Marty J. Martinez Jr.	513	Marty J. Martinez Jr.
BRAD BUCHANAN	106	Brad Buchanan
DENISE SCHLEISNER	453	Denise Schleisner
Toni Hewson	228	Toni M. Hewson
KENNETH MILTON JR.	383	Kenneth Milton Jr.
April Atkinson	463	April E. Atkin
Nicholas Wellington	634	Nicholas Wellington
Gerald T. Johnson	517	Gerald T. Johnson
Wilfred A. Blandor	395	Wilfred A. Blandor
MITCHELL BERTON	227	Mitchell Berton
RICHARD DUNDAS SR.	22	Richard Dundas Sr.
John Fawcett	44	John Fawcett
Cecyacy S. Guthrie	454	Cecyacy S. Guthrie
Franklin H. Dundas	232	Franklin H. Dundas
Norma Laukerol	671	Norma Laukerol
Cynthia Walker	103	Cynthia Walker
(Dee) Dalore White	449	Dalore White
Richelle Blandor	445	Richelle Blandor
Elma Williams	652	Elma Williams
Lillian Verney	637	Lillian Verney
Emily Verney	561	Emily Verney

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Name (printed)	Metlakatla, Alaska 99926 Post Office Box #	Signature
Petsy Blander	706	<i>Petsy Blander</i>
Shawn Wagner	672	<i>Shawn Wagner</i>
Jeff Moran Jeff Moran	435	<i>Jeff Moran</i>
Robert Barton Robert Barton	159	<i>Robert Barton</i>
BRETT AGENBROOD	250	<i>Brett Agembrood</i>
Maria Agembrood	250	<i>Maria Agembrood</i>
NICHOLAS S. HENRY	701	<i>Nicholas S. Henry</i>
Jody Leisholm	675	<i>Jody Leisholm</i>
ROGER A. FAWCETT	606	<i>Roger A. Fawcett</i>
Jermute Brooks	696	<i>Jermute Brooks</i>
DAVID J. MALSARI	362	<i>David J. Malsari</i>
KAREN STEWART	285	<i>Karen Stewart</i>
Kathy Anderson	820	<i>Kathy Anderson</i>
Arthur Fawcett	440	<i>Arthur Fawcett</i>
Pete Milne	565	<i>Pete Milne</i>
Jim Reece	537	<i>James C. Reece</i>
Robert Miller Robert Miller	173	<i>Robert Miller</i>
Tom Millard II	46	<i>Tom Millard II</i>
Brian Blader S	436	<i>Brian Blader S</i>
Nicolete Ermasoff	436	<i>Nicolete Ermasoff</i>
Keith Blander	497	<i>Keith Blander</i>
Thomas C. Brennan Thomas C. Brennan	495	<i>Thomas C. Brennan</i>
Thomas C. Brennan	58	<i>Thomas C. Brennan</i>

STATE OF ALASKA
 FY 08 NATIONAL FOREST RECEIPTS - FINAL PAYMENTS
 TONGASS NATIONAL FOREST - UNORGANIZED BOROUGH
 DOT/PF FUNDED AT \$170,000 AND PROJECTS @ 15%
 PROJECTS \$ DISTRIBUTION BASED UPON SCHOOL & ROAD PAYMENTS
 ENTITIES < \$100,000 EXEMPT FROM PROJECTS EXPENDITURES

Municipality	Road Miles	Road Mile \$	ADM	School \$	First Stage Total School & Road \$	State Redistribution > \$170 K	Preliminary Total School & Road \$	Preliminary Projects \$	Final Total National Forest Receipt Payment	Final Road Payment	Final School Payment	Final Projects Payment
Home Rule												
Petersburg	24.90	\$75,717.71	588.55	\$892,826.73	\$968,544.44	\$87,957.42	\$1,056,501.87	\$193,035.62	\$1,249,537.48	\$81,820.67	\$964,789.88	\$202,926.94
Wrangell	11.67	\$35,486.97	354.74	\$538,138.40	\$573,625.37	\$52,093.23	\$625,718.61	\$114,326.33	\$740,044.93	\$38,347.28	\$581,513.14	\$120,184.51
First Class												
Craig	9.35	\$28,432.15	361.55	\$548,469.13	\$576,901.28	\$52,390.73	\$629,292.01	\$114,979.23	\$744,271.24	\$30,723.82	\$592,676.54	\$120,870.87
Hoonah	9.10	\$27,671.93	152.95	\$232,024.21	\$259,696.14	\$23,584.05	\$283,280.20	\$51,758.70	\$335,038.90	\$29,902.33	\$250,725.70	\$54,410.87
Hydaburg	6.20	\$18,853.41	79.60	\$120,752.71	\$139,606.12	\$12,678.19	\$152,284.31	\$27,824.18	\$180,108.49	\$20,373.02	\$130,485.56	\$29,249.91
Kake	14.02	\$42,633.02	103.55	\$157,084.71	\$199,717.74	\$18,137.17	\$217,854.91	\$39,804.72	\$257,659.62	\$46,069.31	\$169,745.97	\$41,844.35
Klawock	10.30	\$31,320.98	140.45	\$213,061.79	\$244,382.77	\$22,193.38	\$266,576.15	\$48,706.67	\$315,282.82	\$33,845.50	\$230,234.88	\$51,202.45
Pelican	1.10	\$3,344.96	14.95	\$22,679.06	\$26,024.02	\$2,363.35	\$28,387.36	\$5,186.71	\$33,574.08	\$4,315.39	\$29,258.68	\$0.00
Second Class												
Angoon	7.69	\$23,384.30	N/A	N/A	\$23,384.30	\$2,123.62	\$25,507.93	\$4,660.61	\$30,168.53	\$30,168.53	N/A	\$0.00
Coffman Cove	15.54	\$47,255.15	N/A	N/A	\$47,255.15	\$4,291.43	\$51,546.58	\$9,418.18	\$60,964.76	\$60,964.76	N/A	\$0.00
Gustavus	30.01	\$91,256.56	N/A	N/A	\$91,256.56	\$8,287.38	\$99,543.94	\$18,187.88	\$117,731.81	\$98,611.97	N/A	\$19,119.84
Kasaan	8.47	\$25,756.18	N/A	N/A	\$25,756.18	\$2,339.02	\$28,095.21	\$5,133.33	\$33,228.54	\$33,228.54	N/A	\$0.00
Port Alexander	1.25	\$3,801.09	N/A	N/A	\$3,801.09	\$345.19	\$4,146.28	\$757.58	\$4,903.86	\$4,903.86	N/A	\$0.00
Tenakee Springs	2.50	\$7,602.18	N/A	N/A	\$7,602.18	\$690.38	\$8,292.56	\$1,515.15	\$9,807.72	\$9,807.72	N/A	\$0.00
Thome Bay	34.64	\$105,335.80	N/A	N/A	\$105,335.80	\$9,565.97	\$114,901.77	\$20,993.94	\$135,895.70	\$113,826.02	N/A	\$22,069.69
Federal Law												
Metlakatla	34.90	\$106,126.43	N/A	N/A	\$106,126.43	\$9,637.77	\$115,764.19	\$21,151.51	\$136,915.71	\$114,680.37	N/A	\$22,235.34
REAA'S												
Annette Island	N/A	N/A	282.35	\$428,323.21	\$428,323.21	\$38,897.76	\$467,220.97	\$85,366.90	\$552,587.87	N/A	\$462,846.69	\$89,741.18
Chatham	N/A	N/A	194.82	\$295,540.74	\$295,540.74	\$26,839.25	\$322,379.99	\$58,902.71	\$381,282.70	N/A	\$319,361.76	\$61,920.94
Southeast Island	N/A	N/A	186.90	\$283,526.15	\$283,526.15	\$25,748.15	\$309,274.30	\$56,508.14	\$365,782.44	N/A	\$306,378.77	\$59,403.67
TOTAL LOCAL	221.64	\$673,978.82	2,460.41	\$3,732,426.85	\$4,406,405.67	\$400,163.46	\$4,806,569.13	\$878,218.08	\$5,684,787.21	\$751,589.08	\$4,038,017.58	\$895,180.55
STATE	187.50	\$570,163.46	N/A	N/A	\$570,163.46	\$170,000.00	\$170,000.00	\$0.00	\$170,000.00	\$170,000.00	N/A	\$0.00
GRAND TOTAL	409.14	\$1,244,142.28	2,460.41	\$3,732,426.85	\$4,976,569.13	\$570,163.46	\$4,976,569.13	\$878,218.08	\$5,854,787.21	\$921,589.08	\$4,038,017.58	\$895,180.55

TALKING POINTS
DETRIMENTAL IMPACTS THAT WOULD RESULT FROM THE PROPOSED
KETCHIKAN GATEWAY BOROUGH ANNEXATION

- The proposed Ketchikan Gateway Borough annexation petition would take approximately \$1.2 million annually in National Forest Receipts funding from the education and road budgets of communities in the unorganized borough of Southeast Alaska.
- Municipalities and school districts in the unorganized borough rely on to NFR to help fund primary and secondary education services for K-12 students in Southeast Alaska. NFR payments are supplemental to other local school support.
- The annexation would result in other communities' loss of education funding going to the KGB to annex an area that contains zero students.
- The annexation is sought to increase NFR payments to the KGB at the expense of sixteen cities, twelve school districts, and 2,700 students in Southeast Alaska.
- The proposed annexation still leaves the Southeast Island School District with the responsibility to pay for education services to students in Hyder, while also taking away \$82,000 in NFR education funding that SISD would use to meet the cost of educating Hyder students.
- The petition fails to meet the State's Best Interest Findings in that it leaves education costs in the hands of the State of Alaska while taking education funding from a state-funded REAA.
- The proposed annexation does not meet Alaska statutory and regulatory requirements for annexations.
- The preliminary report is wholly inconsistent with a previous LBC staff report on a very similar annexation petition prepared in 1998.
- LBC staff had the appearance of a conflict of interest involving a high-paying position within the KGB sought by LBC staff during the KGB petition process. As a result the LBC must disregard the existing preliminary report and contract with an independent party to rewrite the preliminary report on the proposed petition.
- The proposed annexation also reduces Payment in Lieu of Taxes funding to rural Southeast Alaska communities.
- In 1999, this commission held that the proposed annexation would violate the Alaska Constitution because the proposed annexation did not include Hyder, because the annexation would not include the area with maximum common interests. The pertinent portion of the Alaska Constitution has not changed since 1999. The LBC should therefore be consistent and deny the Petition.

- The Statement of Decision from the LBC fails to include an order to include Hyder in the proposed borough in five years, in spite of the stated intent of the LBC during its public meetings to require the inclusion of Hyder within that time frame.
- The LBC chose not to address in its final report on the annexation the timely written concerns submitted to it by the public after the publication of the preliminary report, stating that the staff was too busy to address those written comments.
- Thirty-six members of the public provided testimony to the LBC at the November 6, 2007 public hearing on the annexation petition. No members of the public spoke in favor of the annexation. The only support voiced for the annexation was from borough staff, and three current or former borough assembly members.
- The LBC routinely told the public testifying that their testimony was irrelevant to the annexation.
- The communities identified in the table below will also suffer a loss of funding from the federal Payment in Lieu of Taxes program if the annexation is approved.

Home Rule	FY 2007	Income Loss	Income Loss	Income Loss	Total Annual Loss
	Ed. Receipts	Ed. Funding	Road Funding	Project Funding	
Petersburg	\$ 914,381	\$ 201,164	\$ 15,236	\$ 41,806	\$ 258,206
Wrangell	\$ 571,788	\$ 125,793	\$ 7,963	\$ 25,840	\$ 159,596
First Class					
Craig	\$ 594,437	\$ 130,776	\$ 6,380	\$ 26,497	\$ 163,653
Hoonah	\$ 257,409	\$ 56,630	\$ 6,209	\$ 12,140	\$ 74,979
Hydaburg	\$ 112,085	\$ 24,659	\$ 4,230	\$ 5,581	\$ 34,470
Kake	\$ 179,336	\$ 39,454	\$ 9,566	\$ 9,470	\$ 58,490
Klawock	\$ 209,638	\$ 46,120	\$ 7,028	\$ 10,268	\$ 63,416
Pelican	\$ 25,087	\$ 5,519	\$ 896	\$ -	\$ 6,415
Second Class					
Angoon	-	-	\$ 5,294	-	\$ 5,294
Coffman Cove	-	-	\$ 10,698	-	\$ 10,698
Gustavus	-	-	\$ 20,659	\$ 3,956	\$ 24,615
Kasaan	-	-	\$ 5,831	-	\$ 5,831
Port Alexander	-	-	\$ 861	-	\$ 861
Tenakee Springs	-	-	\$ 1,721	-	\$ 1,721
Thorne Bay	-	-	\$ 23,847	\$ 4,566	\$ 28,413
REAA'S					
Annette Island	\$ 537,333	\$ 118,213	\$ 23,677	\$ 19,140	\$ 161,030
Chatham	\$ 368,934	\$ 81,165	-	\$ 13,141	\$ 94,307
Southeast Island	\$ 373,545	\$ 82,180	-	\$ 13,306	\$ 95,486
Total Annual Loss		\$ 911,674	\$ 150,095	\$ 185,710	
Aggregate loss of funding					\$ 1,247,479



**ALASKA NATIVE BROTHERHOOD
AND
ALASKA NATIVE SISTERHOOD**
Ketchikan Camp #14
P.O. Box 6704
429 Deermount
Ketchikan, Alaska 99901
Phone: (907) 617-9848

February 11, 2008

Dear Sir:

RE: HJR30 and SJR15

The Alaska Native Brotherhood/Alaska Native Sisterhood (ANB/ANS), Camp #14, Ketchikan strongly OBJECTS to the Annexation of land the Ketchikan Gateway Borough (KGB) is proposing.

Our Objection focuses mainly on the detrimental impact this Annexation Plan will have on the Alaska Native Subsistence rights of our local native citizens. Rights KGB and other Governmental entities seems to be ignorant about. Traditional native subsistence areas within KGB has been basically shutdown since our Community natives have been re-categorized as "Urban Indians" once again. Currently, our traditional subsistence usage areas within KGB are inaccessible because of this "Urban" label. Local Alaska natives have been pushed out to the furthest boundaries of their traditional land and sea food gathering sites trying to eek out scarce native foods. The Governmental entities do not seem to understand why Alaska Natives are continuing to seek traditional subsistence foods when there is so much to be had at the local Safeway and A&P Grocery Stores. They do not understand that it is in our Cultural, thousands and thousands of years of Cultural beating through our blood. This Annexation proposal will foster governmental attempts to further cut off Alaska natives from traditional food gathering sites in our local area. It will further efforts to "assimilate" Alaska natives to the white cultural only. If this Annexation is approved by the Alaska Legislature, traditional food gatherers living within KGB will once again be pushed farther and farther out into geographical areas that may very well be "inaccessible" to the majority of local Alaska natives without great expense.

Therefore, on behalf of all the local "urban" Alaska natives living in KGB, we OBJECT to KGB's proposed Annexation and urge a "No" vote on its approval. Send it back to them with a clear message that if the rights of its native citizens will not be protected by them, than the Alaska Legislature will do it for them.

Gumalchcesh, Hlowaa, Docykahin! Thank you!

Sincerely,

Joseph Reeves, President
ANB Camp #14 Ketchikan

Ginny Austerman

From: Nancy Barnes
Sent: Monday, February 11, 2008 3:07 PM
To: David Gray; Ginny Austerman; Katrina Matheny; Dorothy Shockley; Grier Hopkins
Subject: FW: Hyder CIP

For your SJR 15 packet in Senate C&RA Committee meeting tomorrow at 1:30, Feb 12th. HJR 30 (Rep Thomas) is the companion bill in the House being heard at 8am tomorrow. Would you please include this in your Senator's Bill packet? IT is from a Hyder resident. Kaci Schroeder works for Rep. Thomas. Please call Senator Kookesh or myself if you have any questions regarding SJR 30.

Nancy Barnes, Senator Albert Kookesh's Office
465-6828 office
723-2496 cell

From: Kaci Schroeder
Sent: Monday, February 11, 2008 2:45 PM
To: Nancy Barnes
Subject: FW: Hyder CIP

Hyder is the focal point of this whole argument. Here is their position. Can you make sure the Senate gets this?

Thanks!

Kaci

From: Carol Denton [mailto:rustyfish@missouristreet.com]
Sent: Monday, February 11, 2008 2:31 PM
To: Kaci Schroeder
Cc: Pete Caffall-Davis; Pablo Larkin
Subject: Re: Hyder CIP

Kaci,

I did see that there is a committee hearing for HJR 30 tomorrow. Thanks for asking about our relationship with Ketchikan Borough: It is non-existent. I have lived here 5 years, and the only KGB representative in town flew in and had the plane stand by while he zipped up to the community building to post a notice about a hearing on annexation. I believe that none of the current KGB Assembly members have ever spent any time here, they have no idea what our life is like here. We certainly were not consulted about being included in the Borough, and get the impression that we are the necessary evil connected with their being able to annex all that Forest Service land with its lovely timber receipts. I am not optimistic that they will try to build a relationship with us.

I will CC this to Pete Caffall-Davis, who has been handling the annexation battle for Hyder, and also to Paul Larkin, the former town Administrator. Perhaps they will send comments also.

Carol

2/12/2008

HB

34

SENATE COMMITTEE REPORT

DATE: 2/19/07

FURTHER: Labor and Commerce

DATE TURNED
IN TO OFFICE: 3/6/07

Community and Regional Affairs Committee considered HOUSE BILL NO. 34

HB 34 SALES BY WINERY LICENSEE

"An Act relating to sales of wine by a winery licensee."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____



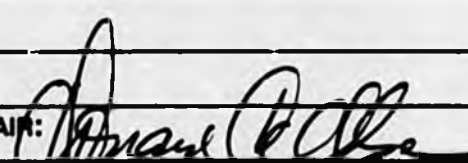
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Index	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Index	Zero	FN#
DPS				✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATION	PRINTED NAME	DATE	RECOMMENDATION	MEND.
	THOMAS		✓	
	STEVEN KOOKESH		✓	
CHAIR: 	Olson			✓

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-2487
Fax (907) 465-4956

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-8872
Fax (907) 486-5264

Representative Gabrielle LeDoux

Sponsor Statement for House Bill No. 34 "An Act relating to sales of wine by a winery licensee."

Wine production in Alaska has only begun to develop. Wineries in Alaska are "mom and pop" businesses. Under current state law, none of these wineries can sell or ship a bottle of wine to a customer within the state unless the customer is on the premises. Currently, out-of-state wineries can ship their product into the state of Alaska. This bill evens the playing field for small wineries in Alaska by enabling them to participate in direct sales to a niche market.

This bill will allow the holder of a winery license to ship less than five gallons of wine to an individual provided that the shipping address is not located in an area that has not prohibited or limited the importation or possession of alcoholic beverages. According to the Alaska Department of Revenue, in FY 2005 there were six wineries that produced approximately 1,900 gallons of wine and contributed approximately \$4,750 in taxes.

Alaskan wine is a value-added premium product, which is well suited to internet and phone sales. The intent is for small, local winery operations to take advantage of a very specialized market.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 34
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title Sales of wine by a winery licensee RDU Statewide Support
 Component ABC Board
 Sponsor Representative Ledoux
 Requester House Labor & Commerce Component No. 2690

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2008) 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)

There will be no fiscal impact on the Department of Public Safety.

Prepared by: Douglas B. Griffin Phone 269-0351
 Division Alcoholic Beverage Control Board Date/Time 1/26/07 10:11 AM
 Approved by: Commissioner Walt Monegan Date 1/26/2007
 Agency Department of Public Safety

LEGISLATIVE RESEARCH REPORT

FEBRUARY 10, 2006



REPORT NUMBER 06.123

BEER AND WINE PRODUCTION IN ALASKA

PREPARED FOR REPRESENTATIVE GABRIELLE LEDOUX

BY ROGER WITHINGTON, LEGISLATIVE ANALYST

You asked for information regarding breweries and wineries in Alaska. Specifically, you wished to know the number of breweries and wineries operating in Alaska, and an estimate of the number of gallons produced and sold by each business.

According to Johanna Bales, Revenue Audit Supervisor with the Tax Division of the Alaska Department of Revenue, there are currently ten breweries in Alaska that produced approximately 1.2 million gallons of beer, and six wineries that produced approximately 1,900 gallons of wine during FY 2005.¹ Table 1 provides a list of our breweries and wineries.

Unfortunately, Alaska Statute 43.05.230, Disclosure of Tax Returns and Reports, prevents Ms. Bales from providing us with production and sales figures specific to each producer. In addition, of these businesses that have a website, none posted production and sales figures. Based on the Alcoholic Beverage Tax set forth in AS 43.60, Alaska breweries contributed approximately \$42,000 in taxes, while the in-state wineries contributed approximately \$4,750.²

¹ Johanna Bales, Revenue Audit Supervisor with the Alaska Department of Revenue, Tax Division, can be reached at 907-269-6628.

² All in-state breweries meet the definition of a small brewery set forth in AS 43.60.010.

Table 1: Alaska Breweries and Wineries

Operation Type	Operation Name	Location
Breweries	The Glacier Brewhouse - Brews Brothers	Anchorage
	Moose's Tooth Brewing Co - Chugach Beverages LLC	Anchorage
	Midnight Sun Brewing Co	Anchorage
	Sleeping Lady Brewing Company	Anchorage
	Silver Gulch Brewing & Bottling Inc	Fairbanks
	Haines Brewing Company Inc	Haines
	Homer Brewing Company	Homer
	Alaskan Brewing, LLC	Juneau
	Kodiak Island Brewing Company L	Kodiak
	Great Bear Brewing Co – Pioneer Peak Brewing Co	Wasilla
Wineries	Denali Winery – U-Brew Wineries Inc	Anchorage
	Kodiak Island Winery	Chiniak
	Great Land Wines Ltd	Haines
	Bear Creek Winery, LLC	Kachemak
	Alaska Wilderness Wines	Kodiak
	Valley Winery LLC	Wasilla
Notes:	The businesses listed above were licensed with the Alaska Department of Revenue (DOR) during FY2005. Business are not required to be licensed with the DOR until they actually produce and sell alcohol. According to the Alaska Alcoholic Beverage Control Board (ABC), there are three additional businesses that are licensed for FY2006: the Mother Lode (Brewpub) in Anchorage, Alice's Champagne Palace (Brewpub) in Homer, and the Copper River Brewery in Cordova. Please keep in mind that a license from the ABC does not guarantee that the business will produce and sell alcoholic beverages.	
Source:	Johanna Bales, Revenue Audit Supervisor with the Alaska Department of Revenue, Tax Division, 907-269-6628.	

Attached, please find an excerpt from the Alaska Department of Revenue, Tax Division's *FY 2005 Annual Report of Operations* that provides summary information on Alaska's Alcoholic Beverage Tax.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

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May 16, 2005

Supreme Court Strikes Down Bans on Wine Shipments

By DAVID STOUT

WASHINGTON, May 16 - The Supreme Court ruled today, in a case of interest to millions of wine-drinkers and those who make a living in the multibillion-dollar industry that people can buy wine directly from out-of-state vineyards.

In a 5-to-4 decision that struck down laws in New York and Michigan, and by extension calls into question the laws in 22 other states, the court held that laws that discriminate against out-of-state vineyards violate the Constitution's Commerce Clause, which empowers Congress to regulate interstate commerce.

"Laws such as those at issue contradict the principles underlying this rule by depriving citizens of their right to have access to other states' markets on equal terms," the majority held, in an opinion by Justice Anthony M. Kennedy.

Today's ruling does not leave state lawmakers powerless to regulate direct shipments of alcohol, but if they do so they must not favor their own states over other states. Indeed, Nida Samona, the chairwoman of the Michigan Liquor Control Commission, told The Associated Press that her commission would urge lawmakers to bar direct shipments for both local and out-of-state wineries.

Today's ruling is of intense interest not only to the states - 26 of which already allow direct shipment from out-of-state wineries - but also to the wholesale liquor industry, which fears eventually being left out of what is now a state-run three-tier system: liquor producer to licensed wholesaler to licensed retailer.

The worry for liquor wholesalers has been that if the justices ruled that consumers could buy wine directly from out-of-state producers, so might liquor retailers be able to do so, at least in theory.

Today's decision, in the cases of *Granholm v. Heald*, No. 03-1116, from Michigan, and *Swedenburg v. Kelly*, No. 03-1274 from New York, had to do with interpretation of the Constitution, the intent of the 1933 Amendment that ended Prohibition and changing personal tastes in the age of the Internet.

When the case was argued before the justices on Dec. 7, lawyers for New York and Michigan asserted that the Prohibition-ending 21st Amendment to the Constitution gave states such wide authority over the importation of alcohol that it trumped the principle embodied in the Commerce Clause: that the states may not, without Congressional authorization, discriminate against one another.

New York's and Michigan's lawyers insisted then that the goals of preventing minors' access to alcohol and assuring that the states could collect taxes from out-of-state shippers justified their states' statutes. Solicitor General Caitlin J. Halligan of New York told the justices that the case "goes to the very core of the 21st Amendment."

Justice Kennedy responded - tellingly, it would appear from today's ruling - that "it also goes to the very core of the Commerce Clause."

Justice Kennedy wrote today that the real object of the Michigan and New York statutes was not protection of minors but rather to give in-state wineries a competitive advantage over those in other states. Justice Kennedy, who was joined by Justices Antonin Scalia, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, said New York and Michigan "provide little evidence for their claim that purchasing wine over the Internet by minors is a problem."

"The 26 states now permitting direct shipments report no such problem, and the states can minimize any risk with less restrictive steps, such as requiring an adult signature on delivery," the majority said. Moreover, the majority said, the states could devise tax-collection procedures without resorting to discrimination in interstate commerce.

"In all but the narrowest circumstances" the states violate the Commerce Clause if they erect barriers to help in-state business at the expense of outsiders, the majority said in describing the Commerce Clause as "essential to the foundations of the Union."

The majority observed that "the current patchwork of laws - with some states banning direct shipments altogether, others doing so only for out-of-state wines, and still others requiring reciprocity - is essentially the product of an ongoing, low-level trade war."

Chief Justice William H. Rehnquist and Justices John Paul Stevens, Sandra Day O'Connor and Clarence Thomas dissented.

Justice Stevens conceded that the New York and Michigan laws would be "patently invalid" if they regulated sales of "an ordinary article of commerce," not wine. "But ever since the adoption of the 18th Amendment and the 21st Amendment, our Constitution has placed commerce in alcoholic beverages in a special category," Justice Stevens wrote. (The 18th Amendment ushered in the era of Prohibition and, some social historians have said, the bootleggers and speak-easies that accompanied it.)

"Today, many Americans, particularly those members of the younger generations who make policy decisions, regard alcohol as an ordinary article of commerce, subject to the same market and legal controls as other consumer products," Justice Stevens wrote. "That was definitely not the view of the generations that made policy in 1919 when the 18th Amendment was ratified or in 1933 when it was repealed by the 21st Amendment."

That alcoholic beverages are something apart in the world of commerce is obvious from what happened after Prohibition ended, Justice Stevens went on: "So-called 'dry states' entirely prohibited such commerce; others prohibited the sale of alcohol on Sundays; others permitted the sale of beer and

wine but not hard liquor; most created either state monopolies or distribution systems that gave discriminatory preferences to local retailers and distributors."

Small local wineries were elated by today's ruling. "This is the best day for wine lovers since the invention of the corkscrew," Clint Bolick, counsel for the Institute for Justice, which represented local wineries, told The Associated Press. "It demonstrates that in the era of the Internet the court will vindicate the principles of free trade that made this country great."

And Juanita Swedenburg, the Middleburg, Va., vintner who sued to overturn the New York law, told The A.P. that the ruling was "a boon for America's wine-loving consumers who like to have various wines from throughout the nation."

The laws overturned today are not identical. Michigan's statute flatly prohibited direct shipments by out-of-state wineries. New York's permitted such shipments in theory - as long as the winery maintained a physical presence in New York, including a warehouse to store wines before sale. No out-of-state winery has qualified for this exception in the 35 years that the law has been on the books.

Among the other states that ban direct shipments from out-of-state wineries are Connecticut, Delaware, Pennsylvania, New Jersey, Vermont, Massachusetts and Florida. A few states even make importing a felony. (A map showing the wine laws throughout the country can be viewed on the Institute for Justice's Web site, www.ij.org.)

In issuing their ruling today, the justices reversed the United States Court of Appeals for the Second Circuit, which had affirmed the New York law, and it upheld the Court of Appeals for the Sixth Circuit, which had voided the Michigan law.

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U.S. Supreme Court Rules on Direct Shipping

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FARELLA BRAUN + MARTEL LLP

By [Matthew J. Lewis](#) and [David E. Stoll](#) of [Farella Braun & Martel LLP](#)

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On May 16, 2005, the United States Supreme Court struck down direct shipping laws in Michigan and New York holding that the laws in both States discriminate against interstate commerce in violation of the Commerce Clause, and that the discrimination is neither authorized nor permitted by the 21st Amendment.

For wineries and wholesalers, *Granholm v. Heald* is notable for different reasons. For wineries, the case makes clear that States' powers to regulate alcohol under the 21st Amendment are not absolute, and that States must treat in-state and out-of-state wineries the same when it comes to the direct shipment of wine. For wholesalers, the decision reaffirmed the legitimacy of the three-tier system and did not establish a right to direct ship.

While the decision is a clear victory for those in favor of direct shipping, the real impact will only be known once we see how States choose to rewrite their laws to respond to the decision, and how the lower courts apply the decision to future challenges to the three-tier system.

Background: The Battle for Shelf Space in a Consolidating Industry

In striking down the Michigan and New York laws, the U.S. Supreme Court recognized the significant and ongoing consolidation in the wine industry. Fewer wineries and fewer distributors now control a larger than ever portion of the wine market, making it increasingly difficult for small wineries to distribute their wines.

At the same time that large wineries and distributors are consolidating, the number of small wineries in the United States is proliferating rapidly, making competition for retail shelf space even fiercer. Furthermore, as the Court noted, even if small wineries could find distributors for their wine in States that prohibit direct shipping, the distributor's mark-up would render such sales through the three-tier system economically infeasible.

As a result, more and more small wineries are turning to direct sales – via the tasting room, mailing list and over the Internet -- as the principal means to sell their wine. This is especially true given the recent technological advancements allowing for the sale of wine over the Internet, without the need for any physical contact with the customer at all.

The States' Powers Are Not Absolute

The States put forth three main arguments to justify discriminatory restrictions on out-of-state wineries: preventing the direct sale of alcohol to minors, improving the ability of states to collect sales tax, and that alcohol is simply different than other articles of commerce. None of these arguments persuaded the Court.

With regard to preventing the direct sale of alcohol to minors, the Court found that minors are less likely to consume wine as opposed to other forms of alcohol, and that minors have easier and quicker means to obtain alcohol than direct purchase through the mail. Moreover, less restrictive means are available to prevent the direct sale of alcohol to minors through the mail; such as requiring an adult signature for delivery and a label stating the requirement on the package itself.

With regard to the collection of sales tax, the Court found that if licensing and self-reporting provide adequate tax collection safeguards for wine distributed through the three-tier system, such mechanisms should work for direct shipments as well. States could require a license as a condition of direct shipping, with a requirement for licensees to submit sales reports and pay sales taxes. Notably, this is the approach recommended by the National Conference of Legislatures in their Model Direct Shipping Bill.

The third justification – that States' should be able to discriminate with regard to commerce in alcohol because alcohol is a unique article of commerce—is harder to dismiss. Concerns about the evils of alcohol abuse are so strong in our nation's history that a State's right to regulate the commerce of alcohol is enshrined in the Constitution itself. Despite acknowledging the unique history of alcohol in the United States, and that States have near absolute power to regulate the commerce of alcohol, the Court refused to allow the States to do so in a discriminatory manner. If a State desires to restrict the commerce of alcohol, it must do so in a way that does not differentiate based on whether a business is located in state or not.

The 21st Amendment and its Limitations

As clear as the Court was in holding that States' may not discriminate against out-of-state wineries with regard to the direct shipment of wine, the Court was equally clear in upholding the validity of the three-tier system and the States' rights to regulate or even ban the commerce of alcohol. The Court noted that the three-tier system is "unquestionably legitimate" and that the 21st Amendment grants the States virtually complete control over whether to permit importation or sale of liquor and how to structure the liquor distribution system.

States' powers to regulate commerce in alcohol are limited only by other provisions of the Constitution itself. In this case, the Court held the Commerce Clause—which stands for the proposition that States cannot treat businesses differently based on whether the business is located in or out of state—trumps the 21st Amendment. According to Justice Kennedy, "If a State chooses to allow direct shipments of wine, it must do so on evenhanded terms."

Unintended Consequences: Are Reciprocal Laws Unconstitutional?

Although the ruling focuses on two States' laws that clearly discriminate against out-of-state wineries, the decision likely renders unconstitutional the direct shipping laws of other States whose laws are not commonly viewed as discriminatory. Good examples are those States with so-called reciprocal laws—laws that allow direct shipping only from States who in turn allow direct shipping into their State.

Ironically, California is a prime example of a State whose reciprocal direct shipping laws are now arguably unconstitutional under *Granholm v. Heald*. In fact, the Supreme Court in its ruling specifically mentioned California's reciprocal laws as illustrating the type of fragmented, alliance-driven patchwork of laws that has led to discrimination against out-of-state wineries. As the Court stated: "The current patchwork of laws—with some States banning direct shipments altogether, other doing so only for out-of-state wines, and still others requiring reciprocity—is essentially the product of an ongoing, low-level trade war."

Anticipating a challenge, the California Family Winemakers and the Wine Institute, among others, are already working on direct shipping amendments to replace the existing reciprocal laws in California with laws allowing for direct shipping from all States, regardless of reciprocity.

More Questions Than Answers: What Now?

It is worth repeating that the Court's decision does not authorize direct shipping. In fact, for those States that prohibit all direct shipping, the ruling has no direct effect because such laws treat in-state and out-of-state wineries the same. For those States whose laws do discriminate in one form or another, as stated by the Wine Institute, these states will have to take some legislative or regulatory action to address the discrimination issue and to build a framework for shipments to be made.

The ruling does suggest that requiring a physical presence in-state as a condition to direct ship is unconstitutional. This calls into question state laws that require in-state retailers, who buy from wholesalers, to buy from wholesalers located in-state. Costco is currently challenging such a law, among others, in the State of Washington. Also called into question are laws that allow in-state wineries, but not out-of-state wineries, to sell directly to restaurants and other retailers located in-state. Such a law currently exists in California, and if repealed, would adversely affect many California wineries that rely heavily on local retail direct sales.

Another broader question is in those States where the legislature requires all alcohol sales to go through a licensed entity, can these States require that the licensee maintain a physical in-state presence? From one perspective, the Court suggests it strongly disfavors state statutes that require in-state business operations. On the other hand, the three-tier system's middle tier is highly dependent on the in-state business requirement, and the Court went out of its way to declare the three-tier system as "unquestionably legitimate."

Although these positions seem at odds with each other, one way to reconcile them might be to reinterpret the Court's holding to be that States may not discriminate against out-of-state wineries *unless they have a good reason for doing so*. Thus far, the States' arguments have not been persuasive. It remains to be seen whether the lower courts will allow certain types of discrimination to survive if the States are able to provide strong enough justifications for doing so.

For example, what if States focused regulations on production amounts rather than the location of the winery? If States could assure wholesalers that the largest wineries would have to use the three-tier system, the wholesalers' interests might be satisfied. For smaller wineries, their low production could qualify them for an exemption from the three-tier system and allow them to direct ship.

The Opportunity and the Danger: Legislative Free for All

For all the noise this case has generated, the only thing we know for sure is that many States legislatures will be called on to rewrite their direct shipping laws. This presents an opportunity for wineries to push for legislatures to open their laws to direct shipping. However, it also presents a danger that the powerful wholesalers' lobby will convince State legislatures to impose more onerous restrictions on direct shipping than already exist, or to shut direct shipping down completely. Even in states like California where the wineries are at their strength, direct shipping proponents have an uphill battle to push through any legislation without the support of the wholesalers' lobby.

As part of any new legislation, many believe the wholesalers' lobby will push hard to include onerous paperwork, licensing and fee requirements in an attempt to make it as inconvenient and expensive as possible to direct ship. The more onerous the paperwork, the license requirements and the fees, the less wineries stand to gain.

 FARELLA BRAUN + MARTEL LLP

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For Your Information: March 30, 2004

Related Documents:

FTC Staff: New York Direct Shipment of Wine Bills Would Promote E-commerce and Consumer Welfare

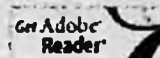
Comments of the Staff of the Federal Trade Commission Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, and Northeast Regional Office (March 2004) to the Chairman, Assembly Agriculture Committee, Chairman, Senate Committee on Transportation and Deputy Majority Leader, New York Senate, Concerning New York Assembly bill 9560-A, and Senate bills 6060-A and 1192. (V040012)

Bills Remove a Significant Barrier to Greater E-Commerce

In response to requests from three New York state legislators, the staffs of the Federal Trade Commission's Office of Policy Planning, Northeast Regional Office, and Bureaus of Competition, Consumer Protection, and Economics have provided comments regarding three bills that would allow out-of-state vendors to ship wine directly to New York consumers if the vendors comply with certain regulatory requirements. According to the staff comments, the bills would promote e-commerce and give New York residents access to a greater variety of wines at lower prices, while allowing the state to satisfy its other public policy goals.

Todd Zywicki, Director of the FTC's Office of Policy Planning, stressed that the bills would help consumers. "Based on our empirical research, the bills could allow consumers to save significantly on more expensive wines. The bills would also give consumers access to thousands of wines from around the country," he said. Asheesh Agarwal, Assistant Director of the Office of Policy Planning, added that the bills would promote e-commerce. "By eliminating the requirement that out-of-state sellers maintain a physical presence in New York, the direct shipping bills would eliminate the single largest regulatory barrier to expanded e-commerce in the wine industry," he said.

- Text of the Staff Comments (PDF 67KB)



The comments, available on the Commission's Web site, were sent to William Magee, Chairman of the State Assembly Agriculture Committee; John R. Kuhl, Jr., Chairman of the State Senate Committee on Transportation; and Dean G. Skelos, Deputy Majority Leader of the State Senate. The comments analyze three New York bills, Assembly bill 9560-A, Senate bills 6060-A and 1192.

The staff comments first summarize the FTC's experience studying the direct shipment of wine to consumers, including a comprehensive report issued last July and congressional testimony delivered last October. The comments then analyze the pending bills, describing the regulatory requirements on shippers and common carriers. The comments conclude that the bills would allow consumers to purchase a greater variety of wines at lower prices.

The comments then summarize the experiences of states that currently allow interstate direct shipping of wine. The comments note that these states generally report few if any problems with direct shipments to minors, or with collecting taxes from those shipments. The comments also note that the bills contain all of the safeguards recommended by both the National Academy of Sciences and FTC staff, such as requiring an adult signature at the point of delivery. Finally, the comments discuss the implications of physical presence requirements for e-commerce generally, stating that "if extended to other industries, physical presence requirements could seriously imperil the growth of e-commerce."

In concluding its comments, the FTC staff said, "Based on an extensive review of the evidence, FTC staff believes that, if enacted, any of the bills would enhance consumer welfare and would allow New York to meet its other public policy goals."

The Commission vote authorizing staff to file the comments was 5-0. The comments represent the views of the staff of the FTC's Office of Policy and Planning, Bureaus of Competition, Consumer Protection, and Economics, and Northeast Regional Office, and not necessarily those of the Commission or any individual Commissioner.

Copies of the document mentioned in this release are available from the FTC's Web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. Call toll-free: 1-877-FTC-HELP.

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(FTC File No. V040012)

(<http://www.ftc.gov/opa/2004/03/nywine.htm>)

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FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580



Office of Policy Planning
Bureau of Competition
Bureau of Consumer Protection
Bureau of Economics
Northeast Regional Office

March 29, 2004

William Magee
Chairman, Assembly Agriculture Committee
Legislative Office Bldg, Room 641
Albany, NY 12248

John R. Kuhl, Jr.
Chairman, Senate Committee on Transportation
Legislative Office Bldg, Room 310
Albany, NY 12247

Dean G. Skelos
Deputy Majority Leader, Senate
503 State Capitol Bldg
Albany, NY 12247

Re: Assembly bill 9560-A, Senate bills 6060-A and 1192

Dear Chairmen Magee and Kuhl, and Deputy Majority Leader Skelos:

The staffs of the Federal Trade Commission's Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, and Northeast Regional Office are pleased to respond to your requests for comments on New York Assembly bill 9560-A, and Senate bills 6060-A and 1192. These bills would allow out-of-state vendors to ship wine directly to New York consumers if the vendors comply with certain regulatory requirements, such as labeling delivery packages and reporting sales to state authorities. In letters dated February 10 and 25, 2004, you asked us to examine the bills, and specifically to discuss the information regarding "the opponents' arguments related to sales to minors and harm to the three-tier system, as well as the proponents' arguments regarding the positive impact for consumers and state revenues."¹ You also referenced pending litigation.²

¹ This letter expresses the views of the FTC's Office of Policy Planning, Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, and Northeast Regional Office. The letter does not necessarily represent the views of the Commission or of any individual Commissioner. The Commission has, however, voted to authorize us to submit these comments.

² See *Swedenburg v. Kelly*, 358 F.3d 223 (2d Cir. 2004) (upholding New York's direct shipping regulations).