



JUNEAU, ALASKA

Alaska State Legislature

Senate

The first meeting of the Senate Resources Committee was called to order by Chairman John Sackett at 3:10 P.M., January 9, 1973 at the State Capitol.

Present at the meeting were Senators Sackett, Thomas, Palmer, Hohman, Meland, and Rader.

Senator Butrovich was ill.

Chairman Sackett stated that this meeting was basically organizational. He would like to have all sponsors of bills do all fiscal, legal, and technical research.

He introduced Chuck Gibson, Administrative Assistant to the Committee and stated that he is at the disposal of all Committee members.

Chairman Sackett also felt that a special committee on fisheries may be created to have a more comprehensive study of this vast subject. The committee would be created with the understanding that all material would have to come back to the resource committee. He also felt that the committee should take a special interest in game and land management policies for the State of Alaska.

Senator Thomas felt that possibly a special committee on game management and state parks could also be created. He felt we should get a general overview of policies passed last year e. g. critical habitats and how they work.

Senator Rader felt the Committee should anticipate possible problem oil legislation.

Meeting adjourned at 3:25 until Thursday, January 11, 1973.

Respectfully submitted,

Lucy A. Carlo
Lucy Ann Carlo
Committee Secretary

The meeting was called to order by Chairman John Sackett
February 5 at 3:10 P. M.

Present were Senators Sackett, Palmer, Rader, and Thomas.

Discussion began on SJR 12. Senator Kay Poland felt that it was very important to hold hearing on the sale timber on Afognak Island. *(See attachment)*

Senator Palmer moved that SJR 12 (Sale of timber on Afognak Island) do pass and asked for unanimous consent. Hearing no objection, the Chair so ruled.

SJR 12

(Technical correction to SJR 12 is as follows: Page 2, Line 8 delete "the Honorable Edward P. Cliff" and insert "the Honorable John McGuire".)

Senator Thomas moved for a do pass on SJR 11 (delegate to the Law of the Sea Conference) and asked for unanimous consent. Hearing no objections, the Chair so ruled.

SJR 11

The Law of the Sea Conference is made up of approximately 134 Nations that come together on fisheries, mineral fisheries and decide on certain laws.

Senator Palmer moved and asked unanimous consent that SJR 15 (relating to National Marine fisheries service surveillance and enforcement program) do pass. Without objection, the Chair so ruled.

SJR 15

Commissioner Brooks spoke on SB 103 (an act relating to fish and game). He felt the concept of an advisory board to the Master board of Fish and Game would encourage competition between regional boards. He felt that a recognition of regional needs without regard to the people as a whole on resources of the State would be detrimental. He felt the

The meetin was called to order by Chairman John Sackett at 3:15 P. M. on March 1, 1973.

Present at the meeting were Senators Sackett, Hohman, Meland, Palmer, Thomas, and Rader.

Senator Thomas moved we do pass the SB 182. Hearing no objection, the Chair was ordered. (SB 182 is an act relating to fish and game.)

L. P. Carroll, Chief of the Miscellaneous Tax Section, Department of Revenue, spoke on SB 169. (See Attachement)

David Herrnstenn, Fisherman from Kodiak, spoke on SB 169. (See Attachment).

Jay Hammond representing Bristol Bay Borough spoke in favor of the bill and its intent to raise fishing taxes. He stated that there has been a poor fishing run the last two years and we should take into consideration the amount of money we receive as compared to the amount of money the State of alaska invests in management of its fisheries . He felt we were not utilizing our taxing authority particularly in rural Alska. He would ~~definitely~~^A endorse the bill.

Senator Palmer moved and asked unanimous consent that in refernce to SB 169 that Page, 4 line 8 through 13 be deleted. Hearing no objection, the Chair so ordered.

The delection is as follows to SB 169 "Sec. 73.75.130. REFUND TO LOCAL GOVERNMENTS. Subject to appropriation by law, the (THE) commissioner of revenue shall pay to each organized borough and each city of the first and (,) second (, AND THIRD) classes an amount equal to 10 percent of the amount of tax revenue collected in the borough or city from taxes levied

SENATE RESOURCES COMMITTEE MEETING

January 22, 1974 -- 3 p.m.

Committee members present included Senator Sackett, chairman; and Senators Butrovich, Hohman, Meland, and Thomas. Other legislators present were Senators Croft, Poland, and Silides.

Charles F. Herbert, Commissioner of Natural Resources, discussed the attached letters and their relation to the right-of-way leasing legislation passed during the special session. He said there was no difficulty making a connection at a pumping station. Delivering royalty oil at a convenient location could be made a condition of the lease and would not have to be a law or a regulation. The regulations in effect now are only emergency regulations and have not been adopted. There will be a public hearing on them in Anchorage on January 29. The economic feasibility of a tap will be determined by whether the user can pay the cost of installation. He felt it would be late March before the State will issue a permit.

Senator Butrovich asked Commissioner Herbert to make available to the committee copies of the laws and regulations for the sale of in-kind gas.

Senator Sackett asked Frances Ulmer of the Legislative Affairs Agency to find out if the Commissioner already has the powers needed to take care of the situation.

The meeting was adjourned at 3:35.

Senate Resources Committee

February 4, 1974 3:00 p.m.

Re: Department of Natural Resources Regulations

Will Condon testified that notices were published in newspapers, hearings held in Anchorage, regulations adopted and would become effective four weeks from date of adoption.

The regulations don't change the burden of proof. They were not intended to hamper actions of the court in reviewing the Commissioner's actions.

Senator Croft stated that as the regulations read, the Commissioner has to have evidence as to why the application should be denied.

Will Condon said that the applicant has to provide information to the Commissioner. The burden of proof isn't on the Commissioner -- he has the option to require whatever information he needs to make a decision. It would be possible to propose an amendment to change the wording.

Re: Application to impair or abandon service -- "no adverse effect"
Discussion of interpretation of wording. Does economic feasibility mean the same as cost. Are we asking the person requesting the connection to make a value judgment?

Condon testified that this was just for information and not binding in any way. Public benefit conditions (state interest) were purposely left broad -- not spelled out.

Background on emergency regulations: They are good for 120 days during which time the established procedures for adoption of permanent regulations must be followed.

Senate Resources Committee

3/5/74

The meeting was called to order by Senator Sackett, Chairman, with all members present.

Robert Dwyer, Acting Commissioner, Department of Public Works, was introduced. Mr. Dwyer stated that he had brought the following men with him in an effort to determine whether or not a spill occurred, how extensive it was, and how similar situations would be handled in the future.

Mr. Jack Addington, Operations Supervisor
Mr. Ed Evans, Maintenance
Mr. Dick Edwards
Capt. R. G. Reid, U.S. Air Force
Mr. Frank Blodgett, Public Safety, Fish and Wildlife

Mr. Addington: Three dumps took place in the gravel area 30 - 40 feet from the edge of the new parking lot: twice the ground was not frozen and the solution drained into the ground; once with the ground frozen, the solution spreading out approximately 150 feet.

It is 2270 feet from the parking lot to the Naknek river and 730 feet from the parking lot to Fox Creek. There is a 5 foot drop from the parking lot to either area.

He saw "no possible way" for the alcohol to have gotten into the creek.

The dump was ordered because it was thought that the solution was contaminated. Analysis of the solution dumped from the same tank showed that the solution contained only 1/2% contaminants.

Mr. Evans: He explained how alcohol was/is used to clear the runway. It never runs outside the lights. They have orders not to burn fuel. He didn't think the dump could possibly contaminate the river.

Commissioner Brewer, Environmental Conservation
He received correspondence from J. Mark Johnson, Bristol Bay Area Corp., on 12/26. On 1/2 he wrote to Commissioner Easley enclosing the letter from Johnson and asking for information. 1/21 Easley received a TWX stating that only water was dumped according to Fish and Game. More information would follow. (There had been another dump of water only from an alcohol truck -- hence the confusion) On 2/18 Dr. Brewer received the report of Mr. Blodgett, investigator, stating that three dumps took place of questionable amounts.

He received correspondence from the Bristol Bay Area Health Corp. asking why no response to the charges had been made. A proper investigation took longer than expected and he should have notified the Health Corp.

Mr. 3/5/74

Senate Resources Committee Meeting
April 9, 1974

The meeting was called to order at 3:15 p.m. by Senator Sackett, Chairman.

Members Present: Senator Sackett, Senator Palmer, Senator Thomas, Senator Butrovich, Senator Meland

Two members of the Citizens Participation Conference Resources Committee testified. Jerry Liboff (see attached) Tony Paul stated that advisory boards should be given regulatory power but he was not in favor of SB 326.

Critical Habitat

Commissioner Brooks explained the law, history, and effect. Mike Smith, Habitat Director, gave a description of the areas included in the bill. A biological perspective of the areas was passed out.

A discussion followed between Brooks and Herbert about the designated areas. Natural Resources opposed the inclusion of islands off Prudhoe Bay. Mike Smith felt the Gastineau Channel area should be removed because it creates too many problems.

Senator Palmer moved that 73-3, 73-4, 73-15, and 74-12 be deleted. Seconded by Senator Thomas. Senator Palmer moved to bring up just Katchemak Bay.

The bill was passed out of committee with amendments.

Hatcher Pass

Commissioner Herbert endorsed the substitute introduced by Natural Resources. The bill will be re-worked before committee action.

S

B 507

Phil Daniels testified that the bill is necessary for Alaska's continued fisheries and essential to future bargaining power. Two amendments were proposed. Senator Meland moved that the bill do pass with amendments.

1973-74

SENATE RESOURCES COMMITTEE

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1973

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REPORTS

AS OF March 30, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

RESOURCES

Committee

<u>Referred</u>	<u>No.</u>	<u>Title</u>	<u>Further Referral</u>
1-9-73	SB 19	Funds for State fair buildings	
1-11-73	SB 39	Regulations into Alaska Commercial Fisheries	
1-18-73	SJR 5	National conservation system designations	
1-17-73	SB 51	Relating to floating cannaries, buyers	
1-23-73	SB 66	Relating to business license fees	
2-9-73	SB 129	An act relating to guiding	
2-14-73	SCR 30	Annualing regulations by Environmental Conservation	
2-13-73	HB 14	Fishing, hunting, and trapping licenses	
2-15-73	SB 147	Conservation of fishery resources	
2-9-73	HJR 23	National conservation system designations	
2-23-73	SB 169	Relating to fisheries taxes	
3-5-73	SB 190	Relating to subdivisions	
3-6-73	HJR 27	Relating to net fishing of anadromous fish	
2-14-73	SB 145	Trail staking & shelter construction	
3-20-73	SB 155	Shellfish licensing	
3-17-73	HB 278	Relating to fur farming	
3-22-73	HB 368	Commercial fishing loan act	
3-22-73	SCR 48	1973 Bristol Bay fishery	
3-26-73	CSHB 126	Limited Entry	
3-27-73	SB 230	Pertaining to leasing of State land	
3-29-73	SB 247	Cont. of Alaska Rural Environmental Assistance Program	
3-29-73	SB 239	Prohibiting Crab Processing on Commerical Crab Fishing vessels	
3-30-73	HB 242	Relating to the waste of wild food animals	

HCR 75

CR 52

relating to the waste of wild food animals
relating to the waste of wild food animals

AS OF March 23, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

RESOURCES

Committee

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1- 9-73	SB 19	Funds for State fair buildings	
1-11-73	SB 39	Regs of entry into Alaska commercial	
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1-17-73	SB 51	Relating to floating cannaries, buyers	
1-23-73	SB 66	Relating to business license fees	
2- 9-73	SB 129	An act relating to guiding	
2-14-73	SCR 30	Annualing certain administration regulations adopted by Dept. of Environmental Conservation	
2-13-73	HB 14	Fishing, hunting, and trapping licenses	
2-15-73	SB 147	Conservation of fishery resources	
2-19-73	HJR 23	National conservation system desig- nations under ANCSA	
2-23-73	SB 169	Relating to fisheries taxes	
3- 5-73	SB 190	Relating to subdivisions	
3- 6-73	HCR 17	Oil and gas development in lower Cook Inlet	
3- 6-73	HJR 27	Relating to high seas net fishing of anadromous fish	
2-14-73	SB 145	Trail staking & shelter construction	
3-20-73	SB 155	shellfish licensing	
3-17-73	HB 278	Relating to fur farming	
3-22-73	HB 368	Commercial fishing loan act	
2-22/73	SCR 48	1973 Bristol Bay Fishery	

RESOURCESCommittee

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2-15-73	SB 147	Conservation of fishery resources	
2-19-73	HJR 23	National conservation system designations under ANCSA	
2-23-73	SB 169	Relating to fisheries taxes	
3- 2-73	HCR 54	Annualing certain administrative regulations adopted by Dept. of Environmental Conservation	
3- 5-73	SB 190	Relating to subdivisions	
3- 6-73	HCR 17	Oil and gas development in lower Cook Inlet	
3- 6-73	HJR 27	Relating to high seas net fishing of anadromous fish	
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2-20-73	SB 155	Shellfish licensing	

AS OF March 9, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

RESOURCES

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AS OF March 2, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

Committee

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1- 9-73	SB 19	Funds for state fair buildings	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating canneries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license license fees	
2- 9-73	SB 129	An Act relating to guiding	
2-14-73	SCR 30	Annualing certain administrative regulations adopted by the Dept. of Environmental Conservation	
2-13-73	HB 14	Fishing, hunting, and trapping licenses	
2-15-73	SB 147	Utilization and conservation of fishery resources	
2-19-73	HJR 23	Relating to national conservation system designations under Sec. 17(D)2. of ANCSA	
2-23-73	SB 169	Relating to fisheries taxes	
3- 1-73	SB 182	An Act relating to fish and game	
3- 2-73	HCR 54	Annuling certain administrative re- gulations adopted by the Dept. of Environmental Conservation	

AS OF February 23, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

RESOURCES
Committee

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1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating canneries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license fees	Finance
2-14-73	SCR 30	Annuling certain administrative regulations adopted by the Department of Environmental Cons.	
2-14-73	SB 145	Special account for trail staking and shelter construction	
2-13-73	HB 14	Fishing, hunting, and trapping licenses	
2-14-73	SJR 24	Regarding construction of the trans-Alaska pipeline	
2-15-73	SB 147	Utilization and conservation of fishery resources	
2-16-73	HCR 49	Congratulating Jack Horton	
2-22-73	HJR 32	relating to banning certain imported fish	
2-23-73	HB 73 am	Open to entry land restrictions	
2-23-73	SB 169	relating to fisheries taxes	
2-22-73	HJR 24	Relating to federal cut-backs in fisheries research funds	

RESOURCESCommittee

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1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating cannaries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license fees	Finance
1-31-73	SB 99	An Act relating to the subsistence of fish and game zones	
9-73	SB 129	An Act relating to guides	
2- 9-73	HB 73	Restricting open-to-entry lands to State residents	
2-14-73	SCR 30	Annuling certain administrative regulations adopted by the Department of Enviromental Con.	
2-14-73	SB 145	Special account for trail staking and shelter construction	
2-13-73	HB 14	Fishing, hunting, and trapping licenses	
2-14-73	SJR 24	Regarding construction of the trans-Alaska pipeline	
2-15-73	SB 147	Utilization and conservation of fishery resources	
2-16-73	HCR 49	Congratulating Jack Horton	
2-16-73	HJR 16	Funds for anadromous fisheries programs	
2-16-73	SSSB 103	An Act relating to fish and game	

ResourcesCommittee

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1- 9-73	SB 19	Funds for State fair buildings	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating cannaries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license fees	Finance
1-31-73	SB 99	An Act relating to the subsistence of fish and game zones	
2-2-73	SB 103	An act relating to fish and game Guiding	
2- -73	SB 129		
2- 6-73	SJR 16	Relating to the Semidi National Wildlife Refuge	
2- 6-73	SJR 17	Relating to the renaming of Mt. McKinley	State Affair
2- 8-73	CSHB 1	An act relating to guides	
2-9-73	HB 73 am	Restricting open-to-entry lands to state residents	

AS OF February 2, 1973

Senator Sackett Chairman

Senator Butrovich V. Chairman

RESOURCES

Committee

<u>Referred</u>	<u>No.</u>	<u>Title</u>	<u>Further Referral</u>
1- 9-73	SB 19	Funds for State fair buildings	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating cannaries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license fees	Finance
1-30-73	SB 95	An Act relating to endangered species of wildlife	Judiciary
1-31-73	SB 99	An Act relating to the subsistence of fish and game zones	
2- 2-73	SB 103	An Act relating to fish and game	
2- 2-73	SJR 12	Relating to the sale of timber on Afognak Island	
2- 2-73	SJR 11	Relating to an Alaska delegate at the Law of the Sea Conference	

RESOURCES COMMITTEE

<u>Referred</u>	<u>Bill No.</u>	<u>Title</u>	<u>Further Referred</u>
1- 9-73	SB 19	Funds for State fair buildings	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANSCSA	
1-17-73	SB 51	Relating to floating cannaries, buyers, and processors	
1-23-73	SB 66	An Act relating to business license fees.	Finance
1-25-73	SB 77	Making funds available for Fish & Game for special study	Finance
1-25-73	SB 78	Bond for \$5 million for purpose of funding production and Rehabilitation projects for fisheries	Finance
1-26-73	SJR 10	Relating to the classification of certain Alaska land.	

As of January 19, 1973

Senator Sackett, Chairman
Senator Butrovich, Vice Chairman

RESOURCES COMMITTEE

<u>Referred</u>	<u>Bill No.</u>	<u>Title</u>	<u>Further Referred</u>
1-9-73	SB 19	Funds for State fair buildings	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	
1-18-73	SJR 5	Relating to national conservation system designations under ANCSA	
1-17-73	SB 51	Relating to floating cannaries, buyers, and processors	

As of January 13, 1973

Senator Sackett, Chairman
Senator Butrovich, Vice
Chairman

RESOURCES COMMITTEE

<u>Referred</u>	<u>Bill No.</u>	<u>Title</u>	<u>Further Referred</u>
1- 9-73	SB 19	Funds for State fair buildings	Finance
1- 9-73	SB 22	Funds for cold weather botanist positions	Finance
1-11-73	SB 39	Regulations of entry into Alaska Commercial fisheries	

1973

MINUTES, ETC.

1/9/1973 - 3/30/1973



JUNEAU, ALASKA

Alaska State Legislature

Senate

The first meeting of the Senate Resources Committee was called to order by Chairman John Sackett at 3:10 P.M., January 9, 1973 at the State Capitol.

Present at the meeting were Senators Sackett, Thomas, Palmer, Hohman, Meland, and Rader.

Senator Butrovich was ill.

Chairman Sackett stated that this meeting was basically organizational. He would like to have all sponsors of bills do all fiscal, legal, and technical research.

He introduced Chuck Gibson, Administrative Assistant to the Committee and stated that he is at the disposal of all Committee members.

Chairman Sackett also felt that a special committee on fisheries may be created to have a more comprehensive study of this vast subject. The committee would be created with the understanding that all material would have to come back to the resource committee. He also felt that the committee should take a special interest in game and land management policies for the State of Alaska.

Senator Thomas felt that possibly a special committee on game management and state parks could also be created. He felt we should get a general overview of policies passed last year e. g. critical habitats and how they work.

Senator Rader felt the Committee should anticipate possible problem oil legislation.

Meeting adjourned at 3:25 until Thursday, January 11, 1973.

Respectfully submitted,

Lucy A. Carlo
Lucy Ann Carlo
Committee Secretary

The meeting was called to order by Chairman John Sackett, January 12, 1973 at 3:10 P. M.

Senators Sackett, Meland, Palmer, Thomas, and Rader were present.

Senator Kurttula was thereto speak in behalf of SB 22 (Concerning two additional cold weather botanists). He said in addition to the material presented, he has requested from the Department of Resources for a special statement on this subject. He said this Bill would provide monies for agricultural experimentation and gathering.

SB
22

Dr. Logston, Assistant Chief of Palmer Experimental Station, also presented a statement in support of SB 22.

Senator Palmer stated that in order for the program to work, it was important that the administration understand what the objectives of the program were and why they were asking for more monies.

Dr. Logston, a well known authority on agriculture, stated that the two additional cold weather botanists were important for the plant material center and would compliment the two present agronomists. The two botanists would substitute the two agronomists presently on the staff. Agronomists are mainly concerned with growing and fertilizing of soil. The two botanists would be researching but collecting and expanding on other materials found throughout the State. The budget submitted in the Bill does allow for traveling throughout the State.

Senator Palmer asked how the oil companies tie in with the objectives of the program.

Dr. Logston stated that the oil companies were extremely interested in revegetation, soil conservation, and soil drainage.

Senator Kurttula stated that the oil companies may want to work with us to help and they are interested in soil stabilization, revegetation, etc.

Asked whether the program would work with just one botanist, Dr. Logston felt they would like two see the two botanists left in the program. There would be alot of travel included in this project and the project would utilize both botanists immediately. He stated there seems to be no other plant material here in Alaska.

Senator Sackett asked if they could guarantee that there is no other plant material here in Alaska.

Senator Kurttula said that they will be double checking with other experimental plants

in Alaska for the same material therefore there should not be any duplication with other institutions.

Dr. Logston stated they will be traveling throughout the State to gather these plants and that the budget provided for plant stations to be established in other locations. The stations will be located at Kodiak, Kenai, Manley Hot Springs, possibly two in the Fairbanks area, North Slope possibly, and later Southeastern. He felt that other agencies were interested in this subject such as the U. S. Forest Service and the oil companies.

Senator Thomas moved that we pass SB 22, and asked for unanimous consent. There being no objections, the Chairman ordered SB 22 passed.

SB
22

Senator Sackett asked the Committee what they felt the new Fisheries Committee, created that morning, should do and what exactly the mechanism of bills, etc. in relation to this committee should be.

Senator Palmer felt that he had no objections to the new Committee but felt that all material should go through the Resources Committee. Anything about fisheries should go through the Resource Committee and then delegated to the special committee.

Senator Thomas felt we should, as a special assignment, study game management and critical habitat.

Senator Meland would like to have a progress report on the Lost River project.

Meeting adjourned at 4:00 P. M.

Respectfully submitted,

Lucy Ann Carlo

Lucy Ann Carlo
Committee Secretary

Attachments: Statement by Commissioner
Statement by Dr. Logston

TO: The Natural Resources Committee

I am writing in support of Senate Bill 22. As you are aware, the last Legislature authorized the establishment of a plant material center as a joint effort of the Department of Natural Resources and the Institute of Agricultural Sciences.

The establishment of the center is proceeding very well and I believe it will be in operation with fields planted by this coming summer's growing season.

In order for this State plant material center to be most effective in developing materials for use by all Alaskans, it is necessary that efforts be made to obtain as much and as diverse material as possible from climatically similar areas.

The Institute of Agricultural Sciences has had a collection program for Alaskan grasses and legumes since 1956. This was supported for several years by grants from the Rockefeller Foundation and is presently supported primarily by grants from various oil companies and the pipeline company who are interested in re-vegetation of disturbed areas with adapted northern plants.

From this work has come nugget blue grass which is in the process of market development throughout the U. S. and northern Europe and arctared fescue. These two varieties, in addition to their usefulness throughout Alaska and elsewhere are the two most promising varieties

for re-vegetation on the North Slope. These varieties are being produced by Alaskan seed growers.

The plant material center is designed basically for the support of agriculture, but it must be kept clearly in mind that agriculture in Alaska means much more than just the growing of crops. It also means the restoration and healing of the scars of construction whether this is pipeline, highway, apartment or housing developments. It means the production of food by commercial producers and home gardeners. It means beautification of homes and commercial landscaping. It means houseplants and flowers. It means fruit and scrubs. All of these use the methods, material and techniques of traditional agriculture and all have the same kind of agriculture.

Experience gained by the Institute over the past 25 years of varital screening shows clearly that we cannot depend on plant material collected, selected and maintained by and for people in the other states. As an example, we have tested the world collection of several of the cereal grains for their adaptation to Alaska conditions. From these only the Scandinavian and Russian material has been of value here, and this material was limited. It was discussed later that original collection had been screened in other areas before being tested in Alaska and they were not truly world collections. In addition, these so called world collections are maintained in warm areas such as Arizona where the shorter days of growing season have a detrimental effect on varieties adapted to the north, and it is likely that many varieties with potential use in Alaska were lost.

No where in the world is there a center for plant materials adapted to the north. The establishment of the Alaska plant material center in addition to providing a gene bank of Alaskan materials for use by Alaskans, also opens the door to the possibility of the development of an international gene bank for useful northern plant material. Not only will these plant materials be of value to Alaskans themselves but the establishment of an Alaskan gene bank could serve to attract considerable funding from various foundations and other sources. Because of Alaska's strategic, geographical location, such development would establish Alaska as a center for seed production of plants adapted to northern areas around the world.

In addition to the advantages to be derived from SB 22 in the accumulation of valuable plant materials there are two other specific benefits that should come of this. One is the contacts that can be developed with the people in the areas of collection which can be and undoubtedly will be of long and fruitful duration. Future exchanges of materials would thereby be facilitated on a person to person basis. Secondly and perhaps as important is the plant materials themselves would be the cultural technique invaluable in growing much of this material. Not only has Alaska in the past imported its varieties from the other states but we have also directly imported the method for growing these varieties. The importation of techniques would be especially important in the case of fruits and ornamentals, techniques already adapted to areas similar in climate to Alaska. Having visited research stations throughout northern Europe in 1958 and having spent a year doing research at the Norwegian Agricultural

College in Nollebeck, Norway in 1961-62, I am keenly aware that a great deal of information and plant materials have been developed in northern Europe of which we have been unable to take advantage.

Because we are faced with stringent State budgets, I think we have to consider investments in renewable resources that stand to return to the State a great deal more than the amount invested. One such involvement which should return long-term benefits to all Alaskans would be the support of plant materials collected as specified in SB 22.

January 12, 1973

Senator John Sackett, Chairman
Senate Resources Committee
Alaska State Senate

Subject: SB 22 - Funding of two Botanist positions within
the Department of Natural Resources

The sum of \$80,000 is requested to fund two Botanist positions within the Department of Natural Resources. They will be located with the Alaska Division of Agriculture in Palmer and, with the two present agronomists, shall form the professional staff of the Plant Materials Center.

The 1972 Legislature passed legislation creating a Plant Materials Center to be located in the Matanuska Valley with the primary objective being the creation of a viable seed and plant materials industry in Alaska. The center constitutes a means whereby the State can initiate supplies of adapted plant materials to the various areas within Alaska, thus making possible adaptable revegetation projects and will help to save individuals and agencies a substantial amount of money and effort on wasted plant materials that are not conclusive to the Alaskan environment.

Programs instigated by the Center have the basic objective of assembling, evaluating, selecting, and increasing the plant materials needed in soil and water conservation, agriculture, and other industries, and to maintain genetic purity of these materials.

Follow-up objectives are to propagate promising materials by field plantings on sites that represent soil and climatic conditions not similar to those at the Center and

Senator John Sackett

- 2 -

January 12, 1973

to provide and maintain basic seed stocks for agriculture and conservation interests.

Because much of our Northern Alaska vegetation, soils, and climatic conditions differ from other states, it is felt that to fully implement the professional staff of the Center, two Botanists to supplement the presently approved agronomist positions would give the facility the needed staffing now, especially with the pending developments in Northern Alaska. Knowledgeable people to gather the basic native plant materials for propagation is critical, as is the selection of non-native materials for successful adaption, especially in the northern areas.

To fully implement a professional position of this type and provide the travel and necessary supplies and facilities, \$40,000 annually is necessary.

Charles F. Herbert, Commissioner
Department of Natural Resources

The Special House-Senate Joint Resources meeting was called to order by Senate Chairman of Resources John Sackett at 3:15 P. M. on January 15.

In attendance were both the Senate and House members. Speakers were Commissioner and member of the Federal State Land Use Planning Commissioner Chuck Herbert and Co-Chairman Joe Josephson.

Chairman Sackett stated that the Commission was deciding on policies for land use for many private and federal agencies. He stated that we need, as legislators, as much input into that Commission as possible.

Joe Josephson, Co-Chairman of the Commission, stated that the Commission was established as an advisory governmental agency. The Commission is charged with making recommendations for parks, wildlife, and forests which there are presently 79 million acres of in D-2 lands. He stressed that the Commission would like the Department of Interior to see as many competitive agencies' plans as possible. To do this, they are planning hearings throughout Alaska. In fact, January 31 they will be holding their first hearing here in Juneau which will allow legislators to present testimony.

He said the Commission will decide on what the 79 million areas in Alaska will be designated as (e. g. Wildlife, forest, or recreation). They will have to work out different combinations for each area. They will also make recommendations on lands that are available for State and Native corporations, recommendations on laws, budgets, and proposals concerning

land use. The Commission is directed also to make recommendations for further growth and development. They will determine easements and right-a-ways. They will work to avoid necessary conflicts with Native regions.

Members on the Commission consist of Joe Fitzgerald, Collidge, Sullivan, Carter, Hunter, Horton, Hurley, Herbert, Brewer, and Josephson. The Commission also utilizes an advisory board. Part of the employees for the Commission consist of two attorneys and a community type liason officer for Native corporations which is Cliff Black. The staff is presently compiling resource material for Native regions and other State agencies. They are presently developing a natural resources library in Anchorage. They are also utilizing the satellite to establish what materials or resources are in different geographical areas. This data is being compiled to help Native corporations and State agencies meet the time tables in the Alaska Native Land Claims Settlement Act.

The Commission has not yet come up with guidelines concerning easement but must do so shortly. BLM has not come up with regulations but regulations should be forthcoming shortly.

Mr. Josephson stressed agin that they wanted "people involvement" when they make their recommendations.

He stated that one attorney is working 75% of her time on the ~~definition~~ of navigable waters and has not yet brought her recommendations to the Commission.

Some Native regions have requested that the central

township be conveyed over to the village corporation so that they can have some measure of subsistence control. The Commission agreed in principal since the village will have to select the central township anyway. He stated that the subject will be brought up in Juneau later this month.

Surveying of all lands will not be complete until 1980 and records of these surveys will not be completed until much later. There will be a survey seminar in Anchorage February 12 to encourage a more rapid procedure of surveying.

By September of 1973, the Commission must have their recommendations to the Secretary of Interior so that they can present them to Congress in December.

Asked whether the State and the Federal Governments would designate unilaterally navigable waters, Mr. Josephson stated that the BLM will go ahead and designate navigable waters where clearly navigable. He said years ago, Barlett introduced a bill defining navigable waters. BLM stated that they could not define navigable waters because it was BLM's responsibility. The bill never went through.

The Chairman, John Sackett, stated that the Commission can recommend that the Government withdraw D-2 lands for D-1 so that State is eligible for these selections.

Senator Sackett asked how the State of Alaska can have input into the Commission so that they can get their just share of lands.

Mr. Josephson stated that all legislators and residents of Alaska can make recommendations and this was the reason

for the future hearings.

Senator Hensley asked if the 76 million acres of land selected by the State of Alaska, if there should be a disagreement with Federal agencies, would the Commission act as an arbitrator.

Mr. Josephson felt that he did not think the Commission was meant to be an arbitrator for the State and Federal government.

Commissioner Chuck Herbert, Commissioner of Natural Resources for the State of Alaska, stated the Commission was close to getting all their full entitlement of lands for the State. D-1 lands can be selected for the State. Presently, the Commission has a 30 man crew working for the State of Alaska and the Federal government. He stated that they are working under a time schedule that will come to an end shortly. They must get everyone's input because there are all kinds of lands used in many different classifications. The accuracy of what is on the land, what it will be used for is sometimes vague. He felt that these recommendations made by the Commission will have little public input because of the time table and plans would have been already crystalized before public will be able to see the regulations.

In concluding, Commissioner Brooks stated that the recommendations made to the Secretary of Interior was subject to approval of the Governor of Alaska and the Secretary of Interior.

Meeting adjourned at 4:45 P. M.

The Resources meeting was called to order at 3:25 P. M. by Chairman John Sackett on January 19, 1973.

Present were Senators Sackett, Meland, Rader, and Palmer.

Present also at the meeting was Commissioner Chuck Herbert of the Department of Natural Resources and William Fackler, Assistant to the Commissioner for Minerals, Division of Geological Survery.

Commissioner Herbert stated that the management of State lands is required by law. They do not sell lots unless the amount of lands is at least one acre because it would be to confusing for a record system. In selling these lots belong to the State, the Commissioner stated they would rather sell to a developer then to a large amount of individuals. On objection with this process is people would like to see the profit going to the State rather then an individual person or company.

Senator Palmer asked how the State handled erosion cases where land was eroded by the sea. The Commissioner said he had not heard of any of these cases but would look into them for the Senator. One specific example was around the Ninikchik area.

The State does not sell tentatively approved lands that may be selected as a village site because this would be creating third party interests.

The Commissioner mentioned that the central township owned by the village corporation may be given title to. The only objection to the conveyance was that no one had a definition of navigable waters.

Senator Rader asked if it was possible to make an act defining navigable waters because the Federal government would not act on this question.

The Commissioner said Barlett years ago introduced a bill trying to define navigable waters but it was killed. However, if a bill was introduced at this time defining navigable waters, it may strengthen our case. BLM so far has accepted all the State maps and their selections. Presently, they have no criteria for selecting navigable water areas and the smallest lake they have picked so far is 600 acres. Makes that there is no question about, the State selects. He said one attorney for the Land Use Planning Commission spends 75% of her time to define navigable waters but have not yet come up with any recommendations. He stated if oil and gas was ever found, we would have a mess if we defined 25 acres as navigable. For example, areas such as the Delta area would all be owned by the State.

Senator Rader felt we should assert our rights now. What is to our benefit we should fight for.

Senator Sackett stated that the Native corporations are willing to sit down and solve this major problem of defining navigable waters.

The Commissioner said he did not know whether the State and Native corporations have the right to define navigable waters. He will, however, start searching for the best definition of this for the State.

The Commissioner stated that 10% of Borough land can be given to a borough or city and can be leased to a body for

\$1 per year. In reference to the boroughs, the North Slope Borough can select 10% of the State lands that are not occupied. He stated taht there are 8 or 9 types of land classification of which are some of the following: homesites, argricultural, timber, grazing, resources management, fish and game, material, and reserve lands.

Senator Sackett requested that the Commissioner provide the Committee with all the profit and loss statements of the University of Alaska's 100,000 acres of land.

Commissioner Herber stated that no organization can be given land by the State but they can lease it to them.

Senator Palmer asked how the State of Alaska reclassified their lands.

Mr. Herbert said they usually hold a hearing but if there appears to be no objection and are requested to change the classification, they will change it automatically. The State lands usually gross about one million dollars a year. The State selected 80 million areces of land because they did not want the Federal government or the Native corporations to get it. The selection was made mostly on mineral potentials, some forest lands, and some fish and game lands.

Bill Fackler proceeded to explain why and what were on the lands selected by the State. The lands contained both mineral and petroleum value.

The Commissioner then stated taht about 5 or 6 million acres were selected for fish and game so that there would be no federal agencies telling the State how to regulate their own lands. Not many lands were selected for their

timber potential. About 16 million acres were lost to the Federal government around the Wrangle Mountains. BLM apparently had classified this area so that the State could not select it and later the State found out that they could have selected it. Today, approximately 65 million acres are selected for the State.

Senator Sackett suggested that the six million acres selected for fish and game be changed to six million acres of mineral potential for economic benefits.

The Commissioner stated that the Land Use Planning Commission will have all material available to them by June. They will have to analyze the material by September in order to make recommendations to Congress in December. One of the problems is that the Commission has to identify needs, future needs, and growth predications. D-1 lands are frozen to non-methlic lands. D-2 lands are frozen to everything.

Meeting adjourned at 4:55 P. M.

The Resources Committee meeting was called to order by Chairman John Sackett, January 30, 1973 at 3:15 P. M.

Present were Senators Sackett, Meland, Hohman, Thomas, Rader, and Palmer.

Commissioner Brooks, Department of Fish and Game, spoke generally on his Department's budget, reasons for poor yield of salmon this year, moose and deer populations, etc. The discussion was basically a question and answer period between the Commissioner and the Committee members on a variety of subjects. The Commissioner felt there are problems with the protection of the game resources. They do not have a means to regulate fisheries. An example being the Alutian Chain and the Alaska Peninsula where they cannot regulate the crab fishing. The question as to what extent can we burden the Alaskan taxpayer for more protection monies was posed by the Commissioner. He felt that they could not have management and protection services divorced from each other.

The Commissioner stated that polar bear control is now being put into effect. For years they were heavily harvested. Now, the abundance of cubs and mothers is high. He stated that only Natives could hunt the polar bears by the Marine Mammal Act but they cannot be killed from the air. The bears must be used for subsistence only.

The commissioner was asked for statics in harvesting for each fish and game unit.

Senator Sackett asked if the State was getting enough revenue off the crab industry.

The Commissioner felt the State ought to derive more

revenue off the highly profitable industries because they are being subsidized by the State of Alaska to manage the industry.

Senator Sackett asked why the amount of game was so low. Commissioner Brooks felt the depressed state is due to failure of reproduction and failure to mature to adult size. Also, young fish die because of climatic conditions.

Meeting adjourned at 4:00 P. M.

The Resouces Comittee meeting was called to order by Chairman John Sackett at 3:15 P. M., January 31, 1973.

Present were Senators Sackett, Palmer, Rader, and Meland.

Senator Sackett recommedned that SJR L0 be amended as follows: Page 2, Line 5: Delete "." and insert "; and be it" also Page 2, Line 6 insert "FURTHER RESOLVED that the Land Use Planning Commissioner, Department of Interior, and all other Federal agencies involved are strongly urged to adopt multiple use land use classification wherever in the best interest of the people of the state."

Senator Rader moved that SJR 10 (Classification of certain Alaska land) do pass with the above amendments. SJR 10
Hearing no objections, the Chair so ruled.

Joel Bostrum, from Legislative Affairs spoke on SB 95 (an act relating to endangered species of wildlife). The bill he stated was to tighten up the whole endangered species in Alaska. The bill would broaden the State law so the State can also prosecute as well as the Federal government.

Senator Palmer moved that SB 77 (\$5 million for production and rehabilitation projects for recreational, etc.) pass SB 77
and asked for unanimous consent. Hearning no objection, the Chair so ruled.

Senator Palmer moved that SB 78 (Appropriation to the Department of Fish and Game for a study in recreational and commercial production and rehabilitation projects) do pass. SB 78
Hearing no objection, the Chair so ruled.

Meeting adjourned at 4:00 P. M.

The meeting was called to order by Chairman John Sackett
February 5 at 3:10 P. M.

Present were Senators Sackett, Palmer, Rader, and Thomas.

Discussion began on SJR 12. Senator Kay Poland felt that it was very important to hold hearing on the sale of timber on Afognak Island. *(See attachment)*

Senator Palmer moved that SJR 12 (Sale of timber on Afognak Island) do pass and asked for unanimous consent. Hearing no objection, the Chair so ruled.

SJR 12

(Technical correction to SJR 12 is as follows: Page 2, Line 8 delete "the Honorable Edward P. Cliff" and insert "the Honorable John McGuire".)

Senator Thomas moved for a do pass on SJR 11 (delegate to the Law of the Sea Conference) and asked for unanimous consent. Hearing no objections, the Chair so ruled.

SJR 11

The Law of the Sea Conference is made up of approximately 134 Nations that come together on fisheries, mineral fisheries and decide on certain laws.

Senator Palmer moved and asked unanimous consent that SJR 15 (relating to National Marine fisheries service surveillance and enforcement program) do pass. Without objection, the Chair so ruled.

SJR 15

Commissioner Brooks spoke on SB 103 (an act relating to fish and game). He felt the concept of an advisory board to the Master board of Fish and Game would encourage competition between regional boards. He felt that a recognition of regional needs without regard to the people as a whole on resources of the State would be detrimental. He felt the

ten man board presently existing should be adequate. If this bill passes, we will be involving over 100 people. He stated the regional boards would not function as expeditiously as the present Master board and that it would require a staff person from the Fish and Game Department at each meeting to provide information we have available. The staff would spend a great deal of time attending meetings with less time devoted to field work. Time and man power would be great. He felt the bill implementation would be burdensome and troublesome. No one would be responsible for the decisions made by the boards. (SEE ATTACHMENT FOR DEBATE TRANSCRIPT)

Senator Palmer felt that the regional boards would be responsible for their own decisions and felt that this would not be a problem at all. He felt that strife between boards was no excuse because it exists today with the Master Board.

The Commissioner felt that regional boards would narrow interests rather than be decided on on a statewide basis.

Senator Palmer stated the Master Board considers 13 classification where as the regional boards would only consider 4 classifications. The regional boards would act like screening committees for the total board; also, regional fish and game personnel can be at the regional board meetings.

Senator Sackett requested the Fish and Game Department for their formal recommendations on SB 103.

Meeting adjourned at 4:00 P. M.

James Brooks, Commissioner
Department of Fish and Game

concerning Seante Bill No. 103

The bill had not come down to the Department and I have had no opportunity to look at the final version although I did see a draft prior to the introduction and I think I am familiar with it. The concept of getting greater public participation and involvement in matters involving the administration of fish and game resources is difficult to fault, although there are faults.

① For one thing, it disburses a uthority for administering the resources to the poitn where no one can be held responsible for actions that would be bad or detrimental to the resource as a whole or the public interest in general. ② I believe there will be problems of competition or strife between boards where they are dealing with a common source. ③ I think also that it tends to assign a certain proprietary recognition of the resource in a given area to the people in that area without regard to the fact that people in the major urban centers have a proper and valid claim to the resources of the state no matter where they occur. *around or into*

④ The democratic process assigns the whole destiny of the resource to an elected governor and sixty elected representatives. It seems to me that a ten member board as we presently have which is confirmed by the Legislature, scrutinized by the public as to the qualifications of the individual on the board is adequate to administer this resources of the people. It , we would be involving well over a hundred individuals in the regulation of making a process proposed by this bill. I believe that number would find it difficult to act in uniformity in accordance with the best principals of conservations and requirements of the resource.

The large number of beards created by this legislation would not function as expediently as a single board for the reason that regulations are no better than the understanding and knowledge of the resources that lead to the conclusions expressed by the regulation or the decisions expressed by the regulation. To have all of the information available on the resources in a given area would require that the Department of Fish and Game be present at each board meeting and ideally at each advisory committee meeting to provide the people with such information as the state governmentn has. This would mean that the present staff would spend a great deal of time attending board meetings with proportionately little time devoted to the actual field work, that is essential to understanding the resource. The Board of Fish and Game presently meets twice a year. These meetings last two to three weeks. I think you can readily appreciate how much

time and manpower that would be invested in having the staff of the Department assist in meetings twice a year of some thirteen boards, each or rather twelve of which would have a satellite advisory committee. Those are the reasons, Mr. Chairman, that I would feel that while the objectives of the sponsors of the bill were very noble indeed, implementation of the bill would be troublesome and expensive for the state and may result in poorer quality of management than we have been getting with a single board.

Palmer: Jim, one of your points was that you felt that no one would be held responsible for shall we say poor decisions being made. Well, I don't understand why not. It seems to me very clearly that the local regional board would be held responsible and there would be a similar responsibility with the master board because the legislation clearly says that any time a decision by the regional board that is not in the best public interest, then that master board may either veto or amend so that it is in the best public interest. You talk about strife between boards, about a resource, that is there now between regions on occasion on a common resource. For instance the False Pass fishery versus Bristol Bay, the Cape _____ fishery versus Chignik versus Cook Inlet, etc. Again, the legislation says that any time there is this kind of a conflict between two regional boards, the master board shall resolve that conflict. I have got a couple others, but why don't you go ahead and reply to those if you would like to.

Brooks: The people serving on the regional boards will do so on a voluntary basis. They, there is no, it may be of little consequence to them whether or not they have performed a duty in the best interest of the State. They may be primarily motivated by their own local special interests. They may even take some pride in supporting the local interest/to a higher, more beneficial more widespread interest. I made the statement that no one could be held responsible. Obviously you can get down somewhere and identify two or three people who voted on the prevailing side of any matter that might come to a regional board so to that extent you can hold them responsible, but as I say it may not mean anything to them. It means something to you or to me to be held responsible for our acts because it may directly effect our livelihood and it is extremely important to us but to a person who serves voluntarily occasionally on a regional board of this sort it is possible that they will not take their responsibility seriously. There is no necessarily no penalties that they will suffer -- that is about all of the explanation that I can give on that point. Let's see your second point was --

Palmer: Strife between boards -- as it is now it would be settled by the master board.

Brooks: Yes, it is true that the Board of Fish and Game has to

reconcile differing interests that exist in different communities, the fishery, and the master board will be in a position to reconcile these under this arrangement. That is quite correct. But I think also that, recognizing regional interests, you are to some extent providing local people with a forum to express those local interests in a local context rather than letting them view matters on a larger, a regional or statewide basis. Now, for example we have people talking about wolves, but they are talking about wolves in Alaska for the most part. If they regionalized it it would be wolves in the interior, wolves in southeastern, wolves in the arctic. Under this arrangement I am sure we will have each regional board has a unique wolf problem and it is unlikely that it will be the same problem in any two of the twelve areas. But looking at it in a bigger picture, I think that we must see that many of these resources are of a statewide and national interest and the input of all Alaskans is important and yet I don't think that encouraging them to narrow their interests to a specific region is going to be in the best of the overall program.

Palmer: Well, if I can I will simply say that what you are talking about there

P.O. Box 1628, Juneau, Alaska 99801

1510

February 6, 1973

Honorable Kathryn Poland
Alaska State Senate
Pouch Y
Juneau, Alaska 99801

Dear Mrs. Poland:

We have reviewed Senate Joint Resolution No. 12. You have indicated a desire to Dahn Welch to remove inaccuracies from the resolution. The following are our suggestions:

Line 8 "the total timber resource"
Only about 10 percent of the commercial timber resource of Afognak is included within the Perennex timber sale contract.

Line 9 "Japanese interests"
The contract is held by Afognak Timber Company, an American Corporation. The Company will sell rough lumber to the Japanese market after manufacture in Alaska.

Line 11 "unlimited cutting"
The timber sale contract contains numerous provisions governing the time and method of cutting together with protective measures of other resources. If you desire we can furnish you with a copy of the contract.

Lines 17 & 18 "endangered to the point of extinction"
We appreciate your concern that timber cutting might endanger wildlife. The timber sale has been planned utilizing the expertise of Alaska Department of Fish and Game and Forest Service biologists. Cutting unit location and size have been varied to protect these resources. We will be pleased to go over the plan of the sale with you.

For your information a fact sheet on Afognak Island is enclosed.

*STR
No 12
Resources*

Forest Supervisor Richard Woodrow has arranged to hold public meetings in Kodiak during the latter part of February to fully inform people of the sale and to permit their comment. The information received in this meeting will be used in preparation of the draft environmental statement to be written on the timber sale. After the statement has been prepared and circulated, a second meeting will be held to discuss the adequacy of the environmental statement itself.

If there is anything further that we can provide in connection with our plans or actions, please feel free to ask.

Sincerely,

C. A. YATES

C. A. YATES
Regional Forester

Enclosure

cc: RF

Senator Sackett
Senator Croft
Afognak Timber Co.
Dehn Welch

DESCRIPTION OF TIMBER RESOURCES ON AFOGNAK ISLAND

Afognak Island supports a thrifty, vigorous stand of pure Sitka spruce sawtimber. The incidence of rot and windshake is probably lower than that of other coastal forests in Alaska, but the limby, open-grown characteristic of Afognak spruce tends to produce lower quality timber, as regards lumber grade recovery. Quality sampling to date shows that 3% is Select grade or #1 sawlog grade timber; 57 percent of the timber is #2 sawlog grade and 40 percent #3.

The gross land area of the island is 458,800 acres. 60.7 percent of this or 278,495 acres, support stands of Sitka spruce. There are no other timber species on the island.

The forest land is further subdivided into several classifications. 48,463 acres are classed as supporting noncommercial timber, i.e. the stands run less than 8 MBF per acre. 3,745 acres are classed as inaccessible. The remaining 226,287 acres are classed as commercial accessible forest land.

It is on this area that timber harvesting operations are considered feasible. Two categories of commercial timber have been inventoried.

Old-growth sawtimber, 150 years of age or more, occupies 131,176 acres. Average net volume per acre is 28 MBF. Individual tree diameter probably averages 18-22 inches DBH, and height about 2-32 foot logs. Total volume in this class is estimated at 3,672,928 MBF.

Young-growth sawtimber, less than 150 years of age, occupies 68,596 acres. Average net volume per acre in these stands is 20 MBF. Average heights and diameters have not been estimated, but they would run less than in the old-growth stands. Total volume in young-growth sawtimber is indicated to be 1,371,920 MBF.

An additional 26,515 acres of commercial accessible forest land supports stands in the smaller size classes: poletimber, saplings, and seedlings.

Total sawtimber volume, then, is slightly over 5 billion board feet. Assuming a rotation age of 150 years, a gross allowable annual cut of about 45.5 million board feet is indicated. But about a 19 percent reduction can be expected from inventoried volume to scaled volume due to defect, breakage, and the effect of scaling rules which would indicate a net allowable annual cut of about 37 million board feet, scaled volume.

The meeting was called to order by Chairman John Sackett
February 7, 1973 at 3:25 P. M.

Present were Senators Sackett, Hohman, Meland, Thomas,
and Palmer.

Commissioner Brooks spoke on Senate Bill 99 (relating
to subsistence hunting and fishing). He felt the bill both
had good and bad points. He supported the concept of the
bill but he stated that it was like giving something to
a certain group of people and taking it away from another
group of people. Mandatory zones around each of the villages
named under the claims act would deny many people the need
to fish and hunt. He felt it would be better for the Fish
and Game Department to establish the needs of certain
villages but not on a mandatory system. He wanted to know
who would decide who will hunt and who will not hunt.

Senator Sackett stated that in order for a village to
qualify for a subsistence zone, they would have to hold
hearings in the villages.

Commissioner Brooks felt that his Department could admin-
ister the bill fairly, deciding what was good for all Alaskans.
There would have to be a proper balance between the subsistence
hunters and the recreational and trophy hunters.

Mr. Frank Flanvin, speaking for the village of South
Nauke, felt the people were generally in favor of this type
of regulation.

Representative Lavelle Wilson who is also a guide felt
that he was in general agreement with the concept but stated

that this regulation should not apply to the major road ways such as Tok, Glennallen, and the Delta area. Mr. Wilson felt that who would be able to qualify under this regulation should be clearly established such as the level of income.

Commissioner Brooks stated that he would support the legislation in Senate Bill 95.

Senator Palmer moved that SB 95 (endangered species of wildlife) do pass with the recommended amendments. SB 95
Hearing no objections, the Chair so ruled. (SEE ATTACHMENT)

The amendments to SB 95 are as follows: Page 1, Line 15 after "however" insert "unless prohibited by federal law or regulation." ALSO Page 2, Line 10 and Line 19 is to "sec. 192 (a)" not "sec. 193 (a)". ALSO page 2, line 15 and 16 delete "issued under sec. 195 of this chapter."

Meeting adjourned at 4:40 P. M.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

February 1, 1973

MEMORANDUM

TO : Senator John Sackett
FROM : Joel F. *JFB* Bennett, Legislative Counsel
SUBJECT: Endangered species amendments

Enclosed is the federal list of endangered species which you requested relating to SB 95. Please note the U. S. portion of the list is found on pages 57-61. Senator Palmer asked which whales are included. You will see them at the top of page 58 (the Beluga is not).

On the question of federal law superseding state law, I would suggest for clarification the insertion of the following language after "however" on line 15: "unless prohibited by federal law or regulation."

In addition, to remedy the typo on page 2, the correct internal reference in line 10 and line 19, is to "sec. 192 (a)" not "sec. 193 (a)."

I would propose one additional technical change in sec. 200. Delete the following language in lines 15-16: "issued under sec. 195 of this chapter." Since we are talking about a permit issued under either sec. 195 or sec. 194, it is inaccurate to refer to only one.

If you have any further questions on this bill, please contact me.

Thanks.

JFB:hg
Enclosures

~~AG~~

Introduced: 1/30/73
Referred: Resources and
Judiciary

1 IN THE SENATE

BY THOMAS

2 SENATE BILL NO. 95

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to endangered species of wildlife."

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

8 * Section 1. AS 16.20 is amended by adding new sections to read:

9 Sec. 16.20.192. ENDANGERED SPECIES UNDER FEDERAL LAW. (a) In
10 addition to species or subspecies of wildlife determined to be endangered
11 under sec. 190 of this chapter, a species or subspecies designated as
12 endangered by regulation under the Endangered Species Preservation Act
13 of 1966 (16 U.S.C.A., sec. 668 aa et seq.) or the Endangered Species
14 Conservation Act of 1969 (16 U.S.C.A., sec. 668 cc - 1 to 668 cc - 6) is
15 considered an endangered species under this section. *unless prohibited by federal law or regulation* However, the
16 commissioner may determine that a species designated as endangered under
17 federal law is not endangered in the state. If this determination is
18 made, the species is not considered endangered under secs. 180 - 210 of
19 this chapter.

20 (b) Unless authorized by federal law or regulation, it is unlawful
21 to possess, sell, offer for sale, give or dispose of any animal or wild
22 animal product of an animal listed under (a) of this section. However,
23 possession is permitted under the terms of a permit issued by the
24 commissioner, as prescribed by sec. 194 of this chapter.

25 Sec. 16.20.194. PERMIT FOR PRIOR POSSESSION OF ENDANGERED SPECIES
26 OR SUBSPECIES. Upon application, as prescribed by the commissioner,
27 the commissioner shall issue a permit to a person who had in his
28 possession an endangered species or subspecies or a product of an
29 endangered species or subspecies before the effective date of this Act.

1 The permit shall specifically name and describe the species or subspecies
2 or the product of an endangered species or subspecies possessed by the
3 holder of the permit and the permit is valid only for the possession
4 of the species or subspecies or product named. Proof may be required
5 that the acquisition of the species or subspecies or its product was
6 made before the effective date of this Act.

7 * Sec. 2. AS 16.20.195 is amended to read:

8 Sec. 16.20.195. PERMIT FOR TAKING ENDANGERED SPECIES. No species
9 or subspecies of fish or wildlife listed as endangered under sec. 190(b)
10 and sec. 19²(a) of this chapter may be possessed, harvested, captured
11 or propagated except under the terms of a special permit issued by the
12 commissioner of fish and game for scientific or educational purposes,
13 or for propagation in captivity for the purpose of preservation.

14 * Sec. 3. AS 16.20.200 is amended to read:

15 Sec. 16.20.200. PENALTY. A person who, without a permit, issued
16 under sec. 195 of this chapter, possesses, harvests, injures, imports,
17 exports, or captures a species or subspecies of fish or wildlife or a
18 wild animal product of a species or subspecies of fish or wildlife
19 listed under sec. 190 or sec. 19²(a) of this chapter, is guilty of a
20 misdemeanor.

21 * Sec. 4. AS 16.20 is amended by adding a new section to read:

22 Sec. 16.20.205. SEARCH WARRANT. An authorized peace officer may
23 execute a warrant, upon probable cause, to search for and seize any
24 goods, merchandise or wildlife sold or offered for sale in violation of
25 secs. 180 - 210 of this chapter, or any property or item used in
26 connection with a violation of secs. 180 - 210 of this chapter.

27 * Sec. 5. AS 16.20.210 is amended by adding a new paragraph to read:

28 (2) "wild animal product" means the fur, hide, skin, teeth,
29 feathers, tusks, claws or the body of the animal or any portion of it

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whether in green or raw state or as a commercial product manufactured
or refined from the animal.

APPENDIX A

U.S. LIST OF ENDANGERED FOREIGN FISH AND WILDLIFE

The list of endangered foreign fish and wildlife has been compiled from data supplied by international conservation organizations, foreign fish and wildlife agencies, individual scientists, and trade sources. If a candidate species is not listed, it may be because it is not endangered throughout its range or because there is insufficient evidence to warrant its inclusion on the list at this time. The list is under continual review. Factual data are welcome and should be submitted. The "Where found" column is a general guide to the native countries or regions where the named animals are found. It is not intended to be definitive. The use of a trinomial (third name) in the Scientific Name indicates there are one or more subspecies of the animal which are not endangered.

MAMMALS

Common name	Scientific name	Where found
Southern planigale.....	<i>Planigale tenuirostris</i>	Australia.
Little planigale.....	<i>Planigale subtilissima</i>	Do.
Dibbler.....	<i>Antechinus apicalis</i>	Do.
Large desert marsupial-mouse.....	<i>Sminthopsis psammophila</i>	Do.
Long-tailed marsupial-mouse.....	<i>Sminthopsis longicaudata</i>	Do.
Eastern jerboa-marsupial.....	<i>Antechinomys laniger</i>	Do.
Tasmanian tiger.....	<i>Thylacinus cynocephalus</i>	Do.
Rusty numbat.....	<i>Myrmecobius fasciatus rufus</i>	Do.
Barred bandicoot.....	<i>Perameles bonapartei</i>	Do.
Rabbit-bandicoot.....	<i>Macrotis lagotis</i>	Do.
Lesser rabbit-bandicoot.....	<i>Macrotis leucura</i>	Do.
Pig-footed bandicoot.....	<i>Chaeropus caudatus</i>	Do.
Mountain pigmy-possum.....	<i>Burramys parvus</i>	Do.
Scaly-tailed possum.....	<i>Wyulda squamicaudata</i>	Do.
Barnard's wombat.....	<i>Lasiorchinus barnardi</i>	Do.
Brush-tailed rat-kangaroo.....	<i>Bettongia penicillata</i>	Do.
Lesueur's rat-kangaroo.....	<i>Bettongia lesueur</i>	Do.
Queensland rat-kangaroo.....	<i>Bettongia tropica</i>	Do.
Plain rat-kangaroo.....	<i>Caloprymnus campestris</i>	Do.
Banded hare-wallaby.....	<i>Lagostrophus fasciatus</i>	Do.
Western hare-wallaby.....	<i>Lagochestes hirsutus</i>	Do.
Bottled-nail-tail wallaby.....	<i>Onychogalea frenata</i>	Do.
Crescent-nail-tail wallaby.....	<i>Onychogalea lunata</i>	Do.
Parma wallaby.....	<i>Macropus parma</i>	Do.
Cuban solenodon.....	<i>Atopogale cubana</i>	Cuba.
Haitian solenodon.....	<i>Solenodon paradoxus</i>	Dominican Republic.
Leopards—all species.....	Lemnidae, all members of the genera <i>Lemur</i> , <i>Haptemur</i> , <i>Lepitemur</i> , <i>Cheiro-</i> <i>galus</i> , <i>Mirocebus</i> , <i>Phaner</i>	Madagascar and Comoro Islands.
Indris, sifakas, avahis—all species.....	Indridae, all members of the genera <i>Indri</i> , <i>Avahi</i> , <i>Propithecus</i>	Do.
Aye-aye.....	<i>Daubentonia madagascariensis</i>	Madagascar.
Spider monkey.....	<i>Ateles geoffroyi frontatus</i>	Costa Rica, Nicaragua.
Do.....	<i>Ateles geoffroyi panamensis</i>	Costa Rica, Panama.
Red-backed squirrel monkey.....	<i>Saimiri oerstedii</i> (<i>Saimiri sciureus oerstedii</i>).....	Do.
Spotted spider monkey.....	<i>Brachyteles arachnoides</i>	Brazil.
White-nosed saki.....	<i>Chiropotes albinasus</i>	Do.
Takari—all species.....	<i>Cacajao</i> spp.....	Peru, Colombia, Venezuela, Brazil, Ecuador.
Goeldi's marmoset.....	<i>Callimico goeldii</i>	Brazil, Colombia, Ecuador, Peru.
Golden-rumped tamarin, golden-headed tamarin, golden lion marmoset.....	<i>Leontideus</i> spp.....	Brazil.
Long-tailed macaque.....	<i>Macaco silenus</i>	India.
Tana River mangabey.....	<i>Cercocebus galeritus galeritus</i>	Kenya.
Howler langur.....	<i>Pugathrix nemaeus</i>	Indochina (Hainan Island), China.
Java Island langur.....	<i>Simias concolor</i>	Indonesia.
Red colobus.....	<i>Colobus badius rufomitratus</i>	Kenya.
Zanzibar red colobus.....	<i>Colobus badius kirkiti</i>	Zanzibar (Tanzania).
Black gibbon.....	<i>Hylobates klossi</i>	Indonesia.
White gibbon.....	<i>Hylobates pileatus</i>	Laos, Thailand, Cambodia.
Sumatran gibbon.....	<i>Pongo pygmaeus</i>	Indonesia, Malaysia, Brunei.
Orilla.....	<i>Gorilla gorilla</i>	Central and Western Africa.
Brazilian three-toed sloth.....	<i>Bradypus torquatus</i>	Brazil.
Pink fairy armadillo.....	<i>Chlamyphorus truncatus</i>	Argentina.
Mexican rabbit.....	<i>Romerolagus diazi</i>	Mexico.
American prairie dog.....	<i>Cynomys mexicanus</i>	Do.
Woolly water-rat.....	<i>Xeromys myoides</i>	Australia.
New Holland mouse.....	<i>Pseudomys novaehollandiae</i>	Do.
Shark Bay mouse.....	<i>Pseudomys praeconis</i>	Do.
Montbridge's mouse.....	<i>Pseudomys shortridgei</i>	Do.
Amoky mouse.....	<i>Pseudomys fumeus</i>	Do.
Western mouse.....	<i>Pseudomys occidentalis</i>	Do.
Field's mouse.....	<i>Pseudomys fieldi</i>	Do.
Thin-spined porcupine.....	<i>Chaetomys subspinosus</i>	Brazil.

the storage, care, or handling of property accruing within the date of the return receipt on the account of the owner or

possession of seized property: If, at the discretion of the appropriate authority, the seized property is to be returned to the United States, the Receiver of the Bureau of Sport Fisheries and Wildlife shall arrange for its return, provided that any forfeited property shall be held by the Receiver of the Bureau of Sport Fisheries and Wildlife until the conclusion of all proceedings connected therewith which have accrued regarding the storage, care, or handling of the property shall be for the account of the owner or consignee.

Forfeiture of seized property.

Any fish or wildlife, product, or property which has been seized pursuant to the Act may be proceeded against by a court of competent jurisdiction for forfeiture to the Secretary by him.

Such proceeding is not instituted until 30 days following the disposition of the property in accordance with these regulations involving the assessment of the value of the seized wildlife, product, or item shall be returned to the owner or consignee.

Upon conviction for a criminal offense pursuant to the Act, any seized fish or wildlife, product, or property shall be forfeited to the Secretary for disposition by him as he may deem appropriate. If no conviction results from any such alleged offense, the Secretary may commence such proceedings in accordance with the regulations in this part. If such proceeding is not instituted within 30 days following the final disposition of the criminal case involving the offense, the seized property shall be returned to the owner or consignee.

Other laws applicable.

Nothing in this part, nor any permit issued hereunder, or permission issued hereunder shall be construed to relieve anyone from any provision of any other law, regulation, or regulation of the State of the United States.

MAMMALS—Continued

Common name	Scientific name	Where found
Bowhead whale	<i>Balaena mysticetus</i>	Oceanic.
Right whale	<i>Eubalaena</i> spp.	Do.
Blue whale	<i>Balaenoptera musculus</i>	Do.
Sperm whale	<i>Physeter catodon</i>	Do.
Finback whale	<i>Balaenoptera physalus</i>	Do.
Sei whale	<i>Balaenoptera borealis</i>	Do.
Humpback whale	<i>Megaptera</i> spp.	Do.
Gray whale	<i>Eschrichtius gibbosus</i>	Do.
Northern kit fox	<i>Vulpes velox hebes</i>	Canada.
Asiatic wild dog	<i>Cuon alpinus</i>	U.S.S.R., India. (Central and Southeast Asia).
Mexican grizzly bear	<i>Ursus arctos nelsoni</i>	Mexico.
Formosan yellow-throated marten	<i>Martes flavipula chrysoptila</i>	Formosa.
Black-footed ferret	<i>Mustela nigripes</i>	United States, Canada.
Cameroon clawless otter	<i>Paraonyx microdon</i>	Cameroons.
La Plata otter	<i>Lutra platensis</i>	Uruguay, Argentina, Bolivia, Brazil.
Maned wolf	<i>Chrysocyon brachyurus</i>	Brazil, Bolivia, Paraguay, Argentina.
Giant otter	<i>Pteronura brasiliensis</i>	South America.
Barbary hyaena	<i>Hyaena hyaena barbara</i>	Morocco.
Brown hyaena	<i>Hyaena brunnea</i>	Southern Africa.
Spanish lynx	<i>Felis lynx pardina</i>	Spain.
Barbary serval	<i>Felis serval constantina</i>	Algeria.
Formosan clouded leopard	<i>Neofelis nebulosa brachyurus</i>	Formosa.
Asiatic lion	<i>Panthera leo persica</i>	India.
Cheetah	<i>Acinonyx jubatus</i>	Africa, Asia Minor, India.
Leopard	<i>Panthera pardus</i>	Africa, Asia Minor, India, Southeast Asia, Korea.
Tiger	<i>Panthera tigris</i>	Central Asia, China and Korea, to India, Indonesia and Malaysia.
Snow leopard	<i>Panthera uncia</i>	Central Asia.
Jaguar	<i>Panthera onca</i>	Central and South America.
Ocelot	<i>Felis pardalis</i>	Do.
Margay	<i>Felis wiedii</i>	Do.
Tiger cat	<i>Felis tigrina</i>	Costa Rica to northern South America.
Mediterranean monk seal	<i>Monachus monachus</i>	Mediterranean, Northwest African coast, and Black Sea.
Dugong	<i>Dugong dugon</i>	East Africa to Ryukyu Islands.
West Indian (Florida) manatee	<i>Trichechus manatus</i>	Caribbean, northern South America.
Amazonian manatee	<i>Trichechus inunguis</i>	Amazon Basin.
Asian wild ass	<i>Equus hemionus</i>	Pakistan, Iran, India, China, Afghanistan, Central Asia.
African wild ass	<i>Equus asinus</i>	Ethiopia, Somalia, Sudan.
Mountain tapir	<i>Tapirus pinchaque</i>	Colombia, Ecuador, Peru.
Brazilian tapir	<i>Tapirus terrestris</i>	Venezuela, Argentina, Brazil, Colombia.
Central American tapir	<i>Tapirus bairdii</i>	Southern Mexico to Colombia and Ecuador.
Sumatran rhinoceros	<i>Didermoceros sumatrensis</i>	Southeast Asia—East Pakistan to Vietnam to Indonesia, Borneo.
Javan rhinoceros	<i>Rhinoceros sondaicus</i>	Indonesia, Burma, Thailand.
Great Indian rhinoceros	<i>Rhinoceros unicornis</i>	India, Nepal.
Northern white rhinoceros	<i>Ceratotherium simum cottoni</i>	Congo (Kinshasa), Uganda, Sudan, Central African Republic.
Pygmy hog	<i>Sus salbanus</i>	India, Nepal, Bbutan, Sikkim
Vicuna	<i>Vicugna vicugna</i>	Peru, Bolivia, Argentina.
Swamp deer	<i>Cervus duvaucelli</i>	India, Nepal.
Kashmir stag, hangul	<i>Cervus elaphus hanglu</i>	Kashmir.
Barbary stag	<i>Cervus elaphus barbarus</i>	Tunisia, Algeria.
McNeill's deer	<i>Cervus elaphus macneilli</i>	China, Tibet.
Shou	<i>Cervus elaphus wallichi</i>	Tibet, Bhutan.
Brow-antlered deer, Eld's deer	<i>Cervus eldi</i>	India, Southeast Asia.
Farslan fallow deer	<i>Dama dama mesopotamica</i>	Iraq, Iran.
Bawean deer	<i>Elaphus kusli (Cervus kusli)</i>	Indonesia.
Marsh deer	<i>Blastocerus dichotomus</i>	Argentina, Uruguay, Brazil, Paraguay.
Sonoran pronghorn	<i>Antilocapra americana sonoriensis</i>	Mexico, United States.
Black-faced impala	<i>Aepyceros melampus petersi</i>	Southwest Africa, Angola.
Swayne's hartbeest	<i>Alcelaphus buselaphus swaynei</i>	Ethiopia.
Anoa	<i>Anoa depressicornis</i>	Indonesia.
Tamaraw	<i>Anoa mindorensis</i>	Philippines.
Wood bison	<i>Bison bison athabasca</i>	Canada.
Seladang (gaur)	<i>Bos gaurus</i>	India, Southeast Asia, East Pakistan.
Wild yak	<i>Bos grunniens mutus</i>	Tibet, India.
Kouprey	<i>Bos sauveli</i>	Cambodia.
Banteng	<i>Bibos banteng</i>	Southeast Asia.

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Japanese crane
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Hooded crane
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Great Indian ba
New Zealand sb
Eskimo curlew
Audouin's gull
California least
Cloven-feathered
Chatham Island
Azores wood pige
Grenada dove
Falsu ground dov
Ochre-marked pa

MAMMALS—Continued

Common name	Scientific name	Where found
Pyrenean ibex	<i>Capra pyrenaica pyrenaica</i>	Spain.
Walia ibex	<i>Capra walia</i>	Ethiopia.
Rio de Oro dama gazelle	<i>Gazella dama lasanod</i>	Spanish Sahara.
Short gazelle	<i>Gazella dama mhorr</i>	Morocco.
Moroccan dorcas gazelle	<i>Gazella dorcas massareyla</i>	Morocco, Algeria.
Cuvier's gazelle	<i>Gazella cuvieri</i>	Morocco, Tunisia.
Slender-horned gazelle, Rhim, Lower's gazelle	<i>Gazella leptoceros</i>	Sudan, Algeria, Egypt, Libya.
Black lechwe	<i>Kobus leake smithsoni</i>	Zambia.
Arabian Oryx	<i>Oryx leucoryx</i>	Arabian Peninsula.
Clark's gazelle, dibatag	<i>Ammodorcas clarki</i>	Somalia, Ethiopia.

BIRDS

Galapagos penguin	<i>Spheniscus mendiculus</i>	Galapagos.
Arabian ostrich	<i>Struthio camelus syriacus</i>	Jordan or Saudi Arabia.
West African ostrich	<i>Struthio camelus spalmi</i>	Spanish Sahara.
Darwin's rheas	<i>Rheocercus pennata</i>	Argentina, Peru, Uruguay, Bolivia.
Atitlan grebe	<i>Podilymbus nigres</i>	Guatemala.
Short-tailed albatross	<i>Diomedes albatrus</i>	Japan.
Cubow	<i>Pterodroma cahow</i>	Bermuda.
Brown pelican	<i>Pelecanus occidentalis</i>	Mexico, United States, Panama, Puerto Rico, etc.
Chinese egret	<i>Egretta rufopygia</i>	China, Korea.
Oriental white stork	<i>Ciconia eciaia boycana</i>	Japan, Korea, China, U.S.S.R.
Japanese crested ibis	<i>Nipponia nippon</i>	Japan, Korea, U.S.S.R., China.
Aleutian Canada goose	<i>Branta canadensis leucopareta</i>	Japan, United States.
White-winged wood duck	<i>Cairina scutulata</i>	India, Thailand, Malaysia, Burma, Indonesia (to include Java).
American peregrine falcon	<i>Falco peregrinus anatum</i>	Canada, United States, Mexico.
Arctic peregrine falcon	<i>Falco peregrinus tundrius</i>	Do.
Christmas Island goshawk	<i>Accipiter fasciatus natalis</i>	Christmas Island (Indian Ocean).
Anjouan Island sparrow hawk	<i>Accipiter francesii pusillus</i>	Comoro Islands.
Galapagos hawk	<i>Buteo galapagoensis</i>	Galapagos.
Monkey-eating eagle	<i>Pithecopaga lefferyi</i>	Philippines.
Spanish imperial eagle	<i>Aquila heliaca adalberti</i>	Spain, Morocco, Algeria.
Grenada hook-billed kite	<i>Chondrohierax uncinatus mirus</i>	Grenada (West Indies).
Cuba hook-billed kite	<i>Chondrohierax wilsonii</i>	Cuba.
Andean condor	<i>Vultur gryphus</i>	Colombia to Chile, Argentina.
Seychelles kestrel	<i>Falco araea</i>	Seychelles.
Mauritius kestrel	<i>Falco punctatus</i>	Mauritius.
Horned guan	<i>Oreophaps derbianus</i>	Guatemala, Mexico.
Trinidad white-headed curassow	<i>Pipile pipile pipile</i>	Trinidad.
Red-billed curassow	<i>Craz blumenbachii</i>	Brazil.
LaPerouse's megapode	<i>Megapodius laperousei</i>	Palau, Marianas.
Maleo	<i>Macrocephalon maleo</i>	Celebes (Indonesia).
Mackled bobwhite	<i>Colinus virginianus ridgwayi</i>	United States, Mexico.
White-eared pheasant	<i>Crossoptilon crossoptilon</i>	China, Tibet, India.
Brown-eared pheasant	<i>Crossoptilon manichuricum</i>	China.
Chinese monal	<i>Lophophorus thuyi</i>	Do.
Sclater's monal	<i>Lophophorus sclateri</i>	China, Burma, India.
Edward's pheasant	<i>Lophura edwardi</i>	South Vietnam.
Imperial pheasant	<i>Lophura imperialis</i>	Vietnam.
Bwinhoe's pheasant	<i>Lophura swinhofii</i>	Formosa.
Palawan peacock pheasant	<i>Polyplectron emphanum</i>	Philippines.
Mikado pheasant	<i>Symaticus mikado</i>	Formosa.
Bar-tailed pheasant	<i>Symaticus humlae</i>	Burma, China.
Blyth's tragopan	<i>Tragopan blythii</i>	Burma, China, India.
Cabot's tragopan	<i>Tragopan caboti</i>	China.
Western tragopan	<i>Tragopan melanocephalus</i>	India, West Pakistan.
Whooping crane	<i>Grus americana</i>	Canada, United States.
Japanese crane	<i>Grus japonensis</i>	Japan, China, Korea, U.S.S.R.
Siberian white crane	<i>Grus leucogeranus</i>	Siberia to India.
Hooded crane	<i>Grus monachus</i>	Japan, U.S.S.R.
Auckland Island rail	<i>Rallus pectoralis muelleri</i>	New Zealand.
Kagu	<i>Rhynchotus jubatus</i>	New Caledonia.
Great Indian bustard	<i>Choriotis nigricaps</i>	India, Pakistan.
New Zealand shore plover	<i>Thinornis novaeseelandiae</i>	New Zealand.
Eskimo curlew	<i>Numenius borealis</i>	Canada to Argentina.
Audouin's gull	<i>Larus audouinii</i>	Mediterranean.
California least tern	<i>Sterna albifrons browni</i>	Mexico, United States.
Cloven-feathered dove	<i>Drepanoptila holosericea</i>	New Caledonia.
Chatham Island pigeon	<i>Hemiphaea novaeseelandiae chathamensis</i>	New Zealand.
Azores wood pigeon	<i>Columba palumbus azorica</i>	Azores.
Grenada dove	<i>Leptotilla wellsi</i>	Grenada (West Indies).
Palau ground dove	<i>Gallinocolumba canifrons</i>	Palau Islands (Marianas).
Ochre-marked parakeet	<i>Pyrhura cruentata</i>	Brazil.

BIRDS—Continued

Common name	Scientific name	Where found
Kakapo	<i>Strigops habroptilus</i>	New Zealand.
Red-browed parrot	<i>Amazona rhodocorytha</i>	Brazil.
Bahamas parrot	<i>Amazona leucocephala bahamensis</i>	Bahamas.
St. Vincent parrot	<i>Amazona guildingii</i>	St. Vincent (West Indies).
St. Lucia parrot	<i>Amazona versicolor</i>	St. Lucia (West Indies).
Imperial parrot	<i>Amazona imperialis</i>	Dominica (West Indies).
Night parrot	<i>Geopsittacus occidentalis</i>	Australia.
Turquoise parakeet	<i>Neophema pulchella</i>	Do.
Orange-billed parrot	<i>Neophema chrysogaster</i>	Do.
Scarlet-chested parrot	<i>Neophema splendida</i>	Do.
Beautiful parakeet	<i>Psephotus pulcherrimus</i>	Do.
Paradise parakeet	<i>Psephotus chrysopterygius</i>	Do.
Forbes' parakeet	<i>Cyanoramphus auriceps forbesi</i>	New Zealand.
Mauritius ring-necked parakeet	<i>Psittacula krameri echo</i>	Mauritius.
Thicket-billed parrot	<i>Rhynchopsitta pachyrhyncha</i>	Mexico, United States.
Red-faced malkoha	<i>Phaenicopterus pyrrhocephalus</i>	Ceylon.
Seychelles owl	<i>Otus insularis</i>	Seychelles.
Palau owl	<i>Otus podagria</i>	Palau Islands.
Mrs. Morden's owl	<i>Otus irenae</i>	Kenya.
Anjouan scops owl	<i>Otus rutilus capnodes</i>	Comoro Islands.
Long-tailed ground roller	<i>Urotelornis chimaera</i>	Madagascar.
Imperial woodpecker	<i>Campyphilus imperialis</i>	Mexico.
Ivory-billed woodpecker	<i>Campyphilus principalis</i>	Cuba, United States.
Tristram's woodpecker	<i>Dryocopus javensis richardsi</i>	Korea.
Euler's flycatcher	<i>Empidonax eulerei johnstonei</i>	Grenada, West Indies.
New Zealand bush wren	<i>Xenicus longipes</i>	New Zealand.
Noisy scrub-bird	<i>Atrichornis clamosus</i>	Australia.
Ponape Mountain starling	<i>Aplomis pelzelni</i>	Ponape Island (Carolines).
Rothschild's starling	<i>Leucopsar rothschildi</i>	Ball (Indonesia).
Kokako	<i>Callaeas cinerea</i>	New Zealand.
Plopio	<i>Turnagra capensis</i>	Reunion Island.
Rouillon cuckoo shrike	<i>Cogrus newtoni</i>	Do.
Mauritius cuckoo shrike	<i>Cogrus typicus</i>	Mauritius.
Guadeloupe house wren	<i>Troglodytes aedon guadeloupensis</i>	Guadeloupe (West Indies).
St. Lucia wren	<i>Troglodytes aedon mesoleucus</i>	St. Lucia, West Indies.
Martinique brown trembler	<i>Cincloerithia ruficauda gutturalis</i>	Martinique (West Indies).
White-breasted thrasher	<i>Ramphocinclus brachyurus</i>	Martinique, St. Lucia.
Mauritius oliveaceous bulbul	<i>Hypsipetes borbonicus olivaceus</i>	Mauritius.
Cebu black shama	<i>Copsychus niger cebuensis</i>	Philippines.
Seychelles magpie-robin	<i>Copsychus sechellarum</i>	Seychelles.
Western whilpbird	<i>Psyphodes nigropurpuratus</i>	Australia.
Western bristlebird	<i>Dasypus brachypterus longirostris</i>	Do.
Wyeon grass-wren	<i>Amphispiza gowleri</i>	Do.
Palau fantail	<i>Rhipidura lepida</i>	Palau.
White-necked rock-fowl	<i>Picathartes gymnocephalus</i>	Togo to Sierra Leone.
Grey-necked rock-fowl	<i>Picathartes orcus</i>	Cameroon.
Reed warbler	<i>Acrocephalus luscinius</i>	Marianas Islands.
Rodriguez warbler	<i>Acrocephalus rodriguezianus</i>	Rodriguez Island (Indian Ocean).
Seychelles warbler	<i>Rebournis sechellensis</i>	Seychelles.
Scarlet-breasted robin	<i>Petroica multicolor multicolor</i>	Norfolk Island (Australia).
Chatham Island robin	<i>Petroica traversi</i>	New Zealand.
Tahiti flycatcher	<i>Pomarea nigra nigra</i>	Tahiti.
Tinian monarch	<i>Mniotilta tiansutucasae</i>	Tinian Island (Marianas).
Helmeted honeyeater	<i>Meliphaga cucullata</i>	Australia.
Seychelles black flycatcher	<i>Terpsiphona cortina</i>	Seychelles.
Seychelles white-eye	<i>Zosterops modestus</i>	Do.
Ponape great white-eye	<i>Rukia sanfordi</i>	Ponape (Carolines).
Semper's warbler	<i>Leucophaea semperi</i>	St. Lucia (West Indies).
Bachman's warbler	<i>Vermivora bachmanii</i>	Cuba, United States.
Barbados yellow warbler	<i>Dendroica petechia petechia</i>	Barbados (West Indies).
Kirland's warbler	<i>Dendroica kirlandii</i>	Bahamas, United States.
Seychelles lody	<i>Foudia sechellarum</i>	Seychelles.
Sao Miguel bullfinch	<i>Pyrrhula pyrrhula murina</i>	Azores.
Slender-billed grackle	<i>Cassidix palustris</i>	Mexico.

AMPHIBIANS AND REPTILES

Israel painted frog	<i>Discoglossus nigricenter</i>	Israel.
Stephan Island frog	<i>Leopelma hamiltoni</i>	New Zealand.
River terrapin, tuntuong	<i>Batagur baska</i>	Burma, India, Indonesia, Malaysia, Pakistan.
Galapagos tortoise	<i>Testudo elephantopus</i>	Galapagos (Ecuador).
Madagascar radiated tortoise	<i>Testudo radiatus</i>	Madagascar.
Hawksbill turtle	<i>Eretmochelys imbricata</i>	Tropical seas.
Leatherback turtle	<i>Dermochelys coriacea</i>	Tropical and temperate seas.
Atlantic ridley turtle	<i>Lepidochelys kempii</i>	Mexico.
South American river turtle	<i>Podocnemis expansa</i>	Orinoco and Amazon River Basins.
Do	<i>Podocnemis unifilis</i>	Do.
Short-necked or swamp tortoise	<i>Pseudemys fura umbrina</i>	Australia.
Yacare	<i>Caiman yacare</i>	Bolivia, Argentina, Peru, Brazil.

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applicant; section shall be transportation of mammals or fish to vessel in any way contrary to Parts 10, 13, and

10. (a) Any person who imports fish or wildlife at a designated port. The application in writing, and the Regional Director of Sport Fisheries and Wildlife at least 10 days prior in the following: (1) Name of the applicant; (2) Name of the item or items to be imported; (3) Species, number, and description,

(4) Date of importation; (5) Name of the person entering; (6) The reasons why imported at the requested port; (7) Name of the designated port; (8) Date documentation

being requested for a period of time, (9) A narrative statement of the importation with documentary evidence of such pattern of such importation, one year, or other as required by the

in the following language that the foregoing and accurate, to the and belief, I understand is submitted for

the purpose of obtaining an exemption from the requirements of the Endangered Species Conservation Act of 1969 (83 Stat. 275) and regulations promulgated thereunder, and that any false statement hereon may be subject to the criminal penalties of 18 U.S.C. 1001."

(viii) Signature of the applicant.
(b) The issuance of permits under this section will be limited to those applicants who can show, to the satisfaction of the Regional Director of the Bureau of Sport Fisheries and Wildlife, sufficient economic hardship or other reasonable justification for entry at a non-designated port. Permits may

cover a single importation, a series of related importations, or importation over a specified period of time.

(c) Any permit issued under this section may specify any conditions deemed necessary by the Regional Director of the Bureau of Sport Fisheries and Wildlife, including the requirement that the applicant pay any reasonable costs incurred by the Department in inspecting the shipment(s) at a non-designated port.

[35 F.R. 8491, June 2, 1970; 35 F.R. 8736, June 5, 1970, as amended at 35 F.R. 14932, Sept. 25, 1970; 36 F.R. 8675, May 11, 1971; 37 F.R. 10075, May 19, 1972]

APPENDIX C

REGIONAL DIRECTORS

Following are the addresses of the various Regional Directors of the Bureau of Sport Fisheries and Wildlife, Department of the Interior:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Region 1: Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, 730 NE. Pacific Street, P.O. Box 3737, Portland, Oregon 97208. Telephone: 503 234-4050. | Includes: Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington. |
| Region 2: Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, Federal Building, P.O. Box 1306, 517 Gold Avenue SW., Albuquerque, New Mexico 87103. Telephone: 505 843-2321. | Includes: Arizona, Colorado, Kansas, New Mexico, Oklahoma, Texas, Utah, Wyoming. |
| Region 3: Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, Federal Building, Fort Snelling, Twin Cities, Minnesota 55111. Telephone: 612 725-3500. | Includes: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, North & South Dakota, Wisconsin. |
| Region 4: Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, Peachtree-Seventh Building, Atlanta, Georgia 30323. Telephone: 404 526-5100. | Includes: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North & South Carolina, Tennessee, Virginia, District of Columbia. |
| Region 5: Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, U.S. Post Office and Courthouse, Boston, Massachusetts 02109. Telephone: 617 223-2961. | Includes: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia. |

APPENDIX D—UNITED STATES' LIST OF ENDANGERED NATIVE FISH AND WILDLIFE

(The use of a trinomial (third name) in the Scientific Name indicates there are one or more subspecies of the animal which are not endangered.)

MAMMALS

- Hawaiian hoary bat—*Lasturus cinereus semotus*.
Indiana bat—*Myotis sodalis*.
Delmarva Peninsula fox squirrel—*Sciurus niger cinereus*.
Morro Bay kangaroo rat—*Dipodomys heermanni morroensis*.

- Salt-marsh harvest mouse—*Reithrodontomys raviventris*.
Eastern timber wolf—*Canis lupus lycaon*.
Red wolf—*Canis rufus*.
San Joaquin kit fox—*Vulpes macrotis mutica*.
Black-footed ferret—*Mustela nigripes*.
Florida panther—*Felis concolor coryi*.
Florida manatee (sea cow)—*Trichechus manatus latirostris*.
Key deer—*Odocoileus virginianus clavium*.
Columbian white-tailed deer—*Odocoileus virginianus leucurus*.
Sonoran pronghorn—*Antilocapra americana sonoriensis*.

BIRDS

Hawaiian dark-rumped petrel—*Pterodroma phaeopygia sandwichensis*.
 California least tern—*Sterna albifrons browni*.
 Hawaiian goose (nene)—*Branta sandvicensis*.
 Aleutian Canada goose—*Branta canadensis leucopareta*.
 Laysan duck—*Anas laysanensis*.
 Hawaiian duck (koloa)—*Anas wyvilliana*.
 Mexican duck—*Anas diazi*.
 Brown pelican—*Pelecanus occidentalis*.
 California condor—*Gymnogyps californianus*.
 Florida everglade kite (snail kite)—*Rostrhamus sociabilis plumbeus*.
 Hawaiian hawk (io)—*Buteo solitarius*.
 Southern bald eagle—*Haliaeetus leucocephalus leucocephalus*.
 American peregrine falcon—*Falco peregrinus anatum*.
 Arctic peregrine falcon—*Falco peregrinus tundrius*.
 Attwater's greater prairie chicken—*Tympanuchus cupido attwateri*.
 Masked bobwhite—*Colinus virginianus ridgwayi*.
 Whooping crane—*Grus americana*.
 Yuma clapper rail—*Rallus longirostris yumanensis*.
 California clapper rail—*Rallus longirostris obsoletus*.
 Light-footed clapper rail—*Rallus longirostris levipes*.
 Hawaiian gallinule—*Gallinula chloropus sandvicensis*.
 Hawaiian coot—*Fulica americana alai*.
 Eskimo curlew—*Numenius borealis*.
 Hawaiian stilt—*Himantopus himantopus knudseni*.
 Puerto Rican plain pigeon—*Columba inornata wetmorei*.
 Puerto Rican parrot—*Amazona vittata*.
 Ivory-billed woodpecker—*Campephilus principalis*.
 Red-cockaded woodpecker—*Dendrocopos borealis*.
 Hawaiian crow (alala)—*Corvus tropicalis*.
 Small Kauai thrush (puaiohi)—*Phaeornis palmeri*.
 Large Kauai thrush—*Phaeornis obscurus myadestina*.
 Molokai thrush (olomau)—*Phaeornis obscurus rutra*.
 Nihoa millerbird—*Acrocephalus kingi*.
 Kauai oo (oo aa)—*Moho braccatus*.
 Crested honeycreeper (akohekobe)—*Palmeria dolei*.
 Hawaii akepa (akepa)—*Loxops coccynea coccynea*.
 Maui akepa (akepule)—*Loxops coccynea ochracea*.
 Oahu creeper (alauwahe)—*Loxops maculata maculata*.
 Molokai creeper (kakawahie)—*Loxops maculata flammea*.
 Akiapolaau—*Hemignathus wilsoni*.
 Kauai akiakoa—*Hemignathus procerus*.

Kauai and Maui nukupuus—*Hemignathus lucidus*.
 Laysan and Nihoa finches—*Psittirostra oceanans*.
 Ou—*Psittirostra psittacea*.
 Palila—*Psittirostra bailliei*.
 Maui parrotbill—*Pseudonestor xanthophrys*.
 Bachman's warbler—*Vermivora bachmanii*.
 Kirtland's warbler—*Dendroica kirtlandii*.
 Dusky seaside sparrow—*Ammospiza nigrescens*.
 Cape Sable sparrow—*Ammospiza mirabilis*.

REPTILES AND AMPHIBIANS

American alligator—*Alligator mississippiensis*.
 Blunt-nosed leopard lizard—*Crotaphytus silus*.
 San Francisco garter snake—*Thamnophis sirtalis tetrataenia*.
 Puerto Rican boa—*Epicrates inornatus*.
 Santa Cruz long-toed salamander—*Ambystoma macrodactylum croceum*.
 Texas blind salamander—*Typhlomolge rathbuni*.
 Houston toad—*Bufo houstonensis*.

FISHES

Shortnose sturgeon—*Acipenser brevirostrum*.
 Longjaw cisco—*Coregonus alpenae*.
 Lahontan cutthroat trout—*Salmo clarki henshawi*.
 Piute cutthroat trout—*Salmo clarki selenitis*.
 Greenback cutthroat trout—*Salmo clarki stomias*.
 Gila trout—*Salmo gila*.
 Arizona (Apache) trout—*Salmo sp.*
 Humpback chub—*Gila cypha*.
 Mohave chub—*Siphateles mohavensis*.
 Pahrnagat bonytail—*Gila robusta jordani*.
 Moapa dace—*Moapa coriacea*.
 Woundfin—*Flagopherus argentissimus*.
 Colorado River squawfish—*Ptychocheilus lucius*.
 Kendall Warm Springs dace—*Rhinichthys osculus thermalis*.
 Cur-ui—*Chasmistes cufus*.
 Devil's Hole pupfish—*Cyprinodon diabolis*.
 Comanche Springs pupfish—*Cyprinodon elegans*.
 Tecopa pupfish—*Cyprinodon nevadensis calidae*.
 Warm Springs pupfish—*Cyprinodon nevadensis pectoralis*.
 Owens River pupfish—*Cyprinodon radiosus*.
 Pahrump killifish—*Empetrichthys latos*.
 Big Bend gambusia—*Gambusia gagei*.
 Clear Creek gambusia—*Gambusia heterochir*.
 Pecos gambusia—*Gambusia nobolis*.
 Unarmored threespine stickleback—*Gasterosteus aculeatus williamsi*.
 Gila topminnow—*Poeciliopsis occidentalis*.
 Fountain darter—*Etheostoma fonticola*.
 Watercress darter—*Etheostoma nuchale*.
 Maryland darter—*Etheostoma sellare*.
 Blue pike—*Stizostedion vitreum glaucum*.
 [35 F.R. 16047, Oct. 13, 1970]

The meeting was called to order by Chairman John Sackett, February 14, 1973 at 3:45 P. M.

Present were Senators Sackett, Butrovich, Meland, and Palmer.

Commissioner Max Brewer of the Department of Environmental Conservation spoke on SCR 30 (annu~~l~~ling certain administrative regulations by the Department of Environmental Conservation). He stated that the regulations adopted by his Department are already in effect in Fairbanks and the Anchorage area.

Senator Sackett stated tha the legislative objections to his Department's regulations were when dividing sublots, that it created an extreme hardship on the owners.

Commissioner Brooks felt that ti prevented additional pollution. The pollution may not be seen this year but in years to come, it will have a great effect. The Department does not recommend any changes.

Meeting adjourned at 4:30 P. M.

The meeting was called to order at 3:25 P. M. by Chairman John C. Sackett on February 15, 1973.

Present were Senators Sackett, Butrovich, Hohman, Meland, Rader and Palmer.

CSHB 1 (an act relating to guides) was supported by Representative Keith specking. He stated that this bill removed the professional guiding from the Department of Fish and Game into the administration's department.

Frank Jones, Director, Division of Game, Department of Fish and Game, recommended that the following amendments be added: Page 1, line 15 and 16 delete "one member of the board shall be the director of game of the Department of Fish and Game." Also, delete Line 18 and 19, Page two "With the exception of the director of the division of game."

Senator Palmer moved that we do pass CSHB 1 with the amendments (stated above). Hearing no objections, the Chair so ruled. CSHB 1

In reference to guides, Representative Specking felt that there should be legislation to regulate "transporters".

George Hohman stated he would like to have an amendment to CSHB 1 so that some transporters can qualify under this bill.

SJR 17 (renaming Mt. McKinley) was supported by Senator Sackett. He stated that the U. S. Board on Geographic names supports the theory that geographical names be renamed to its original name.

Senator Rader moved that we do pass SJR 17. Hearing no objection, the Chair so ruled. SJR 17

Senator Hohman moved and asked unanimous consent that SJR 16 (Semidi National Wildlife Refuge) do pass and asked unanimous consent. Hearing no objection, the Chair so ruled. SJR 16

Meeting was adjourned at 4:35 P. M.

The meeting was called to order by Chairman Sackett at 3:15 on February 20, 1973.

Present were Senators Sackett, Palmer, Rader, Thomas, Hohman, Meland, and Butrovich.

Representative Terry Gardner was present to speak in behalf of HJR 16. The resolution asked that the Federal government fund monies to be matched by State monies for anadromous fisheries programs.

Senator Rader moved that we do pass HJR 16. Hearing no objections, the Chair so ordered.

HJR 16

Commissioner Brooks, Department of Fish and Game, spoke on behalf of CSSB 99. He stated that he believe in the concept of the bill but does object to Page 5, line 13(c) because it may be in conflict with Page 3, line 21. He aslo felt that the Department would need monies to hold these proposed hearings. He stated that the would send over a fiscal note tomorrow. He also felt that the bill would subject the Commissioner of Fish and Game to continual flow of critisms. He could administer the program in a reasonable way and not unjustly deny a great bulk of the State.

Senator Hohman moved and Senator Thomas seconded that we do pass the bill out of committee with the delections (3) mentioned and with individual recommmendations. Hearing no objections, the Chair ruled that CSSB 99 do pass.

CSSB 99

Delections to CSSB 99 are as follows: Page 5, line 13, 14, and 15 delete "(c) A permit may limit its holder to en-

gaging in hunting or fishing in the minimum number of zones necessary to fulfill his subsistence needs, in the determination of the commissioner."

A discussion followed on SCR 30 (annulling certain regulations by the Department of environmental Conservation).

Steve Cycles, an interested party, felt the regulations on waste disposal system created a grave hardship and was seeking temporary relief. He said the regulations were state-wide in effect.

SSSB 103 was discussed by Senator Palmer. He felt that the bill only gave the regional boards 4 powers and that the present situation has not worked because the Master Board is over worked. He felt these regional boards would ~~de~~ivate much of the Master's boards decisions.

Senator Rader felt that the bill was too confining and that the regional boards would not be representative of the total population.

Senator Palmer disagreed with Senator Rader and stated that the Master Board would have the right to veto or rescind action of any of the regional boards.

Senator Thomas moved that we pass SSSB 103 out of committee with the amendments and fiscal note. Hearing no objections, SSSB 103 the Chair so ruled. (See Attachment for deletions).

HB 73 was discussed and it was noted that there may exist a slight legal problem with the bill. (See attachment).

Senator Palmer moved that we do pass out of committee HB 73 (restricting open-to-entry lands to state residents) HB 73 with individuals recommendation. Hearing no objections, the Chair so ruled.

Meeting adjourned at 4:45 P. M.

SSSB No. 103

Page 3, Line 15

ADD: "the master board may veto regional board" to
"the master board may amend or veto regional board"

Page 5, Lines 26 to 29

DELETE: "The commissioner may delegate authority to advisory committees for emergency closures during established seasons. The commissioner may countermand and make null and void any authority delegated or order issued under this subsection. The master board shall"

Page 6, Line 1 (continued)

DELETE: "establish the necessary rules governing such closures."

Page 6, Line 15

ADD: "of this section may be vetoed by" to "of this section may be amended or vetoed by"

Page 6, Line 19

DELETE AND ADD: "of veto action." to "of such action."

Long Put in #873

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99801

February 21, 1973

The Honorable John Sackett
Chairman
Senate Resources Committee

Re: HB 73 am

Dear Senator Sackett:

You have requested the opinion of this department regarding the constitutionality of the above-referenced bill, which amends AS 38.05.077 relating to the qualifications of persons seeking to enter upon state lands.

HB 73, the forerunner of the present bill, introduced a simple residency requirement as one of the qualifications of entrymen. The original measure was later amended to state an additional condition, which reads: "(3) has been a resident of the state for at least one year immediately preceding his application to lease." See House Resources Committee report, House Journal, p. 153. It is to this amendment that our comments are directed.

The U.S. Supreme Court decisions in Dunn v. Blumstein, 405 U.S. 330; 31 L.Ed.2d 274 (1972) and Shapiro v. Thompson, 394 U.S. 618; 22 L.Ed.2d 605 (1969), focused attention upon laws which condition the enjoyment of rights or privileges upon the length of time a person has resided in a particular state. As viewed by the Court in Dunn, 31 L.Ed.2d at pp. 279, 280, "[d]urational residence laws penalize those persons who have traveled from one place to another to establish a new residence during the qualifying period. Such laws divide [state] residents into two classes, old residents and new residents, and discriminate against the latter . . ." Earlier the Court declared that the right to travel is an unconditional personal right, Shapiro, supra, 394 U.S. at p. 643, and therefore durational residence laws which burden the right are unconstitutional unless the State can demonstrate them to be "necessary to promote a compelling governmental interest." Id. at p. 634.

On this rationale, courts have struck down durational residency requirements in regard to voting in state elections [Dunn, supra], as a qualification for receipt of state welfare

benefits [Shapiro v. Thompson, supra], the occupancy of publicly financed low-cost housing [King v. New Rochelle Housing Authority, 314 F.Supp. 427 (S.D.N.Y. 1970)], and receipt of state supported medical care [Vaughan v. Bower, 313 F.Supp. 37 (Ariz. 1970) and see Crapps v. Duval County Hospital Authority, 328 F.Supp. 181 (M.D.Fla. 1970)].

The durational residence requirements stricken down in the above cases seem to bear a close resemblance to that contained in HB 73 am. When applied, only recent migrants are disqualified from entering state lands, even though they may intend to make a permanent home in the state and have assumed the same burdens and responsibilities of longer term residents.

As the effect of requiring a one year waiting period is clearly discriminatory, the inquiry must shift to the nature of the interest to be protected and whether the means adopted interfere to the least extent with individual rights. The "compelling state interest test" does not possess mathematical precision. Thus, for example, a one year residency requirement as a qualification for payment of resident tuition at a state university has been upheld as constitutional, Starns v. Malkerson, 326 F.Supp. 234 (D.Minn. 1970). Under the particular circumstances of that case, at least, the court found that the residence requirement did not infringe upon the right to travel.

In conclusion, it should be emphasized that the durational condition specified in HB 73 am is subject to close judicial scrutiny. Upon a challenge the State will be required to identify the substantial interest involved and demonstrate how the one year qualification period furthers that interest. While we believe there may be reasonable legal grounds which can be asserted to defend this residency requirement, we cannot predict with certainty how a court might rule when confronted with a challenge, because the law of durational residence is in a state of flux throughout the country at this time.

Sincerely,

JOHN E. HAVELOCK
ATTORNEY GENERAL

By: 
M. Gregory Papas
Assistant Attorney General

The meeting was called to order by Chairman John Sackett at 3:07 on February 27, 1973.

Present were Senators Sackett, Palmer, Thomas, Meland, Butrovich, and Hohman.

Senator Hensley spoke in support of SB 129 (an act relating to guides) and felt there were no particular legal problems with this bill. It would specify where a guide could carry on his guiding. All guides would not be able to hunt in all districts.

In reference to SB 129, Commissioner Brooks, Department of Fish and Game, stated that the bill would provide an economic opportunity within an area now denied them. As to the legality of the bill, the Commissioner stated that many guides have some businesses in more than one district. He stated further that at the present time there is no record of how much guides kill. There is a report that guides have to turn in but are not required to do so. The program of computation is now with the Public Works and with HB 1, it would probably be with the Department of Commerce.

Senator Hensley felt that Kotzebue and Nome are being presently hurt by the vast number of guides going into that area and the vast amount of game killed.

Commissioner Brooks felt he favored the concept of the bill generally.

Senator Hohman moved and asked unanimous consent that we do pass HCR 49, SJR 24, HJR 32, and HJR 24. Hearing no objection, the Chair so ruled.

Meeting adjourned at 4:00 P. M.

SB 129
HCR 4
SJR 2
HJR 3
HJR 2

The meetin was called to order by Chairman John Sackett at 3:15 P. M. on March 1, 1973.

Present at the meeting were Senators Sackett, Hohman, Meland, Palmer, Thomas, and Rader.

Senator Thomas moved we do pass the SB 182. Hearing no objection, the Chair was ordered. (SB 182 is an act relating to fish and game.)

SB 182

L. P. Carroll, Chief of the Miscellaneous Tax Section, Department of Revenue, spoke on SB 169. (See Attachement)

David Herrnstenn, Fisherman from Kodiak, spoke on SB 169. (See Attachment).

Jay Hammond representing Bristol Bay Borough spoke in favor of the bill and its intent to raise fishing taxes. He stated that there has been a poor fishing run the last two years and we should take into consideration the amount of money we receive as compared to the amount of money the State of alaska invests in management of its fisheries . He felt we were not utilizing our taxing authority particularly in rural Alska. He would ~~definitely~~ endorse the bill.

Senator Palmer moved and asked unanimous consent that in refernce to SB 169 that Page, 4 line 8 through 13 be deleted. Hearing no objection, the Chair so ordered.

SB 169

The delection is as follows to SB 169 "Sec. 73.75.130. REFUND TO LOCAL GOVERNMENTS. Subject to appropriation by law, the (THE) commissioner of revenue shall pay to each organized borough and each city of the first and (,) second (, AND THIRD) classes an amount equal to 10 percent of the amount of tax revenue collected in the borough or city from taxes levied

by secs. 10 - 90 of this chapter.

Meeting adjourned at 4:40 P.M.

FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: SENATE BILL 169
 Title: AN ACT RELATING TO FISHERIES TAXES
 Requested by: SENATE RESOURCES COMMITTEE Date: 3/1/73
 Return Date Requested: 3/2/73
 Agency: DEPARTMENT OF REVENUE Program: FISCAL SERVICES

II. FISCAL DETAIL

Budget Request Unit(s) Affected: INDIVIDUAL AND BUSINESS TAXES

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	0*	15.7	16.6	17.5	18.5	19.5
200 TRAVEL	-0-	1.5	1.6	1.7	1.8	1.9
300 CONTRACTUAL	-0-	2.0	1.0	1.1	1.2	1.3
400 COMMODITIES	-0-	.5	.5	.6	.6	.7
500 EQUIPMENT	-0-	.5	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	20.2	19.7	20.9	22.1	23.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	20.2	19.7	20.9	22.1	23.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0/	1 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	-0/	12 /	12 /	12 /	12 /	12 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHED MEMO RE: S.B.169 FROM L.P. CARROLL, CHIEF
 MISC. TAX SECTION DATED 3/1/73.

IV. ATTACHMENTS

V. DATE: 3/2/73

PREPARED BY: 

R.D. STEVENSON
 ACTING COMMISSIONER
 DEPARTMENT OF REVENUE

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM

TO:

R. D. Stevenson
Acting Commissioner
Department of Revenue

DATE : March 1, 1973

FROM: L. P. Carroll, Chief *L. P. Carroll*
Miscellaneous Tax Section
Department of Revenue

SUBJECT: Senate Bill 169
Raising Fisheries Taxes

Senate Bill 169 increases the fisheries tax rates on all species with the exception of salmon. The cold storage and freezer ship tax on salmon remains at 1% for shore base operations and 4% on floating operations. The raw fish tax on salmon canneries remains at 3% of the average wholesale case price for the last five months of the preceding five years.

The figures shown below indicate the tax collected in 1972 under present rates on the 1971 pack, and show the amounts which would have been collected had Senate Bill 169 been in effect for that time. Column three indicates the gross increases to the general fund before revenue sharing. The proposed amendments to the sharing provisions of AS 43.75.130 and AS 43.75.135 will be discussed later in this memorandum.

Effect on Treasury:

Type & Species	Tax Collected in 1972 at Present Rate		Estimated Tax Had S.B. 169 Been in Effect		Increase to General Fund (Before Revenue Sharing)
	Rate				
Salmon Canned	3% Av. Whlse	\$2,670,560	3% Av. Whlse	\$2,670,560	-0-
Salmon (Land Based)	1% of value	75,495	1% of value	75,495	-0-
Salmon (Floaters)	4% of value	24,072	4% of value	24,072	-0-
Halibut	1% of value	80,029	3% of value	240,087	\$ 160,058
Herring (Land Based)	1% of value	957	5% of value	4,785	3,828
Herring (Floaters)	4% of value	1,468	5% of value	1,835	367
Shrimp (Land Based)	1% of value	36,471	5% of value	182,355	145,884
Shrimp (Floaters)	4% of value	11,508	20% of value	57,540	46,032
* Crab (Land Based)	2%&1% of value	176,382	5% of value	779,049	602,667
Crab (Floaters)	4% of value	196,448	20% of value	982,240	785,792
Scallops	1% of value	10,171	5% of value	50,855	40,684
Sablefish	1% of value	576	3% of value	1,728	1,152
**Clams & Misc.	1%&2%	682	5% of value	3,410	2,728
Sub-total		\$3,284,819		\$5,074,011	\$1,789,192

* 2% Tax applies to canned crab
 1% tax applies to frozen & fresh crab

**Razor clams at 2%
 Butter clams at 1%

<u>Type & Species</u>	<u>Rate</u>	<u>Tax Collected in 1972</u>	<u>Estimated Tax Had S.B.</u>		<u>Increase to</u>
		<u>at Present Rate</u>	<u>169 Been in Effect</u>		<u>General Fund</u>
					<u>(Before</u>
					<u>Revenue</u>
					<u>Sharing)</u>
Salmon Roe & Milt Based on 9,003,729 lbs.	No tax	-0-	25¢ per lb.	2,250,932	2,250,932
Totals		<u>\$3,284,819</u>		<u>\$7,324,943</u>	<u>\$4,040,124</u>

Thus it may be shown that had Senate Bill 169 been in effect in 1971 the gross additional revenue to the general fund before revenue sharing would have amounted to \$4,040,124.

As we are dealing with a shared tax, to accurately express the effect on treasury, we must now show the amounts to be shared with local governments. The figures shown below in column (1) indicate what the sharing was actually on the FY 72 collections. The figures shown in column (2) reflect what the sharing would have been on the increased revenues at the proposed increased sharing formula in Senate Bill 169. We have shown a distributed amount by each applicable city and borough for all fisheries taxes exclusive of the proposed 25¢ per pound tax on salmon and herring roe. The total sharing for this tax is shown at the bottom of the chart and is expressed as a 30% figure rather than 40% to account for that roe which will be processed in canneries outside of any city or organized borough. We are not able to estimate roe production by city and borough at this time but feel that the overall 30% figure is reasonable for these purposes.

<u>Cities</u>	(1) <u>Revenue Shared 1972 Pack July 1972 Actual</u>	(2) <u>Estimated Revenue Sharing Under S.B. 169</u>
Anchorage	\$ 7,120	\$ 8,000
Cordova	26,330	55,300
Craig	400	800

<u>Cities</u>	(1) Revenue Shared 1972 Pack July 1972 Actual	(2) Estimated Revenue Sharing Under S.B. 169
Dillingham	17,140	35,000
Haines	10	10
Homer	580	2,900
Hoonah	410	1,800
Kenai	9,370	9,370
Ketchikan	1,490	3,100
King Cove	36,930	82,000
Kodiak	26,360	58,000
Pelican	2,740	12,700
Petersburg	39,340	87,500
Seldovia	1,130	5,650
Seward	5,530	14,300
Sitka	1,230	2,850
Unalaska	8,910	76,000
Valdez	100	100
Wrangell	6,060	14,400
Yakutat	800	5,000
Cities Sub-total	\$191,980	\$474,780
<u>Boroughs</u>		
Greater Anchorage	7,130	24,000
Bristol Bay	103,750	210,200
Haines	30	40
C & B Juneau	3,700	16,400
Kenai Peninsula	23,510	110,000
Ketchikan Gateway	1,490	9,800
Kodiak Island	72,820	293,000
Sitka	19,850	46,000
Boroughs Sub-total	\$232,280	\$709,440
Roe Tax Sharing	-0-	675,280
Total Revenue Sharing	\$424,260	\$1,859,500

The net effective increase to the general fund had Senate Bill 169 been in effect on the 1971 pack after increased revenue sharing would have been \$2,604,884. Total net general fund revenues would have amounted to \$5,465,443 rather than \$2,860,559 actual. This would result in a net percentage increase to the State of 91.06%, while also more than tripling the revenue sharing to eligible units of local governments.

We may then assume that the same general effects will hold true for the 1973 pack and any subsequent year without attempting to estimate specifics by species and area.

Problems of Administration:

Senate Bill 169 provides that the effective date is the day after passage and approval or on the day it becomes law without approval. This poses administrative problems on collection of the tax for the calendar year 1973 catch. For example, should Senate Bill 169 become law on March 31, 1973, we would have to require that each processor file two returns; one showing his production from January 1, 1973 through March 31, 1973 at the old rate and another return showing production from April 1, 1973 through December 31, 1973 at the new rate. This would have the effect of doubling the workload in fisheries tax audit as well as the revenue sharing, as we would have to share the first three months' taxes collected at the old rate under the old revenue sharing formula and the balance of the year's taxes under the provisions of Senate Bill 169.

Therefore, we strongly recommend that the effective date of the legislation be made to coincide with the beginning of a calendar year.

Another potential problem may exist in Section 43.75.060(e) on line 27 of page two of the bill wherein it states - "any cold storage or processing plant removed from the state is a floating cold storage under (c) of this section from the day of removal." We believe this section may be made clearer and strengthened by changing the language to read - "any cold storage or processing plant moved within the state or removed from the state is a floating cold storage under (c) of this section from the day of removal."

Cost of Administration:

As the incidence of a higher tax provides incentive for tax avoidance it is felt that the addition of a revenue auditor for field investigation is desirable. The addition of the new position would also require increased equipment and travel allowances for the fisheries tax unit. Specific amounts will be provided in our fiscal note on Senate Bill 169.

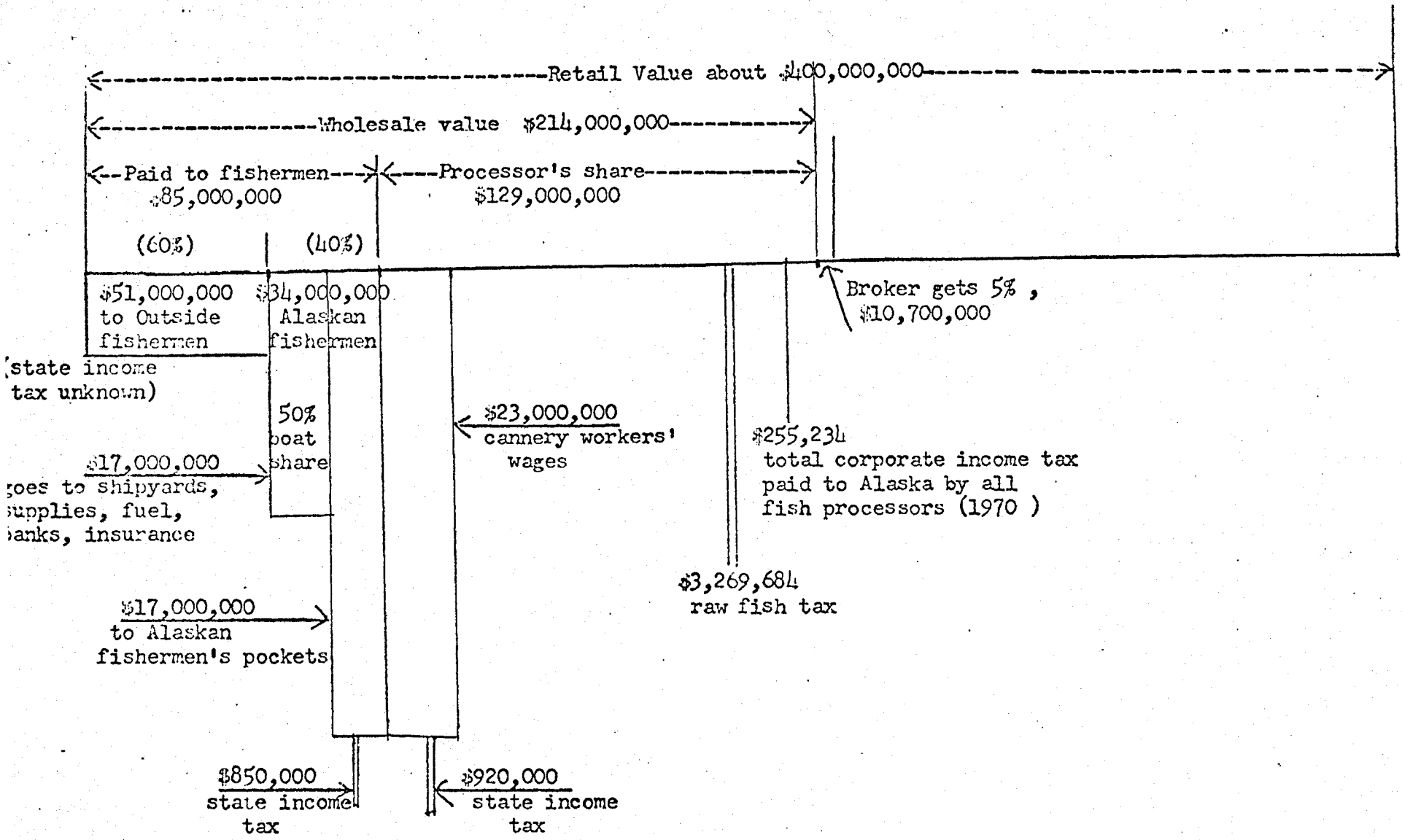
R. D. Stevenson

March 1, 1973

-5-

We will also require some additional funds for the redesign and printing of new fisheries tax forms and these amounts will also be detailed in our fiscal note.

LPC: agm



FLOW OF FUNDS *** ALASKA SEAFOOD INDUSTRY 1971

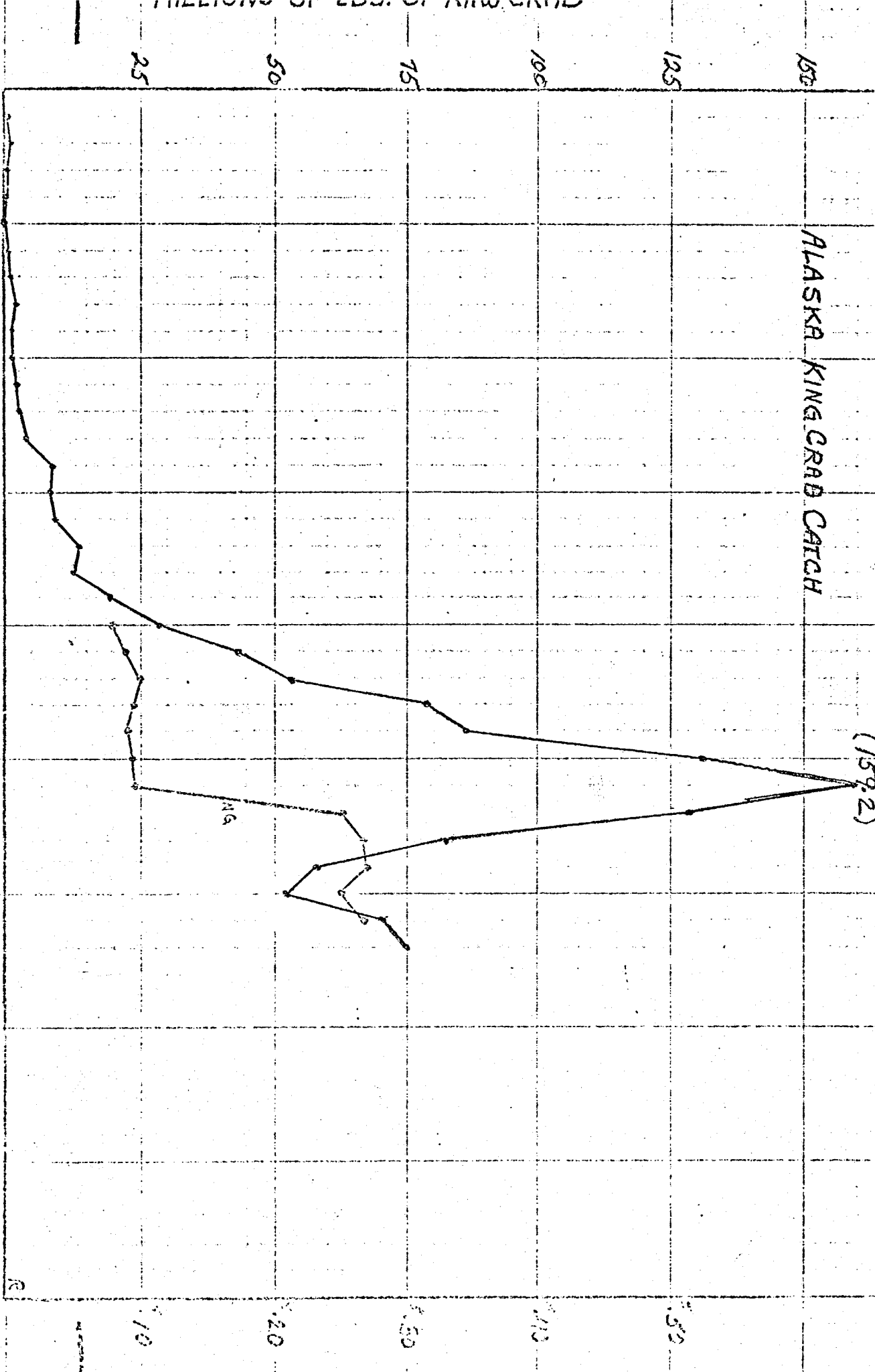
Note: The wholesale value may be greater than indicated. Much of the industry is vertically integrated, with many processors having substantial interests at the fishing level as well as in brokering, labeling, and further distribution.

Compiled by Dave Herrnsteen

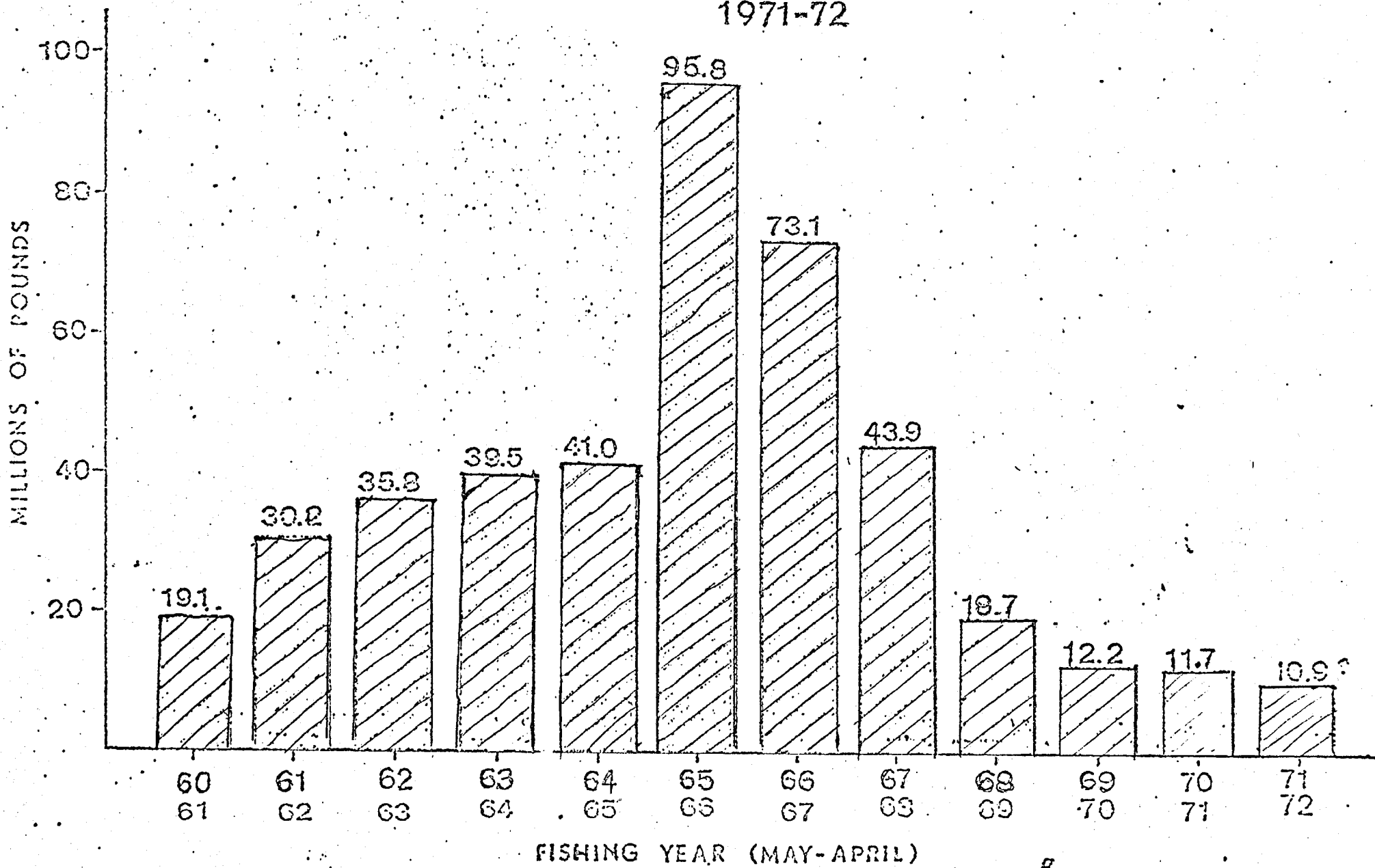


ALASKA KING CRAB CATCH

YEAR

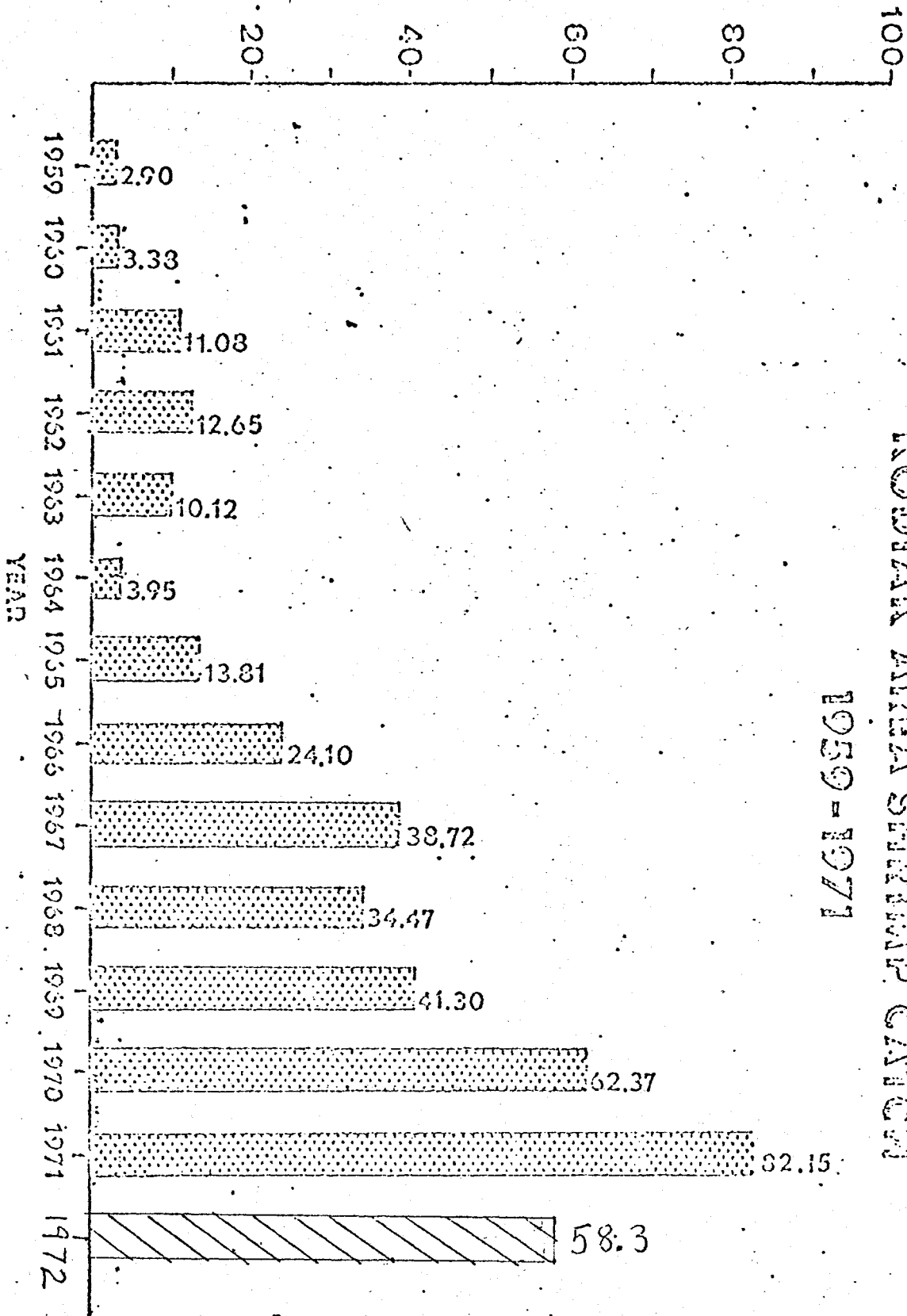


KODIAK AREA KING CRAB CATCH 1960-61 TO 1971-72



SEASON QUOTA
HARVESTED BY
OCT. 29, 1971

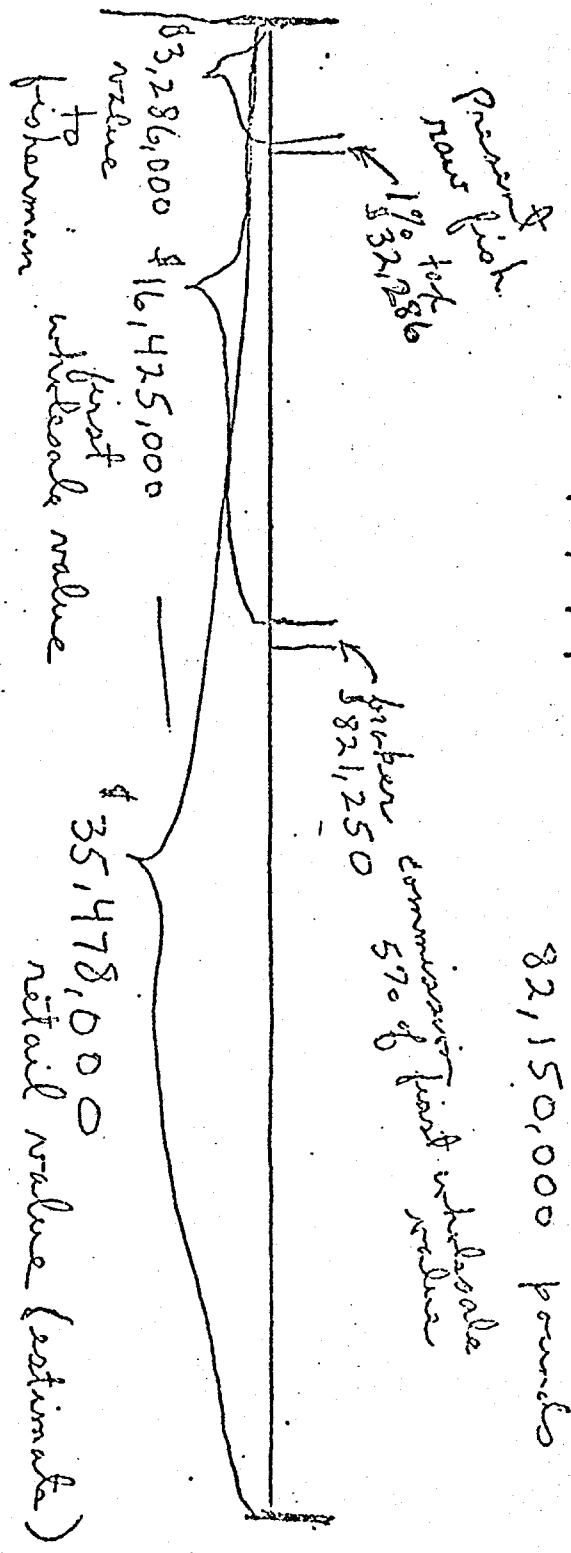
MILLIONS OF POUNDS



KODIAK AREA SHRIMP CATCH

1959-1971

82,150,000 pounds



82,150,000 pounds at price to fishermen of \$.04 per pound

\$3,286,000 value to fishermen

82,150,000 pounds of raw shrimp at recovery rate of 16%

.16

13,140,000 pounds of processed shrimp valued at \$1.25 per pound at first wholesale level

\$16,425,000 first wholesale value

\$35,478,000 estimate retail value

The State of Alaska allowed serious overfishing of our king crab stocks during the past decade. Predictions based on guess-timates proved too rosy, and management techniques and quota systems have improved, and the king crab catch is on the upswing again. It was an expensive lesson, for if we hadn't seriously depleted some of the stocks back in the sixties, we would likely have a higher sustained yield harvest level today.

One would hope that Alaska had learned, but apparently we haven't, for the same pattern of overfishing and undermanagement of our shrimp and tanner crab stocks is taking place today. The shellfish program of Fish and Game is underfunded, while at the same time the lucrative resource is undertaxed.

Alaska produces about 25% of our nation's shrimp harvest. Kodiak's 1971 shrimp harvest produced 82,000,000 pounds of shrimp with a value of \$16,000,000 when leaving town, yet the state spent only \$90,000 'managing' the resource, and collected only \$32,000 in fish tax revenues. This year's production dropped thirty per cent to 58,000,000 pounds, and some of the grounds have already been seriously overfished. Fish and Game has developed the basic management techniques, but it doesn't have the funds to implement them.

Now some of the fishing pressure is moving westward to the Chignik-Sand Point area where the expected harvest this year will be 30,000,000 pounds, about a third of the entire American Pacific Coast catch. Yet due to lack of funding there is no management program at all, and the valuable stocks are being subjected to the familiar free-for-all.

And the same destructive development pattern is taking place with the booming tanner crab fishery, except that with the greatly increased fishing capacity it's happening at an accelerated rate. Fish and Game has no tanner crab program. At the request of the Cordova fishermen a quota was guessed at for the Prince William Sound area, but the Kodiak area has no quota, and along with the entire state, no size or mesh limits. No attempt is being made to inventory the tanner crab stocks or to derive the needed basic management data.

The management of our fisheries is the responsibility of the State. No one else can do this with our competitive, unlimited entry, free enterprise system, unless the federal government should step in and take over fisheries management, and I'm sure then we would squeal. It is the task of the legislature to provide the funds for adequate management of our fisheries deriving the funds through realistic taxation of the resource if necessary. Crab and shrimp fishermen are making a good living. I feel a major concern is that our resources are being so under-managed that we won't be able to make a living in the future.

Fishermen have a saying that goes, 'you can't make a season on the grub bill'. It sort of tells the cook not to be too penny-pinching on the food, because the payday is going to be determined primarily by the amount of fish caught, and good food can be particularly desirable when the fishing is heavy. The same type of concept holds true with management--if the fishing industry isn't willing to spend the few dollars necessary to properly take care of our fish, then we very likely won't have enough fish to catch in the future.

Dave Herrnsteen

1971 ALASKA SEAFOOD VALUES AND TAX REVENUES

	<u>VALUE TO FISHERMEN</u>	<u>FIRST WHOLESALE VALUE</u>	<u>PROCESSOR TAX</u>
Canned salmon	\$51,411,428 total	\$107,981,152	\$2,670,560
Frozen salmon		11,966,575	99,568
Fresh salmon		921,415	
Salmon roe		27,000,000	
<hr/> Salmon Total	\$51,411,428	\$147,869,142	\$2,770,128
King Crab	\$19,077,253	\$32,351,952	\$349,393
Dungeness Crab	609,924	1,478,775	6,099
Tanner Crab	1,368,544	2,893,827	13,685
Shrimp	3,909,045	15,780,163	39,090
Clams	70,152	107,487	701
Scallops (shucked)	990,385	1,206,593	9,903
<hr/> Shellfish Total	\$26,025,303	\$53,818,797	\$418,871
Halibut	\$7,236,812	\$10,178,125	\$72,368
Misc. Fish	831,777	2,169,255	8,317
<hr/> TOTAL SEAFOOD	\$85,505,320	\$214,035,319	\$3,269,684

Compiled from ADF&G and NMFS statistics.

SECTION II

DETAIL OF STATE REVENUES
FISCAL YEARS 1972-78

CODE	REVENUE SOURCES	ACTUAL		ESTIMATED					
		F.Y. 1972	F.Y. 1973 Budget Estimate	F.Y. 1973 Revised Estimate	F.Y. 1974 Revised Estimate	F.Y. 1975 Revised Estimate	F.Y. 1976 Revised Estimate	F.Y. 1977 Revised Estimate	F.Y. 1978 Estimate
GENERAL FUND - UNRESTRICTED REVENUE									
<u>INCOME, EXCISE AND OCCUPATION TAXES</u>									
101	Alcoholic Beverage Excise Tax	\$ 4,837.8	\$ 6,301.1	\$ 5,124.2	\$ 5,636.7	\$ 5,862.2	\$ 6,069.6	\$ 5,994.7	\$ 6,234.5
102	Cigarette Tax (3¢ General)	1,209.2	1,357.0	1,224.8	1,447.3	1,592.1	1,751.3	1,821.3	1,894.2
104	Insurance Premium Tax	3,475.9	4,364.3	3,927.8	4,438.4	5,015.4	5,667.4	6,404.2	7,236.8
105	Alaska Business License Tax	6,069.1	6,321.0	6,433.2	7,015.1	8,062.7	8,794.2	9,124.0	8,920.2
<u>Income Taxes</u>									
106	Individual Income Tax	39,076.3	42,962.7	41,039.4	49,822.4	57,142.8	59,735.3	55,398.3	55,508.2
107	Fiduciary Income Tax	47.6	40.0	50.0	50.0	55.0	55.0	55.0	60.0
108	Corporation Income Tax	6,458.0	6,906.9	6,886.8	7,594.7	8,007.1	8,643.2	10,673.1	21,160.7
	Total Income Taxes	<u>\$45,581.9</u>	<u>\$49,909.6</u>	<u>\$47,976.2</u>	<u>\$57,467.1</u>	<u>\$65,204.9</u>	<u>\$68,433.5</u>	<u>\$66,126.4</u>	<u>\$76,728.9</u>
109	Mines and Mining Taxes	30.7	17.0	32.0	40.0	40.0	60.0	80.0	80.0
110	Inheritance Tax	59.2	20.0	17.2	10.0	4.0	-0-	-0-	-0-
111	Estate Tax	39.3	8.0	42.0	50.0	55.0	60.0	65.0	70.0
<u>Commercial Fish Taxes</u>									
112	Raw Fish Tax	2,714.4	2,816.8	1,570.4	1,647.3	2,342.0	2,633.8	3,162.5	2,791.9
113	Fish Tax - Cold Storage	339.8	305.0	340.0	340.0	350.0	360.0	370.0	380.0
114	Fish Tax - Freezer Ship	228.5	140.0	230.0	230.0	230.0	230.0	230.0	230.0
	Total Commercial Fish Taxes	<u>\$3,282.7</u>	<u>\$3,261.8</u>	<u>\$2,140.4</u>	<u>\$2,217.3</u>	<u>\$2,922.0</u>	<u>\$3,223.8</u>	<u>\$3,762.5</u>	<u>\$3,401.9</u>
117	Disaster Relief Tax	1.8	-0-	-0-	-0-	-0-	-0-	-0-	-0-
118	School Tax	1,491.5	1,455.3	1,533.9	1,654.3	1,718.1	1,772.5	1,742.8	1,760.2
120	Electric & Telephone Coop Tax	469.0	455.0	500.0	520.0	540.0	570.0	590.0	610.0
<u>Fuel Taxes</u>									
131	Highway Fuel Tax	8,898.8	9,928.9	9,431.3	10,621.2	11,429.0	11,570.8	12,010.8	12,621.2
132	Aviation Fuel Tax	1,476.6	1,840.0	1,386.8	1,577.3	1,665.0	1,740.0	1,591.2	1,623.0
133	Watercraft Fuel Tax	1,026.5	1,100.6	1,041.3	1,083.0	1,126.3	1,171.3	1,218.2	1,266.9
	Total Fuel Taxes	<u>\$11,401.9</u>	<u>\$12,869.5</u>	<u>\$11,859.4</u>	<u>\$13,281.5</u>	<u>\$14,220.3</u>	<u>\$14,482.1</u>	<u>\$14,820.2</u>	<u>\$15,511.1</u>
	Total Income, Excise and Occupation Taxes	<u>\$77,950.0</u>	<u>\$86,339.6</u>	<u>\$80,811.1</u>	<u>\$93,777.7</u>	<u>\$105,236.7</u>	<u>\$110,884.4</u>	<u>\$110,531.1</u>	<u>\$122,447.8</u>
<u>OIL & GAS PRODUCTION TAX</u>									
115	Oil & Gas Production Tax	11,400.8	9,535.0	10,947.0	8,826.0	7,989.0	7,269.0	87,593.0	147,934.0

1973 ALASKA SEAFOOD VALUES AND TAX REVENUE PROJECTIONS

	Value to fishermen	First wholesale	Existing tax	Proposed tax
Canned salmon	} \$32,000,000	\$66,000,000	\$1,570,400	\$1,570,400
Frozen salmon		8,000,000	60,000	60,000
Fresh salmon		700,000		
Salmon roe		12,000,000		1,000,000
Sub total	\$32,000,000	86,700,000	1,630,400	2,630,400
King crab				
shore-based	13,600,000	26,000,000	136,000	680,000
floater	9,700,000	23,000,000	388,000	1,940,000
Sub total	23,300,000	49,000,000	524,000	2,620,000
Shrimp				
shore-based	4,300,000	20,000,000	43,000	215,000
floater	900,000		36,000	180,000
Sub total	5,200,000	20,000,000	79,000	395,000
Tanner crab	6,000,000	16,000,000	60,000	300,000
Dungeness crab	2,000,000	4,500,000	20,000	100,000
Scallops	1,400,000	1,700,000	14,000	70,000
Halibut	14,000,000	18,000,000	140,000	420,000
Herring	270,000	} 2,000,000	2,700	13,500
Herring roe				
Total Seafood	\$84,170,000	\$197,900,000	\$2,470,100	\$6,748,900

1973 PROJECTED FISH PROCESSOR TAX REVENUES

Revised Budget Estimate		\$2,200,000
20% Revenue Sharing (actually 13%)		<u>286,000</u>
Net to state		1,914,000
<u>Proposed Increases</u>		
King Crab	2,096,000	
Shrimp	316,000	
Halibut	280,000	
Others	387,000	
Roe	<u>1,200,000</u>	
Total Increases		<u>4,279,000</u>
Total Proposed Revenues		6,193,000
40% Revenue Sharing (actual 25%)		<u>1,518,000</u>
Net to State		4,675,000
Net Increase to State		2,731,000

In 1971 under 20% revenue sharing only 13% was actually shared with the communities. Less than 40% of proposed revenues would be actually shared. The \$1,000,000 collected at Adak, for instance, would go solely to the state.

SALMON

The present tax on canned salmon is 3% of the value of the pack, with the value determined as the average wholesale price over the preceding five years. This is roughly equivalent to 6% of the value to the fishermen. Shore-based processors purchasing salmon for purposes other than canning, such as fresh or frozen production, pay a tax of 1% of the value to the fishermen. Freezerships and other floating cold storages pay a tax of 4% of the value to the fishermen, except that if they remain in the same location for more than one year, they pay at the shore-based rate of 1%. SBL69 does not change these rates.

CRAB

Crab canneries, both shore-based and floating, presently pay a tax of 2% of the value of the raw crab. Crab purchased for fresh or frozen production, as most crab are, is taxed at the rate of 1% for shore-based and 4% for floaters. SBL69 proposes taxing all crab at the rate of 5% for shore-based processors and 20% for floating processors.

There are several reasons for taxing the floating processors at the considerably higher rate. Unlike the past, when floaters were needed, the crab processing industry today has more than adequate capitalization. A shore-based plant makes significant contributions to the local economy through property taxes, construction and maintenance costs, providing more steady jobs, etc. A floater has the competitive advantage of being able to locate closer to the grounds than a shore-based plant, and so is able to purchase crab at a considerably lower price during a quick season. For instance, the town of Kodiak is on the north end of the island while the heavy king crab fishing the last few seasons has been at the south end. Last year crab was selling for as little as 32 cents at the south end while at the same time it was as high as 40 cents in town. The 15% differential, about $4\frac{1}{2}$ cents, would tend to diminish these advantages.

But probably the most important reason for the higher tax on floaters is that they traditionally move into the new or more distant grounds first and get the 'cream of the crop'. It is at these times, before the stocks are fully- or over-harvested, that an impact of management dollars is needed to inventory the stocks and find the right sustained yield harvest levels. This is presently lacking. Protection is also needed in these areas, where it is particularly expensive.

King crab is Alaska's one monopoly and our most lucrative fishery, and it makes sense to use a small part of this wealth for better management of our present and developing fisheries.

SHRIMP

Shore-based shrimp processors presently pay a tax of one per cent of the value to the fishermen, while a floating processor pays 4%. SBL69 proposes raising this to 5% for shore-based and 20% for floaters.

New floaters have recently been moving into the Chignik-Sand ~~Is~~ Point area, yet the state has no management or protection program.

The proposed tax on shrimp is actually quite low since the value to the fishermen is such a relatively low percentage of the first wholesale value. An amount equal to all the additional tax revenues from shrimp is very badly needed for the neglected resource.

HALIBUT

The present tax on halibut purchases by cold storages is 1% of the value to the fishermen. SB169 proposes raising the rate to 3%.

In the past there were good arguments for a low tax on halibut, but these are no longer valid with today's high prices. The large halibut boat will fish steadily until he has a load or up to three weeks before selling his fish. Roundtrip running time from the Kodiak area, which is in the midst of the major grounds, to Seattle is 10 to 12 days. Back in 1967 when the price was 18 cents in Kodiak and 25 cents in Seattle, a boat running to Seattle would receive 40% more money for his catch. Last year, with a price of say 70 cents in Kodiak and 77 cents in Seattle, he would receive only 10% more for his catch, while the increased running time would lengthen the time of his trip by maybe 50%. Seattle, formerly the major American buyer, has had a sharp decrease in landings the past several years, and in 1972, when the halibut price was 100% above 1971 prices, Seattle's already small landings decreased 300%.

Many halibut fishermen had very lucrative seasons this year. Additionally, halibut fishermen, unlike all other fishermen, do not have to pay Alaska income tax on any earnings from fish caught outside three miles, as most halibut reportedly are.

ROE PROCESSOR TAX

SB169 proposes that the roe processor pay a tax of 25 cents per pound of roe processed. The value of the salmon presently taxed as determined by the canned salmon tax does not include the value of the roe. Salmon roe processors reported to Fish and Game that they received \$1.25/lb from the 1971 roe pack. Japanese market reports show that when the roe reached the Tokyo wholesale market in the fall of 1971, it was worth about \$3.25/lb. Freight and market fees are only about \$.25/lb, so I reckon that the roe was worth about \$3.00/lb when leaving Alaska.

People's opinions differ as to where the burden of this tax will fall. Twenty-five cents per pound on roe would produce revenues equal to about 1½% of the first wholesale value of the entire salmon production. This burden would be on all processors equally--cold storages and canners alike. The next question is how much of the tax will be passed back onto the fishermen. The vast majority of salmon are sold by the fishermen in the round. When the roe became extremely valuable instead of a waste product, fishermen did not see a corresponding raise in prices. I see no reason why when these extra profits are taxed that the burden should fall completely back onto the fishermen. I feel it will probably be shared by all segments of the industry.

Many salmon fishermen are interested in rehabilitation of the runs, improved management, and hatcheries of some type. With the lack of oil money, I feel the industry should be willing to pay for the investment in the resource. It seems reasonable to 'tax eggs to hatch eggs'. It should all pay off many times over in the long run.

REVENUE SHARING

Under the existing law, 20% of the fish tax revenues are shared with the local governments in which they are collected. In 1971 only 13% of gross revenues were shared, because considerable amounts are collected in unorganized areas. SB169 proposes sharing 40% with the local governments. This would work out to actually sharing only about 25%. For instance, the million dollars collected from the Adak king crab catch with the increased floater tax would go only to the state.

Fishing communities have special tax problems. Our industry produces much wealth, but usually so little of it stays in the local community. Fishing boats and floating processors are difficult to tax. Sales and property taxes are paid largely by the resident, while the transient makes his money and heads south. Ninety-five percent of Alaska's fish are processed by Outside-owned corporations, so their profits don't stay in the community. It is difficult to tax a salmon boat, for only the local boat can be taxed, and the tax could be the last straw on a bad year.

Seafood money flows into the local economy mainly through the local fishermen and canneryworkers, and these two groups have a difficult time passing on direct taxes. It is more fair to get the same number of dollars by taxing the fish, for then the local tax burden is shared by the whole industry, including the Outsiders.

Other areas of the state have industries that provide buildings, heavy equipment, pipelines, oil platforms, steadier payrolls, etc, that can be more easily taxed with local taxes. Fishing communities spend money trying to provide the services for an industry which is ~~ix~~ difficult to tax locally. The help of the state through revenue ~~x~~ sharing of the fish tax is needed in order for our fishing communities to tax the wealth of our industry.

Foster and Marshall recently did a tax study for Kodiak to determine how the town can raise the money needed to pay for the new high school addition and swimming pool. It recommended raising the sales tax from 3% to 5% and taxing the fishing boats full value. The increased shared revenues under SB169 would provide about the same amount of dollars. It's an 'either-or' situation for Kodiak.

SUMMARY

'Tax' is too often considered a dirty word---everybody wants to avoid it, particularly politicians. But taxes are a necessary part of democracy and capitalism. They are the way of appropriating part of the wealth to serve those needs of industry and society that cannot be served by free enterprise alone. It's easy under socialism or communism, for then all the revenues from production go directly to the government, but I don't think we are interested in that.

Completely unrestricted free competition in the harvesting of fish doesn't work. Even though to a few fishermen at times management may seem to be an evil, management is absolutely necessary, and we should work to make sure that it's as effective as possible.

In eight years time in Kodiak I have lived through inadequate management of two major fish stocks, king crab and shrimp, and have twice experienced the results of overfishing, and now it's happening all over again with tanner crab. For several years I fished tremendously rich shrimp and king crab grounds--the prices were low, but the volume was great, and we did well. But now some of those grounds are seriously depleted or practically barren. The prices went up to help compensate for the lower volumes, but think how much richer we would all be if we had had adequate management.

I don't put all the blame on Fish and Game. Some of their managers probably made some mistakes, but they can't work without tools. The king crab and shrimp budgets have been terribly small. It costs money to gather the research data and inventory the stocks.

The blame lies with all of us--processors, fishermen and the state--we've neglected management until the resource gets in trouble. Our fisheries have fantastic potentials if we only pay them the necessary attention. The responsibility of management rests with the state. I love fishing--it's my way of life--but I enjoy it much more when I feel

Table 1. Commercial Fisheries Values and Budgets (Thousands of \$)

Year	Fishermen	Value			Budget			Total	% of Wholesale
		Wholesale	Management	Research	88-309	89-304	Misc.		
60	40,934	96,674	511	200			711	0.74	
61	46,470	128,687	914	264			1,178	0.92	
62	58,436	131,938	900	284			1,184	0.90	
63	46,859	109,038	913	327			1,240	1.14	
64	56,843	140,921	1,147	498	20		1,665	1.18	
65	70,083	166,572	1,037	257	290		1,634	0.98	
66	81,902	197,299	1,073	361	328		1,782	0.90	
67	48,777	126,696	1,165	384	333	166	2,048	1.62	
68	79,900	191,686	1,275	375	328	425	2,403	1.25	
69	71,024	144,200	1,317	692	328	425	2,762	1.92	
70	98,390	213,932	1,502	746	304	425	2,977	1.39	
71	85,505	198,658	1,989	980	304	388	3,661	1.84	
72			2,095	1,052	304	388	383	4,222	
Avg.								1.18	

Table III - Pacific Coast Halibut Landings (drsd., hds-off, weights) 1971 and 1972*

	Total 1971		Total 1972	
	U. S. Vessels	Canadian Vessels	U. S. Vessels	Canadian Vessels
	1,000 lbs	1,000 lbs	1,000 lbs	1,000 lbs
Alaska:				
Juneau	1,220.0	13.0	1,017.0	-
Ketchikan 1/	2,742.0	23.0	1,242.0	-
Kodiak	4,425.0	4,792.0	5,167.0	3,246.0
Pelican	865.0	581.0	683.0	459.0
Petersburg	2,528.0	61.0	2,504.0	48.0
Sand Point	276.0	408.0	654.0	314.0
Seward 2/	2,442.0	1,169.0	3,401.0	1,577.0
Sitka	1,139.0	124.0	1,159.0	70.0
Wrangell	417.0	-	342.0	-
Other Central Alaska	648.0	38.0	920.0	-
Total Alaska	16,702.0	7,209.0	17,089.0	5,714.0
Prince Rupert	1,568.0	11,514.0	1,300.0	10,442.0
Vancouver 3/	-	4,719.0	-	4,181.0
Seattle 4/	1,875.4	110.6	631.0	-
Bellingham	724.0	1,940.4	510.0	1,320.0
Other Washington Ports	219.6	-	233.3	-
Oregon	69.0	3.0	45.0	-
Total	21,158.0	25,496.0	19,808.3	21,657.0
GRAND TOTAL		46,654.0		41,465.3

1/ Includes Craig, Tokoen and Ketchikan. 2/ Includes Seldovia and Cordova. 3/ Includes Eutedale. 4/ Includes Vancouver Island and Hana.

Table 2. - Japan's wholesale price for imported chum and pink salmon roe, September 1971-72.

Grade	Price per pound	
	September 1971	September 1972
First:		
Chum salmon roe	3.41 to 3.79	3.99 to 4.80
Pink salmon roe	3.15 to 3.41	3.99 to 4.28
Second:		
Chum salmon roe	3.16 to 3.41	3.69 to 4.36
Pink salmon roe	2.90 to 3.03	3.69 to 3.84
Third:		
Chum salmon roe	2.91 to 3.03	3.39 to 3.92
Pink salmon roe	2.65 to 2.65	3.39 to 3.40

The meeting was called to order by Chairman Sackett
March 6, 1973 at 3:15 P. M.

Present were Senators Sackett, Hohman, Butrovich, Meland,
and Rader.

Discussion and presentations were made on SB 169. Rich
Lobber, manager for the Association of Pacific Fisheries
spoke against the bill. (See Attachment). He stated that
Mr. Herrsten had given the committee some misinformed facts
to the Commission. He felt that if there was a tax increase,
it would be passed to the consumer.

Senator Rader stated it would help the Committee in de-
ciding on SB 169 if they could see figures as to the profit
and loss of the fishing industry in the past few years.

Mr. Ralph Jones, President of Alaska-Shell, stated that
his operation is totally against SB 169. (See Attachment.)

Joe McGill, Chairman of the House Resources Committee,
was noted present by the Chairman.

Richard White, representing Wakefield Seafoods, also
spoke against the bill. (See Attachment).

Ronald Jensen, President of Pan Alaska Fisheries spoke
against the bill. (See Attachment).

Representative Ernie Haugen spoke against the bill and
stated that the fisherman will be the ones to pick up the
extra tax intended for the fishing companies. He stated
that the fishermen will probably have to take a cut in pay.

Meeting adjourned at 5:40 P. M.

PAN-ALASKA FISHERIES, INC.

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
BOX 647, MONROE, WASHINGTON 98272 206 743-1176

March 19, 1973

Senator John Sackett
Pouch "V"
Juneau, Alaska # 99801

Dear Sentor Sackett:

Enclosed are two recaps of my testimony before your committee on March 6, 1973.

I wish to thank you for providing me with the opportunity to testify on Senate Bill # 169.

Sincerely,

PAN-ALASKA FISHERIES, INC.



RONALD JENSEN,
President.

RJ/djh

SENATE RESOURCES:

Mr. Chairman and members of the Committee

I am Ronald Jensen, President of Pan-Alaska Fisheries, Inc. If I may, I would like to preface my testimony on this bill with a few remarks in order that you may better evaluate me and, accordingly, the basis for this testimony.

While I am a Bothell resident, I have lived and worked in Alaska for nine years, engaged in the following occupations: Bullcook, Cold Storage Freezing, Bookkeeper, Fisherman, Diesel and Gas Engine Mechanic, Shipwright, Fish Slimmer, Halibut Filler. I have been with Pan-Alaska for ten years and am intimately acquainted with its operations. I am a CPA and know its business affairs in detail. I am Pan-Alaska's President and have been for three years, and was formerly its Executive Vice-President, Treasurer.

I come to Alaska about once a month and some of these trips last a week or so and sometimes a month or more. As a consequence, in most cases, I know all of the people in our shore based plants, their experience and, in some cases, the Alaska towns and villages they come from.

I say this because I don't want you to assume I am one of these Presidents' that just talk to their directors and department heads. I know this business and, if at the end of my testimony you want to ask questions, I will do my best to respond to them.

Our plants are located at Unalaska and Kodiak where we produce King Crab, Tanner Crab and Shrimp. We are an Alaska based Company with all of our plants (except a holding cold storage plant in Monroe, Washington) located in Alaska. All the products the Company produces are sent from Alaska to this warehouse for distribution as these products, upon leaving Alaska, are ready for sale to the end-user and this plant is used as a distribution warehouse.

Our Annual Reports are audited and published, our stock is traded in the Over-the-Counter Market, but, of course, has done very poorly because of the poor earning performance of the fishing industry and ourselves. This is an extremely marginal business and our Company, in 1970, entered into a Creditor's Agreement to save the Company from bankruptcy. This proposed increase in fish tax, if enacted, would surely jeopardize our financial ability to continue in business, and would probably be the straw that broke the camel's back. I'm deeply concerned on the tax impact of Senate Bill #169 on the shellfish industry and especially in the area of the Alaska fishing industry - State of Alaska and on the yet unharvested resource "bottom fish".

I would first like to address my comments to the tax impact on our Company under our existing fishery:

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Sales:	7,105,000	6,092,000	6,894,000	8,232,000	10,564
Income before Federal & Alaska Corp. Income Tax:	117,264	173,607	(1,652,026)	139,976	428,367
If rates as proposed were in effect in those years, the additional taxes applicable:	260,598	280,437	191,439	242,173	416,598
Net Loss:	(143,334)	(106,830)	(1,843,465)	(102,197)	11,769

We have had major rises in the raw fish purchases costs to the Alaska fisherman and as this increases year to year in the shellfish industry, the revenue to the State has increased. We have sponsored very restrictive quotas three years ago and have been able to increase the catch by utilization of sound fishing management. In previous testimony, the shrimp resource was shown to have made a distinct downward trend over the previous year, but what was not mentioned is that the whole industry was shut down from January 23, 1972 until the end of the season by lack of water and we did not start up until the first week in June because of negotiations for a raw shrimp price increase to the Alaska fisherman. Because quotas are on a quarterly basis, the industry in effect lost close to two quarters of fishing and still the production was 81,261 million in 1972.

Another thing that concerns me is the thinking that an increase in tax could be passed on to the consumer. This, of course, is absolutely not the case. A good example of this is in the 1969-1970 years, whereby we had increased raw crab costs which we tried to pass on to the consumer. The consumer would not pay this increase and our Company lost \$1,652,000. We even see now market resistance as seafood production costs have made us increase our prices with the effect of buyers and end-users discontinuing the use of King Crab. This is of major concern to us, especially in light of trying to develop the Tanner Crab fishery, which even up to now has not been profitable.

Another problem this bill would cause is in the Juneau-Sitka-Ketchikan-Petersburg area whereby the BIA canneries who pay no Alaska raw fish tax would be at a great advantage to purchase shellfish and salmon at a much greater advantage than they already have. This could greatly hurt the fishing communities in Southeastern Alaska.

Additional reasons given to tax processing ships at higher rates have been that they take the "cream of the crop". This is not true as Sand Point - Dutch Harbor - Adak have had, for the past ten years, production of approximately 33 Million per year and this has been the historic area for processing ships since 1962. Another reason given is that processing ships buy crab for less than shore plants in the area. This is absolutely not true as the price, in any area whether shore-based or processing ships, has been the same. Another statement to you was made that "unlike the past, when floaters were needed, the crab processing industry today has more than adequate capitalization". This is absolutely not true as we need to develop new areas (like West of Adak, and even to compete in Japan and Russia's own grounds, the Sea of Okats and Kamchitka). The whole Westward fishing would basically be unexploited if it were not for processing ships who have proceeded with great risk, expense and low profitability in all areas of Alaska.

Take for instance Unalaska, which was pioneered by processing ships in 1964-1965, a \$2,000,000 plant was built in the town and an additional plant for shrimp, king and tanner crab was put in last year by another firm.

As you can see, processing ships develop the fishing and are very important to any local community.

Let me go to another area that seems to not be comprehended fully regarding some major inequities in the present tax structure.

Shore Based vs. Processing Ships.

I must point out this very unfair, inequitable tax structure that now exists against processing ships. We have not had a processing ship for the last two years, but I am concerned for that portion of the industry because of the need to the State for these plants. This rate differential, 1% vs. 4%, was first enacted in 1951 in order to help the State in collecting a fair tax on salmon that was being harvested and frozen in Bristol Bay and transported to Seattle for canning. "Arctic Maid" CASE, shore plants were paying 6%. In the Arctic Maid case, the State was receiving no other revenue as no Alaska W/H, School Tax, property tax or any contribution to the local communities was generated. This is quite the opposite in distinguishing processing ships. In 1955 an amendment was made to include taxing of crab for export without such processing. As you can see, the intention was to tax freezer ships at a higher rate that didn't produce a finished product. Processing ships and shore based operations process crab within the State of Alaska prior to shipment to markets outside the State of Alaska, as contrasted to freezer ships which merely preserved the catch by freezing and transporting it to the State of Washington for further processing.

Processing ships operate at fixed locations alongside docks as contrasted with freezer ships which operated from bases outside the State of Alaska, and were constantly at sea, were not moored at fixed locations but operated to seaward and frequently beyond the three-mile-limit.

Processing ships are dependent upon shore bases for services and labor, and the operations of such processing ships must be conducted at dockside, where they are accessible to State agencies administering laws related to health, game protection and revenue, as contrasted with freezer ships which are transient operations and continually on the move and do not produce a finished product.

Processing ships are based in Alaska, and have withheld from employees and paid all payroll taxes and other Alaska taxes applicable to their operations to the same extent as any competitor ashore, as contrasted to freezer ships which did not withhold from employees or pay Alaska taxes.

Frozen crab products produced by the processing ships which the State has a 4% license tax, were processed in the same manner and were destined for and competed in the same markets as frozen crab products produced by shore based operations, which the State subjects to a license tax of only 1%. On the other hand, the frozen salmon taken by the freezer ships in the "Arctic Maid" case and which the State subjected to a license tax of 4%, were frozen in a different manner and were not destined for and did not compete in the same markets as salmon frozen in shore plants in Alaska which were generally troll caught salmon destined for the fresh frozen market, which the State subjected to a 1% license tax. The frozen salmon taken and transported aboard the freezer ships was ultimately canned outside the State of Alaska and was destined for and competed in the same markets as salmon canned ashore in Alaska, which the State subjected to a 6% license tax.

Processing ships and shore stations both obtain live crab from independent catcher boats as contrasted with freezer ships such as the "Arctic Maid" which customarily carried their own catcher boats and crews who were not residents of Alaska and were not based in Alaska.

Processing ships are based in and operate only in the State of Alaska, except for necessary trips to the State of Washington for repairs, inspection and maintenance work as contrasted with freezer ships which are traditionally based outside of Alaska and remain at sea until loaded when they return with their catch to their bases in Washington where the catch is processed. Safety of persons and property makes it necessary for processing ships to be dry-docked periodically for inspection, repair and maintenance. There are no drydocking facilities and major repair yards capable of handling such processing ships in the State of Alaska and this is the only reason their movement out of the State once a year is required.

Just recently, the Alaska Superior Court held that the 4% tax should not be imposed on a processing vessel which processes the resource in the State of Alaska, but is limited to those salmon freezer ships particularly described in the "Arctic Maid Case". Case decided 9/1/70.

This was appealed by the State to the Supreme Court of the State of Alaska and on 3/31/72 the Superior Court ruling was affirmed by the Alaska Supreme Court. As it was pointed out in the Supreme Court's decision that processing ships contributions to the State economy was as great as shore-based operations, and that the higher tax of 4% was directed at those particular freezing ships who could otherwise evade local regulation and taxation, yet exploit a valuable state resource.

INTERNATIONAL NEGOTIATIONS AND IMPLICATIONS

I have just returned from a three week trip to Russia as part of the USA delegation on the negotiations for the USA-USSR Bilateral Fishing Treaties for the next two years. These Agreements have been signed as well as the Japanese Agreement in December.

The Agreements were as follows:

Japanese - 73% Decrease in catch quotas for Tanner & King Crab
Russians - 60% Decrease in catch quotas for Tanner & King Crab

This allows them to take the following:

	Japan	Russia*
Tanner Crabs	14,000,000	4,200,000 = 18,200,000 = 45,500,000#
King Crabs	700,000	260,000 = 960,000 = 5,760,000#

Agreed for the first time to limit them to pot fishing only. *Raised size limit to 6-1/4" from 5-3/4" (Alaska fishermen have been at 6-1/2" for five months of year and 6-1/4" for the other five months)

As you can see, this fishery still takes on major significance for the State of Alaska, Alaska residents and fishermen; especially since their Tanner Crab quota is still twice as much as the Tanner Crab catch of last year in the State. We have got to act now to harvest this resource and remove the foreign fishing out of the coastal State fishing specie. Because of the extremely high cost of production in the Aleutian area and Bering Sea grounds, we have been at a great disadvantage to harvest the resource in the magnitude to drive the foreign fleets out. Passing this tax would only tax us out of using this resource. The whole area including Sand Point - West to the international date line was pioneered and proved to be a resource by the processing ships that dared take the risks and as it was proved, plants were built, Unalaska or revamped "Sand Point" to compete with the foreign fleets in this area. We now must have the legislature - State's cooperation in proving we also have the capability of harvesting the tremendous bottomfish resource in Alaska.

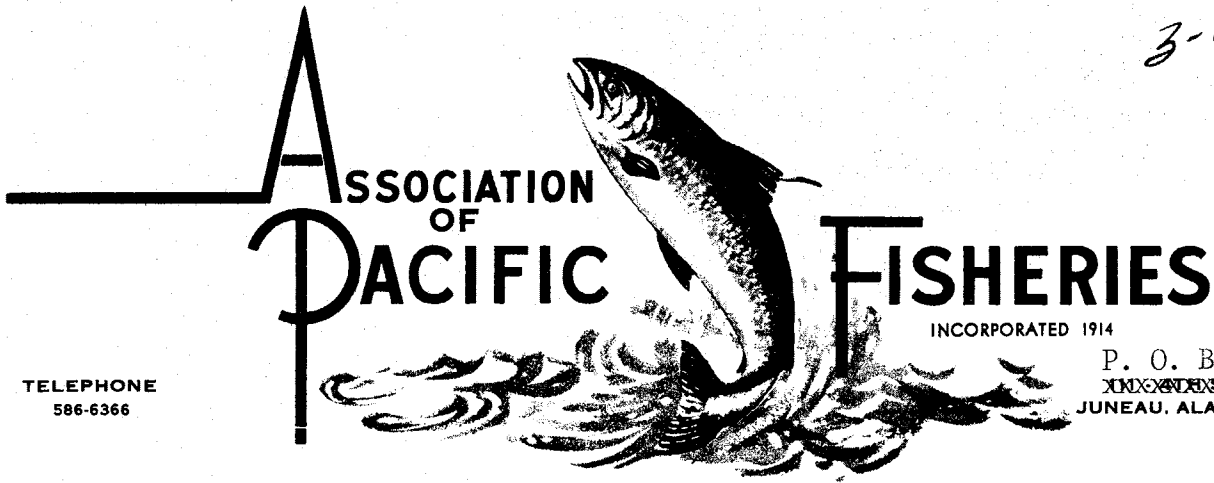
The Japanese alone took 1.5 million metric ton in 1972 and with the Russian catch, the total poundage caught in the North Pacific Ocean and Bering Sea was over 5 billion pounds of pollock, pacific cod, yellowfin sole and pacific ocean perch.

We as a Company are now in the process of moving into this area of fishing to pioneer this fishing for ourselves, industry and of course for all of Alaska interests. (Employees, fishermen, economy and State). To have any tax is a great hardship on this developing fishery, but to propose 3% on shore based and 6% on processing ships seems to curtail any advancement toward harvesting this resource. We have got to go out man for man, boat for boat, and take this resource. We, as an industry, are endeavoring to expand the Alaska fishery to a year-round fishery, with various species produced. We need your help to take all the State Resources in fishing and harvest them within the State for the State's economy and not have the massive foreign fleets off our shore lines. We have got to raise capital to compete with them and force them out of our resource.

This of course would benefit the State's economy, the revenue derived, Alaska employees and fishermen; this by far more in the near future than taxing these resources would produce for the State now. Villages, plants and towns in Bristol Bay, the Aleutian Chain, Kodiak and the Cook Inlet area would then have a year-around fishery and we would then control and harvest this enormous potential. We have got to look at the long-range objective and help create a climate for companies to expand in this area, as well as keeping them in business on king crab, tanner crab and shrimp.

Please give this your careful consideration, because we are on the threshold of developing the State's fishery to unimaginable heights if we have your help, your understanding and your support behind us.

3-16-73
SB169



TELEPHONE
586-6366

P. O. Box 1625
~~MINOR FOREST~~
JUNEAU, ALASKA 99801

March 15, 1973

The Honorable John Sackett
Chairman, Senate Resources Committee,
State Capitol Building
Juneau, Alaska 99801

Dear Senator Sackett:

I am enclosing a copy of my testimony before the Senate Resources Committee on SB 169 (Fish Tax). I hope that you will excuse the delay but the one and only typewriter in my office chose the wrong moment to get tempermental.

I am not making distribution to other members of your committee. I hope that you will make copies of my testimony available to other interested persons.

Sincerely,

Richard B. Lauber

Richard B. Lauber
Alaska Manager

RBL:ml

enclosure

COMMENTS ON SB 169 BY RICHARD LAUBER
ALASKA MANAGER, ASSOCIATION OF PACIFIC FISHERIES
March 6, 1973

At your last hearing on this bill you received testimony, all favoring passage of this legislation. I intend to give you some thoughts supporting another view. An increase in the direct tax on fish, while it will produce revenue, may not in the long run prove beneficial to the State of Alaska, and may even produce less revenue.

I cannot allow some of the statements made at the prior meeting to stand without correcting the misleading impression made.

David Herrmesteen indicated that the wholesale value of the fish for a year was \$214,000,000 divided into a fishermans share of \$85,000,000 and a processors share of \$129,000,000. From the processors share he was kind enough to deduct 23 million for workers wages 3 1/2 million for raw fish tax and 255 thousand for corporate income tax. He neglected to mention such things as: local property taxes, federal taxes, insurance, advertising, freight, cans, labels, boxes, salt, water, electricity, interest on operating capital, repair, maintenance, depreciation, administrative costs, warehouse charges, new construction, especially in an effort to upgrade plants to comply with new requirements by: E.P.A., F.D.A., O.S.H.A., environmental conservationists, etc., etc.

In other words he neglected to mention a few of the facts. Facts that make it obvious that the fish processing industry does not make 100 million dollars a year as Mr. Herrmesteen's presentation would seem to imply. While the stockholders and management of all companies expect a profit -- the facts are that they are quite frequently disappointed.

Much is made of comparing the raw fish tax to the amount expended for management and research. This is an unfair and misleading comparison.

Last year, about this time, the processing plants in the Kodiak area were closed due to a water shortage and later a price dispute. The State Department of Labor estimated that the loss to the State was close to \$1,500,000 in only a couple of months. This in Kodiak alone - and during the winter.

The fishing industry is paying its way, has always paid its way, not necessarily directly but indirectly. Much of government, both state and local is financed by individuals and companies that are dependant upon the fishing industry. Much of the state's income and property taxes come from those that derive much of their income from fishing. The merchant, the doctor, the butcher, the hardware store, the fuel dealer and the bartender and even some governmental employees.

If the fishing industry did not pay its way, and especially if so many people of this state were not dependant upon fish for their livelihood then I could do nothing but agree that the tax should be increased.

We should remember that the fisherman does not propose that he take every fish in Alaskan waters during the next 5 or even 25 years. We have been comercial fishing these waters for near 100 years and hope that we will be doing so for a thousand years to come.

Some advocates of increasing the tax seem to feel that no harm can come to Alaskan Fisherman and companies, because, the increased tax would be passed along to the consumer. But even the father of this legislation will admit that a portion of the tax must be absorbed by the fisherman, the employee, and everyone right along the line.

I would like to remind this committee that Alaskan processors must compete with other domestic processors for the U.S. and international markets. We must also compete with foreign processors for the domestic and international market. The U.S. already imports about 70% of its fish and the ratio has been increasing in the past decade.

If the processor must sell his product competitively, then he must purchase it and process it competitively. If for some reason his cost of the finished product is increased, (tax increase) and he cannot increase his sale price because of the competition then he must reduce his other costs (price paid to the fisherman) or else go out of business. It is not uncommon for a processor to lose money for several years and then gain it back during a good year, but he must have a good year from time to time or else he goes bankrupt.

The Alaskan fisherman is not, I'm afraid, going to have any good years out of the next few, and if he is required to assist in absorbing a tax increase it is not going to make his years any better.

Legislation now pending in the house would require that he pay up to 7% of his catch into a "buy back" program to finance the limited entry legislation. I am sure that the fisherman will not expect to absorb all of this 7% and that the processor will be required to assist him in making this important program work - It would seem only natural that the fisherman would also expect to absorb a portion of any tax increase.

Jay Hammond told this committee that the Bristol Bay Borough needs money- Jay seemed to imply that while the fishing industry (processors) already pay 70% of the property tax of the Bristol Bay Borough plus an average of \$100,000. refund from the raw fish tax they want even more from this legislation. What Jay didn't tell you was that the Bristol Bay Borough has already proposed a 3% borough sales tax on fish sold within the borough. Considering that he is talking about the most productive Red Salmon area in the world I think that the borough may be looking forward to a period of excessive wealth far beyond the expectations of almost any other area of this State.

In 1971, legislation was introduced in the Alaska State House that would have reduced the tax on canned salmon. The reduction would have amounted to over one million dollars a year. I wrote the author of that bill and thanked him for the thought but declined the reduction at that time. Even two years ago we were projecting a deficit financed budget and we didn't feel that it would be responsible for us to accept a tax reduction at that time. Our position at that time did not get much coverage, (apparently an industry refusing a tax reduction is so commonplace as to not be worthy of note) but was just as sincere as our opposition to a tax increase is today.

Some of the other testimony may also be misleading. In most areas of this State commercial fish is purchased "in the round" the fish buyer and/or processor buys the whole fish. He buys the edible portion and the inedible portion. If he pays 35¢ a pound he pays that for the head and the tail,

the intestines, scales and the roe or milt, the shell, etc. The tax paid is based upon the total fish. (Even though canned salmon is taxed upon the wholesale price). Out of about 80 pounds of salmon you may get 2 1/2 pounds of eggs. The processor paid for the eggs when he bought the fish and he also pays tax on them.

Mr. Herrmsteen pointed out that processed salmon eggs sold for over \$3.00 a pound in Japan and it cost only a few cents a pound to ship them to Japan. I realize that Dave isn't an expert fish processor or marketer and I don't hold myself out to be either but even I recognize that there are many more costs than just purchase price and freight. The eggs must be processed under expert supervision or they are worthless, even then with a high loss ratio the cost of labor in processing is many times that of the fish meat. Eggs are all hand sorted, graded and packed in special boxes. Japan charges an import duty. Even the freight cost is much higher because they are picked up at many remote locations, the U.S. Customs makes special charges for attending the export of this product.

I talked with one processor last week and asked him what he sold his eggs for last year - he said between \$1.25 and \$1.35 per pound for raw or green eggs. Now considering that he has already paid a tax on the fish that the eggs came out of, it doesn't seem fair to impose another 20% tax on his eggs.

By the way - I think that there should also be more research into the tax on milt - it may not be worth 25¢ per pound.

For nearly a century we threw away the eggs along with the intestines, head and the tail. We were not offered nor did we ask for a credit on the tax that we paid on the whole fish.

In some cases fish is bought cleaned. (Head and tail on but intestines out, processors pay more for this type of fish). Even though the processor pays more for cleaned fish I see no reason why the eggs if purchased seperately should not be taxed at the same rate as the rest of the fish. If you are paying 50¢ per pound for round fish and you are paying 50¢ a pound for eggs then the same tax should apply.

In some areas of the state the tax increase would drive the fisherman south to sell his catch. If this bill passes it is doubtful that any halibut fisherman with a boat of any size, would sell his catch in South Eastern Alaska. This would not only reduce the tax collected by the State but would have disasterous effects on the economy of some of our communities. I don't know if a boat would go to Prince Rupert rather than Kodiak for 3% or about 2 cents a pound but that combined with the higher price paid in Rupert and the devalued U.S. dollar might be more than enough to make the trip profitable.

When we think in hundreds of millions of dollars a couple of million dollars tax increase may seem insignificant but to an industry that can see only poor fish runs, foreign fishing, rigid governmental controls, high interest rates and increased costs at every turn - it is a major impediment in the successful operation of a business.

To the fisherman that is asked to pay 7% of his catch into a buy back program and 3% sales tax - along with increased cost of fuel, food, insurance, gear etc., it must seem to make a marginal occupation all but impossible.

Mr. Herrnsteen concluded his testimony the other day by saying, "... I love fishing, it's my way of life - but I enjoy it much more when I feel I'm harvesting, rather than raping, the resource."

May I conclude by saying that he is not necessarily forcing his attentions upon us but that we are unable to comply at this time.



March 6, 1973

Honorable ~~Chairmen~~ ^{RESOURCES} and Members
Senate ~~Finance~~ ^{RESOURCES} Committee
Alaska State Legislature

Gentlemen:

I appear before you today to give testimony against Senate Bill No. 169, a bill that would have a disastrous effect, not only on the Company I represent, Alaska-Shell, Inc., but also on the shellfish industry of the State. We cannot stand such increases as proposed.

During 1971, our operations, consisting of shrimp processing and freezing, lost \$125,403. During the twelve months of 1972 we regained a portion of this by making a profit of \$34,481.

The outlook for 1973 is bleak. We face increased costs all along the line in the face of accelerated imports of cheap foreign shrimp. At the end of November 1972 there was some 24,000,000 pounds of small shrimp in storage in the United States looking for a home. Most of this was acquired by the buyers for .85¢/lb. or less. This shrimp comes mainly from countries bordering on the Indian Ocean and the Persian Gulf, although there are increasing amounts coming from Central and South America. These shrimp are in direct competition with Alaska Pink Shrimp and to a large extent affect the market price of our *Pandalus Borealis*. Unlike other Alaska fisheries products, Alaska shrimp faces world-wide competition, being the most abundant animal in terms of numbers on earth. It's an unhappy circumstance that nations with the lowest standard of living and production costs have an abundant supply of tiny shrimp ready to compete with Alaska shrimp where production costs are the highest in the world.

If the provisions of SB 169 were to have prevailed in 1972, our company would have had to pay fisheries tax over 3 times the amount of our profit.

In view of the preceeding, you can well realize our shock when we learned of the provision of SB 169. If we were able to survive these increases, it could only come from the fishermen and plant workers earnings.

On a separate sheet we have listed the cost items relevant to our operation. Raw shrimp purchases is the largest of those items followed by wages and salaries. The remainder are largely beyond our control. I doubt that Sea-Land would step forward and volunteer to reduce their freight rates, as an example.

Honorable Chairmen and Members
Senate Finance Committee
Alaska State Legislature

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In addition to the confiscatory nature of the provisions of this bill as it applies to the shellfish industry as a whole, I wish to turn now to its blatant discriminatory provisions as it applies to floating processors of shrimp and crab, particularly that of Alaska-Shell.

Our shrimp plant is situated on a floating barge and our operation contributes to the State's economy and revenue just as much, if not more, than a shoreplant. In fact, our plant differs from a typical shoreplant only that it rises and falls with the tide and the cost of maintenance and repairs and insurance exceeds a shore plant. Our employment practices are the same. All of our employees and fishermen pay Alaska Income Tax and School Tax. We and our fishermen and employees pay all applicable local taxes.

Of the 126 persons employed in our operation, 67 were residents of Alaska. Their names and addresses are attached.

Due to the high cost of transportation, it makes economic sense for us to hire all our employees from Alaska. We only go outside when Alaska people are unavailable. Our recruiting is done largely through the manpower centers of the Alaska Department of Labor at their Kodiak and Anchorage offices.

In summary, it is impossible for us to foresee a continuation of our operations if this bill is enacted. The obtainable profits are too marginal. We believe we are as knowledgeable as any in this business and we can't see others making it in shrimp. One packer has already withdrawn from the business and others have curtailed their operations.

Very truly yours,

ALASKA-SHELL



Ralph S. Jones
President

RSJ:jljg

ALASKA-SHELL, INC. COST CENTERS

RAW SHRIMP PURCHASES
PRODUCTION SUPPLIES
PLANT LABOR
PLANT SALARIES
EQUIPMENT RENTAL
FUEL
PLANT SUPPLIES
FOOD & SUPPLIES
TRAVEL
SHIP'S GEAR
REPAIRS & MAINTENANCE
PAYROLL TAXES
WORKMAN'S COMPENSATION
EQUIPMENT DEPRECIATION
PRODUCT STORAGE
SOUTHBOUND FREIGHT
CLEANING & GRADING
PACKAGING COSTS
BROKERAGE
FREIGHT TO MARKET
SAMPLE EXPENSE
OUTSIDE WAREHOUSING EXPENSE
SALES SALARIES
SALES AUTO AND TRAVEL
EXECUTIVE SALARIES
ADMINISTRATIVE SALARIES
OFFICE RENTAL
OFFICE SUPPLIES
DUES & PUBLICATIONS
PROFESSIONAL FEES
COMMUNICATIONS
AUTO EXPENSE
STATE & LOCAL EXCISE TAXES
INSURANCE

ALASKA-SHELL, INC.

LIST OF NAMES & CITY OF RESIDENCE
OF ALASKA OPERATIONS PLANT EMPLOYEES

1972

Miney Agnot	Akhoik
Roman Agnot	Old Harbor
Paul Alexanderoff	Old Harbor
Michael Alexanderoff	Old Harbor
Teddy Ambrosia	Karluk
William Alpiak	Karluk
Robert Anderson	Ouzinkie
James Bell	Kodiak
Ted Bernsten	Old Harbor
Jerry Bonville	Kodiak
Billy Boskofsky	Ouzinkie
Dick Boskofsky	Port Lions
William Brooke	Kodiak
Gabriel Charliaga	Karluk
Simeon Charliaga	Karluk
Walter Cohen	Akhoik
Walter Davis	Kodiak
Thomas Devine	Old Harbor
William Gilbert	Kodiak
Gary Gimarelli	Anchorage
John Griffin	Fairbanks
Arthur Haakanson	Ouzinkie
Hawkan Haakanson	Ouzinkie
Joel Harman	Solodotna
Milford Helmig	Kodiak
Willard Hall	Eagle
John Hammond	Kodiak
Daniel Henderson	Kodiak
Robert Jock	Kodiak
Donald Johnston	Kodiak
Andrew Kahutak	Akhoik
Harold Katelnikoff	Kodiak

Steven Kristensen	False Pass
Ponto Kvasnikoff	Kodiak
David Landis	Anchorage
Steve Levshakoff	Valdez
Alfred Locke	Kodiak
Howell Lowery	Wrangell
Arthur Matfay	Old Harbor
Frank Matfay	Old Harbor
Gregory Mensoff	Kodiak
James Monroe	Kodiak
Andrew Moritz	Sitka
June Moritz	Sitka
David Morrison	Kodiak
Jack Nevzaroff	Kodiak
William O'Neill	Kenai
Neal Olson	Anchorage
Stan Panamarioff	Ouzinkie
Tim Panamarioff	Ouzinkie
Eugene Parson	Kodiak
Peter Pestrikoff	Ouzinkie
Randy Rist	Kodiak
James Scraggs	Anchorage
Herbert Seal	Kodiak
Joe Sorrell	Anchorage
Sam Stepetin	Akutan
Gerald Straight	Kodiak
Robert Sythe	Anchorage
Alvin Truitt	Kodiak
James Wampler	Anchorage
David Waselie	Karluk
Dennis Waselie	Karluk
Keith Wilson	Spenard
Ronney Wilson	Juneau
Ralph Wolkoff	Kodiak
Gregory Zimmerman	Fairbanks

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MR. CHAIRMAN, MEMBERS OF THE SENATE RESOURCE COMMITTEE: ALASKA STATE LEGISLATURE

My name is Richard White and I represent Wakefield Seafoods in the capacity of General Manager. I am appreciative of the opportunity to talk with you today on the matter of Senate Bill 169 as it has been introduced and relates to fisheries taxes.

My company operates 5 processing plants within the State of Alaska, all of which are primarily dependent upon King Crab, Snow Crab and Shrimp resources plus the human resources of the state to make them function. These operations are, for the most part, located in low population centers where they provide buying facilities for the fishermen's product and offer inplant employment for the balance of the available work force in the communities. Because of the placement of our facilities and their mode of operation, we are able to provide nearly year round employment and contribute in the range of 75-95% of the total base of the local economies. The following are descriptions of the plant locations followed by a presentation indicating each plant's economic contributions during 1972.

Seldovia is located on Kachemak Bay in lower Cook Inlet and has a total population of approximately 450 people. Although a small logging operation exists nearby, our company is essentially the only provider of industrial employment.

Port Wakefield is located at Port Lions on the northern most end of Kodiak Island. Port Lions has a population of approximately 350 people and our crab operation provides the only opportunity for employment in the immediate area.

Sand Point is located in the Shumagin Islands with approximately 450 inhabitants. In addition to our crab operations some halibut is purchased and a new shrimp operation will go into production when the season opens April 15. Wakefield Seafoods offers the only industrial employment opportunities in Sand Point.

Captains Bay is located in Unalaska and the combined Unalaska-Dutch Harbor population approximates 400 people. Although we share this location with other companies capable of high production, our contribution to both the local and state economy is significant.

M/V Akutan operates at the village of Akutan in the Aleutian Islands for nearly 6 months each year and provides the only means of employment for this community of less than 100 people. In November the ship moves on to Adak where no village facilities are available resulting in a degree of dependence on the U. S. Navy. At the time of the move all men, women and dependents of legal working age capable of leaving the village go with us. Our working relationship with this village has existed for over 25 years and has been one of benefit for all concerned.

As mentioned before, the following figures will indicate the impact of our operations and how they have contributed to the economy during 1972. The figures represent labor distribution, raw purchase distribution, withheld taxes, and employees and employers employment security contributions. The figures in parenthesis represent the actual numbers of people employed.

Location	Resident Process Labor & Number of (Employees)	Non Resident Process Labor & Number of (Employees)	Alaska State Withheld Taxes & Employee- Employer Contribution	Resident Fishermen	Non Resident Fishermen
Seldovia	\$ 326,048 (140)	\$ 45,880 (49)	\$ 30,929	\$1,433,512	\$ -0-
Port Wakefield	253,298 (198)	41,675 (53)	23,006	547,508	217,317
Sand Point	334,613 (159)	116,339 (55)	41,206	1,298,106	167,000
Captains Bay	112,757 (113)*	112,757 (114)*	16,688	67,751	795,596
M/V Akutan	131,981 (133)	118,796 (93)	25,239	446,220	837,536
Total	\$1,158,697 (743)	\$435,447 (364)	\$137,668	\$3,793,097	\$2,017,449

* These figures are estimates as this is a leased operation including personnel.

Now, to the subject at hand. I believe "total astonishment" best describes my reaction learning the contents of S. B. 169. We are all aware of what is occurring in our continually higher creeping levels of taxation burden, and recognize the need for a degree of these increases. However, to propose taxation elevations in the magnitude of a factor of 500% as has been done in this bill not only appears unnecessary and unjustified but certainly builds the image of discriminatory action zeroed in on the shellfish industry of this state. And then, to introduce an internal variable of an additional 400% factor resulting in a 2000% taxation increase over that which is currently paid by the majority of the industry has to be questioned. Because a manufacturing operation floats on the water rather than sits on land is no justification for taxation differentials.

This action can only create a monster. The results of this move would be the migration of the floating operations from their present high cost, low yield, high risk areas of operation into those of more stable and proven conditions of lower operating costs and higher yields. This of course would have a dynamic affect on shore based operations as they now exist, as the competitive nature of the fishery would be greatly compounded resulting in utter chaos with the land plants suffering the greatest consequences. Having an interest and responsibility in each type of facility, I fear the crunch for the industry of a taxation differential in the level proposed.

Another factor that must be considered in the attack on the floating shellfish operations is the fact that the industry was founded and developed on their efforts. This set of conditions is no less true today than it was 15 years ago. Through the application of the mobile concept, capable of moving with a fleet, the Cook Inlet, Kodiak and Alaska Peninsula areas have been thoroughly investigated and proven to be crab producing grounds. As a result, shore based operations have been built,

communities have grown, commerce has developed and the floaters have moved on to explore more unknown regions leaving a dollar generating, employment providing, taxable base in their wake. A prime example of this transition is presently occurring in the Dutch Harbor area through the establishment of large shore installations and a recognizable growth in the community.

Through the efforts of floaters and fleet combined the eastern Bering Sea is now being more adequately explored resulting in the U. S. utilization of stocks that until only recently had been taken principally by foreign fleets under an uncontrolled and unmanaged program. A favorable consequence of this action has been the agreed to reduction of fishing effort by these foreign nations. The areas west of Dutch Harbor are not populated. To properly explore these grounds in determining their true potential, the mobile operation concept is the only reasonable approach to the resource analysis. There are virtually thousands of square miles in western Alaska that have not been thoroughly investigated. It appears extremely unreasonable to consider the imposition of an inequitable taxing structure on a segment of the industry offering the single most effective tool available in determining this resource potential. It is of interest to note that in excess of 50% of the King Crab production within the state is produced in virtually uninhabited areas.

Lets dwell for a moment on the question of who is to bear the burden of a tax increase should it pass into law. There is a misconceived idea, and some recent testimony before this committee has been given, that there is a great amount of "fat" in the processor's share of the wholesale value of finished seafood products. This is simply not the case and it is obvious that the author of that particular presentation is not aware of the high operating costs within this industry. The implied viewpoint is that a tax increase can be absorbed by the processor. Gentlemen, that

line of reasoning is one of false security because it can't be done with the expectation of remaining a viable business. This bill as introduced would raise my company's fisheries tax on 1972 operations from approximately \$60,000 to in excess of \$480,000! It is not possible to pay this tax and show anything but a staggering red figure on the bottom line.

Another expressed solution is that of passing the increase on to the consumer. I submit that this is kinship to playing with dynamite. In 1967 and 1968 during times of low production which resulted in escalated raw product costs, therefore higher market prices, the consumer received the brunt of the action. Her reaction was near total rebellion and a completely demoralized market resulted. By beginning again at lower raw product prices, thus allowing lower consumer prices to return, the market was recaptured. Since that time production costs have again increased to a very critical point and we are now on the brink of a pricing structure that again invites consumer rejection.

In August of 1971 the federal government imposed wage and price controls upon the nation. Although there has been a great amount of modification, relaxation and elimination of these controls, the food industry is no less severely controlled now than it was under Phase II of the president's program. We operate under a system whereby no controls are imposed on the producer of the raw product and wage controls have just recently been lifted, yet the manufacturer of food products has received no relief.--It is noted that approximately 50% of the Alaska crab production falls in the category governed by price controls.

There is a misrepresented notion that under the price controls as defined, any manufacturing cost increases can simply be passed along. This is only partially true and is by no means automatic. By definition a company's base price structure relates to its two most profitable years of the three immediately prior to initiation of

controls. In my company's case these were both deficit years. Therefore, an alternate formula does allow a modest profit but provides no margin for extensive increases. Reference must again be made to consumer acceptance. It is necessary to recognize that we run a poor second to a Board of Directors made up of the housewives of America. They are in a state of revolution over the high cost of food at this moment as witnessed in nearly every segment of the news media with which we are confronted.

Should an increase in fisheries taxes be implemented, it now appears that the burden will have to be borne by the fisherman through a reduction in fish prices, or at least he can expect no increases in the foreseeable future. The same conditions exist for plant workers concerning future increases.

For many years the need for improved resource management, greater research programs and better regulation enforcement has been felt. I happen to sincerely agree with these views and to think otherwise would demonstrate extreme shallowness. However, recent implications that increased fisheries taxes would directly function in funding these programs could not occur as these monies would go directly into the general fund. I submit, that additional tax dollars generated as S. B. 169 suggests would result in no more, or no less, a marine resource program than that with which we are now familiar. In final note I believe it prudent to mention that the King Crab processing industry, and the only segment of the seafood industry within the state to do so, has a self imposed tax, by state statute, to cover quality regulation and product promotional programs. Although the degree of need for these efforts varies, there is no question that the accomplishments of the plan have been extremely beneficial for those people involved, including the State of Alaska.

Meeting held March 17, 1973.

Present of committee members: Butrovich, Meland,
Hohman, Thomas, and Rader.

Senate Bill 216 passed.

Meeting held March 19, 1973.

Present of committee members: Sackett, Thomas,
Meland, Butrovich, and Hohman.

House Concurrent Resolution 54 passed out of
committee.

TRANSCRIPT OF RESOURCES COMMITTEE MEETING

RELATING TO SENATE BILL 230

MARCH 27, 1973

Committee members present were: Senator John Sackett, Chairman; Senators Butrovich, Thomas, Hohman, and Meland.

The meeting was called to order at 3:15 P. M. in Committee Room 5. Chairman Sackett briefly explained Senate Bill 230 stating that the bill had been introduced by special request. He requested Mr. Gene Foley, Attorney for Champion Oil and Mr. William Fackler, Deputy Commissioner of the Department of Natural Resources to give testimony on the bill.

MR. FOLEY: Mr. Chairman, members of the Committee, I appreciate the opportunity to appear before you. This legislation is intended to correct, what I believe to be, a very great inequity to an Alaskan, [Do you want me to stand?] who had been at the North Slope Oil Sales in September of '69. This is a matter currently before the courts; and, of course, this legislation is intended to remove the uncertainty that surrounds it. More particularly, what we have in mind is his problem. In September of '69, just prior to the famous sale, various statements had been made by various State government officials indicating that there would be a minimum acceptable bid on each of the tracts of the North Slope. A man by the name of George Moore, who had lived in Alaska for fifteen years, a typical old time Alaska prospector, who doesn't have any intentions of running a giant oil company.

MR. FOLEY (Continued) He's a fine man. He lives a good life here. He bid on each one of the 179 tracts, one dollar or more. That was his official bid. Now they asked Mr. Moore: "What does the 'or more' mean?" Well, he said: "There's a minimum acceptable bid on each tract. The 'or more' would come to the difference between one dollar and whatever minimum is acceptable to the Department of Natural Resources." When the Department got this bid, they didn't quite know how to handle it. He was the only bidder on seven of the tracts; and, therefore, the highest bidder. Well, after some ten days, the Department turned down the request because it was not in the best interest of the State of Alaska, and a law suit was commenced and is pending before the court in Anchorage, and while I represent Mr. Moore and Champion Oil, I am also financial advisor to him. The Commissioner of the Department of Natural Resources has unusual power in determining what is in the best interest of the State of Alaska. I think you might want to give some consideration to the fact that it is a matter in our law suit whether or not the Legislature has delegated excessive power to the Commissioner because by his mere preference or prejudice, he can either accept a bid or reject it. There's no guidelines or criteria provided by the Legislature. Mr. Moore and Champion Oil have been willing since September 10, 1969, to pay the State of Alaska whatever the minimum acceptable bid is. In this particular legislation, we are still willing to pay, but we don't even know what the minimum acceptable bid is.

MR. FOLEY (Continued): We're willing to pay it plus 7 percent interest, which is a greater return than the State of Alaska had on its money from the oil sale plus accrued revenue. Ah, actually from the State's point of view, the State might be, I think is better off. Now some of the other oil companies might object, but I would say to them that the other oil companies if they object to this, as we have to raise the money to pay the State, participate with us, join with us. [unable to transcribe due to noise interference on tape] otherwise these tracts will be held up for another two or three years in the courts, possibly the Supreme Court if we are turned down in the lower courts. There again, Champion Oil is under something of a disadvantage even under this legislation in that these leases were originally for ten years. Three and one-half have dropped so in effect he's getting six and one-half year lease. He's lost the opportunity to explore, take tests on any of the tracts that he might have so he is getting a six and one-half year lease rather than ten years. He's willing to pay the State whatever the State thinks is minimum acceptable and willing to pay the 7 percent interest. So the bill removes a cloud, and I think it does something else that is somewhat philosophical; and this is, this guy is just a prospector, a typical Alaska prospector and you know if he outsmarted some of the big boys, may be he ought to be rewarded for it. Well, that is what the bill is intended to do, that is to short circute all the legislation and the uncertainty and

to pay what the State thinks is fair and reasonable and to pay the 7 percent interest. That's the end of my testimony.

SENATOR SACKETT: Are there any questions from the Committee members?

SENATOR BUTROVICH: Were all the bids of the same nature, those bids that were rejected?

MR. FOLEY: But they were not for one dollar or more, and I have this where Commissioner Kelly at the time had made public statements that there would be minimum acceptable bids. He is the only one that bid a dollar or more. I can show you here on some of the bid documents just how this was expressed. [Unable to transcribe due to noise interference on tape.] So there's a great deal of legal uncertainty, and this removes that cloud.

SENATOR THOMAS: These aren't the bids that Ed Boyko was involved in, are they?

MR. FOLEY: No, these are not Boyko's bids, but let me say this, the answer is yes and no. It is no first of all that Boyko's people are not involved in this, however, Boyko having lost his six tracts, the highest remaining bidder is Champion Oil, and he is still the highest remaining bidder on Boyko's six tracts.

SENATOR THOMAS: Didn't his group or some group offer to pay a little bit more than anybody else was paying?

MR. FOLEY: Ed Boyko did, he bid a very small cash bonas something like \$3,000 a tract, but he offered to pay 37.5 percent royalty. Now the regulations stipulated that 12.5 percent royalty, that is the Supreme Court of Alaska ruled, and I think wisely so that the purpose of the regulation was to force the competition [Unable to transcribe due to noise interference on tape.)

SENATOR SACKETT: Are there any more questions?

SENATOR THOMAS: Mr. Chairman, one more. Do I understand, Mr. Foley, that the State is not required to indicate minimum acceptable bids on those tracts and has not done so?

MR. FOLEY: No, it has not done so at this point.

SENATOR SACKETT: I'm not too familiar with Boyko's suit per se except I know it had something to do with royalties versus bonases. You stated that because Boyko's suit was thrown out of court, the next highest bidder would be Champion Oil and there's a total of seven tracts, is that right?

MR. FOLEY: Well, yes. Six, and there were two other tracts that were rejected and that company did not appeal the rejection and so there's a total of really those six plus two plus seven. I don't know that Champion Oil would be able to raise the money on Boyko's six or the other two, but I suspect however that the seven tracts that were bid by

Champion Oil originally, well they were the worst tracts on the Slope, and the large oil companies didn't see fit to bid on them at all. [Unable to transcribe due to noise interference on tape.] I don't have the information on what the State regards as the minimum acceptable bid on those tracts. I am told, however, that the tracts have a heavy water content, therefore, not desirable. So, I'm not certain even though technically we would be eligible for the other eight in this legislation, I don't know that we would be able to raise the finances. I do believe that we could raise the finances on the seven. However, as I said before any oil company that would like to participate.

SENATOR SACKETT: Are there further questions of Mr. Foley? You stated that Robert Hartig, Assistant Attorney General said that the State would have to accept the highest cash bonas bid because that was the condition of the sale?

MR. FOLEY: That's correct, he made that just about the time of the sale.

SENATOR SACKETT: Or at the same time, they don't have to accept any bids if they don't feel it's in the best interest of the State.

MR. FOLEY: Well, there's a conflict there you see, there's a conflict between his statement there and what the Department decided later. And that conflict is a very important

MR. FOLEY (Continued): part of our law suit. It does seem to me that everybody is better off if the State gets their money now rather than three or four years from now. They would have a good rate of return.

SENATOR SACKETT: Are there any further questions of Mr. Foley? If not, thank you very much.

MR. FOLEY: Thank you. Thank you gentlemen.

SENATOR SACKETT: We have the Deputy Commissioner of the Department of Natural Resources here, and I'd like to have him make a presentation as the representative of the Administration on this subject matter. Mr. Fackler.

MR. FACKLER: Mr. Chairman, Committee members, I'm Bill Fackler, Deputy Commissioner of the Department of Natural Resources. On Senate Bill 230, we're opposed to the bill. We believe that it would possibly pave the way to open similar situations in every sale that's been held. Not only on the oil and gas lease sales, but on other sales. On the questions of litigation, I have a copy of a telegram from George Moore to Governor Egan, dated January 16, 1973, that says Champion Oil wishes to withdraw its law suit, letter follows.

SENATOR SACKETT: This is dated when?

MR. FACKLER: January 16, 1973.

SENATOR SACKETT: Thank you.

MR. FACKLER: Now, on the original notice of lease sale, it says: "A lease will be awarded on each tract to a responsible, qualified bidder offering the highest bid cash bonas for that tract unless all bids on the tract are rejected or a preference right is exercised. If the lease is not issued to a bidder whose [Unable to transcribe due to noise interference on tape.] the lands on the tract involved will be held for nominations at a later sale, and separate bids will be submitted on each tract. A double envelop system will be used with the marking on the outside, the inner envelop shall state name and address of the bidder, amount of bonas bid for an acre, total amount of bid, it shall be accompanied by one or more cashier's certified checks drawn on any bank in the United States, money order or cash, or any combination there of for at least 20 percent of the total amount of the bid, and Champion's bid came to two dimes for the bid offer, so we can only assume that the total bid was one dollar, which would figure out to .00039 cents, and it was the decision of the Commissioner and the Director of Lands that it would not be in the best interest of the State. Accordingly, those bids were rejected along with a number of others. Paul Boyko, two leases; Granger Oil, William F. Marshall, Aztec Oil and Gas, Continentel Oil Company, Shop Myers Brothers Petroleum, two leases; all rejected. The total amount bid was \$176,984. It was felt that they were not high enough on the particular tracts involved, and I think think the right to reject any or all bids [Unable to transcribe due to noise interference on tape.]

SENATOR SACKETT: Are there any questions of Mr. Fackler?

SENATOR THOMAS: What about the inconsistency that a contradiction between what Kelly said and what Hartig said?

MR. FACKLER: Well, I think what Hartig said was just the first part of that section on leasing. The bidder offering the highest cash bonus for that tract. He said unless all bids on the tract are rejected. But our attempt all the way through was to have a fixed royalty, all fixed conditions except the cash bonus which we could work out pretty easily. Some years ago, the State of Louisiana had a sale where they had bids on either cash bonus or royalty or a combination thereof. They finally had to reject the whole thing because they couldn't decide what was the best bid. You can't see ahead to tell how much your total income from royalties will be.

SENATOR SACKETT: This is a little off the present subject, but how do you determine what is in the best interest of the State?

MR. FACKLER: Well, basically in this case, the amount of money involved. If we think all the leases possibly were [Unable to transcribe due to noise interference on tape.] it could be rejected in the best interest because it will come up in another sale. If you remember back this nine hundred million came up in that sale was all land that had not been bid on in 1965. So our ability to see through a

is. . . . When it comes to something like this the bids seemed lower and even 69,000 was the top bid rejected. It was quite low in relation to the bids in adjoining tracts, and we thought, well, if we reject now we may be able to seal it for more.

SENATOR SACKETT: Are there further questions of the Deputy Commissioner?

MR. FOLEY: Mr. Chairman

SENATOR SACKETT: Yes, Mr. Foley.

MR. FOLEY: I want to relate to you a very bizarre incident connected with this case. You have to understand that George Moore is an Alaskan prospector. He's not a giant oil company, and he's not a trained, learned member of the law. It's true that he submitted two bids, but he didn't know what to submit. He prepared his own bid, prepared his own appeals. Now the Commissioner sends a telegram. I'm legal counsel for Champion Oil. There's a matter pending before the court in Anchorage. After studying that, it would appear that the employees of the Department of Natural Resources have been intimidating Mr. Moore to withdraw his law suit. Now, imagine sending a telegram to the Governor. What does he have to do with a law suit in Anchorage. I'd like to cite you one incident. About four weeks ago, on a Sunday night, Mr. Moore got a telephone call from Juneau. There were some people in the room with him, and the ostensible caller was the Attorney General, Mr. Havelock; and Mr. Havelock

MR. FOLEY (Continued): ostensibly says to, or the so-called Mr. Havelock says to Mr. Moore that you'd better withdraw your law suit or you're going to be in trouble. Further more, the FBI is investigating Mr. Foley for the illegal practice of law, and he was given a number to call back, and then Governor Egan was allegedly in the room; and the ostensible Attorney General said to the ostensible Governor: "Isn't that right, Bill?" And Bill was to have said: "That's absolutely right." Now this poor Moore, he's just a little guy, you know, we're not talking about some power house who's use to politics or anything of that nature. Well, Mr. Moore thinks about it, and he is just scared to death so he calls back, this is all on a Sunday night. [Unable to transcribe due to noise interference on tape.] We've traced that phone call, and that number was traced back to the Department of Natural Resources. Now, after these phone calls were made, Mr. Havelock and Governor Egan were both in Washington. I intend to have that thing investigated. If I find out that two people were involved, they're certainly going to have a major law suit against them for interfering with the legal rights of the pending law suit. I would suggest to the Deputy Commissioner that he should find out what's going on in his department because we know that phone call came from his department. N.w, what you is, this is just outrageou, that type of conduct. I don't know who did it. I only know it came from that department. Now, if you take a look at some of the pleas in this law suit,

some of the allegations made by the career civil service employees of the department, the insults to this little guy, that conduct, that type of language should not be permitted. I'd fire, listen I'd fire, I used to have 4,500 people working for me. If I ever had that kind of treatment of a citizen or a tax-payer, I'd fire them. Not only that, but with penalties. I suggest to the Deputy Commissioner that he ought to commence an investigation immediately. That telegram that alledgedly was sent by George Moore has no legal bearing. I represent him in a legal case that's pending, and that law suit is still alive. This legislation, I think is in the best interest of the State. Mr. Moore and Champion Oil have always been willing to pay the minimum acceptable bid, they so notified the department immediately after before these bids were rejected. They still offered at a higher rate of return to the State of the value.

SENATOR SACKETT: Mr. Foley, did he ever sent, or Deputy Commissioner, did he ever sent a letter following that telegram?

MR. FACKLER: Not to us, we assume it was sent to the Governor.

SENATOR SACKETT: What legal bearing does this have. Is the law suit still pending or withdrawn?

MR. FOLEY: It's still pending.

SENATOR SACKETT: Okay, I just wanted to get the facts straight on that. Are there any further questions?

SENATOR THOMAS: Mr. Chairman, Mr. Fackler, what about this matter of a minimum acceptable bid? Had there been one established for all those tracts?

MR. FACKLER: [Unable to transcribe due to noise interference on tape.]

MR. FOLEY: Commissioner Kelly said there would be a minimum on each tract. I think it's a great inequity to this little guy, now a big oil company would not stand for this type of treatment, and I wouldn't blame them. I don't think this little guy should be shoved around either.

SENATOR SACKETT: Are there further questions. If not, thank you very much. Are there any other people who would like to testify on this, If not, I suggest we sleep on it.

MR. FOLEY: Mr. Chairman, there is one small correction that I believe in the bill that three words were left out and would change the meaning of the bill. Subsection 2 A where it says the fair and reasonable value that should read: "The fair and reasonable value of each tract as of the date of the bid."

SENATOR SACKETT: What line is that on, 22?

MR. FOLEY: It should read: "The fair and reasonable value of each tract as of the date of the bid."

SENATOR SACKETT: Thank you. That's about all we have in the Committee. We still have that Senate Bill 169 which has to do with fisheries. If there isn't anything further, we'll adjourn the meeting. Thank you gentlemen.

The Resources Committee was called to order at 3:35
March 30, 1973 by Chairman Sackett.

Committee members present were Senators Sackett,
Palmer, Hohman, and Thomas.

House Bill am 368 was presented. Senator Palmer
moved that we move House Bill am 368 out of Committee HBam 368
and asked unanimous consent. Motion seconded and passed.

Senator Palmer moved that CSHouse Bill 126 be moved
out of Committee and asked unanimous consent. Motion CSHB 126
seconded and passed.

Senate Bill 129 was brought before the committee.
Mike Branham and Clark Engle from the Alaska Professional
Hunters Association spoke against the bill. (see attached
statement).

Senator Hohman stated that as a co sponsor of the
Bill, his intention was not to limit industry into Alaska
but to have good conservation practice in rural area. He
further stated that at present the local people of rural
areas were precluded from participating in the guiding
business because you have to be under a Master guide before
you can get a license.

Chairman Sackett suggested that the Alaska Professional
Hunters Association come up with recommendations for control
of areas being presently over harvested and that possibly
next year a substitute for this bill would be passed.

Mr. Engle stated he would like to see some type of
bill limiting guides in certain districts comparable to the
present Senate Bill 39, Limited Entry.

Senator Hensley would like the concept of limited guiding developed and asked that the Alaska Professional Hunters Association come up with some type of proposal. He stated that presently what we have is open guiding and that there is no way that they can protect the environment.

Both Senators Hensley and Hohman were invited to participate in the annual meeting of the Alaska Professional Hunters Association April 13, 14, and 15, 1973.

Meeting adjourned at 4:10.

1974

MINUTES, ETC.

1/22/1974 - 4/23/1974

SENATE RESOURCES COMMITTEE MEETING

January 22, 1974 -- 3 p.m.

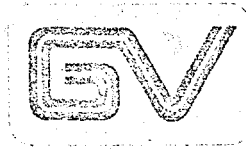
Committee members present included Senator Sackett, chairman; and Senators Butrovich, Hohman, Meland, and Thomas. Other legislators present were Senators Croft, Poland, and Silides.

Charles F. Herbert, Commissioner of Natural Resources, discussed the attached letters and their relation to the right-of-way leasing legislation passed during the special session. He said there was no difficulty making a connection at a pumping station. Delivering royalty oil at a convenient location could be made a condition of the lease and would not have to be a law or a regulation. The regulations in effect now are only emergency regulations and have not been adopted. There will be a public hearing on them in Anchorage on January 29. The economic feasibility of a tap will be determined by whether the user can pay the cost of installation. He felt it would be late March before the State will issue a permit.

Senator Butrovich asked Commissioner Herbert to make available to the committee copies of the laws and regulations for the sale of in-kind gas.

Senator Sackett asked Frances Ulmer of the Legislative Affairs Agency to find out if the Commissioner already has the powers needed to take care of the situation.

The meeting was adjourned at 3:35.



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 1249, Fairbanks, Alaska 99707, Phone 907-452-1151

January 7, 1974

Senator George Silides
P.O. Box 746
Fairbanks, Alaska 99707

Dear Senator Silides:

I understand your intentions are to amend the State right-of-way leasing act by stipulating certain valving locations to accommodate those entities wishing access to crude oil supplies from the Alyeska pipeline. We have selected three sites for future generation designed to use crude oil for fuel. These are located, one each adjacent to pump stations #7 and #8, and about one mile north of the pipeline road crossing at Fox. Please include these in your proposed legislation.

Access to this oil resource is vital to Interior Alaska, accordingly we wholeheartedly support your endeavors in this matter.

Best wishes.

Very truly yours,

R.L. Hufman
General Manager

cc: Juneau office.

Senate Resources Committee

February 4, 1974 3:00 p.m.

Re: Department of Natural Resources Regulations

Will Condon testified that notices were published in newspapers, hearings held in Anchorage, regulations adopted and would become effective four weeks from date of adoption.

The regulations don't change the burden of proof. They were not intended to hamper actions of the court in reviewing the Commissioner's actions.

Senator Croft stated that as the regulations read, the Commissioner has to have evidence as to why the application should be denied.

Will Condon said that the applicant has to provide information to the Commissioner. The burden of proof isn't on the Commissioner -- he has the option to require whatever information he needs to make a decision. It would be possible to propose an amendment to change the wording.

Re: Application to impair or abandon service -- "no adverse effect"
Discussion of interpretation of wording. Does economic feasibility mean the same as cost. Are we asking the person requesting the connection to make a value judgment?

Condon testified that this was just for information and not binding in any way. Public benefit conditions (state interest) were purposely left broad -- not spelled out.

Background on emergency regulations: They are good for 120 days during which time the established procedures for adoption of permanent regulations must be followed.

Re advantages and disadvantages to state and companies on the 3 year proposal

State: advantage: enforceable contract rights

disadvantage: increases chances of litigation

Companies: disadvantage: don't know how will be applied

Meeting called to order at 3:10 p.m.

Members present: Sackett, Butrovich, Palmer, Thomas, Hohman and Rader

Re SB 239 to prohibit crab processing ON commercial fishing
boats

Senator Poland testified that when the processing is accomplished on the boats there is little or no inspection and violations are prevalent.

Senator Rader asked if it would be possible to license and charge a fee for on-vessel inspection.

Senator Poland stated that an ADF&G man had been on board but was urged to pass the take. She continued that they bring crews and supplies from outside and "take" Alaska resources.

Some discussion followed concerning the State's authority with agreement that there probably was some jurisdiction since at some time the ships had probably been in State waters.

February 6, Mr. Markham, Staff attorney for the Board of Fish and Game will testify.

Re SB 129 to limit the number of guides in each district

Senator Hensley testified that this bill would prevent guides from hunting in multiple districts during a single year. He felt that this would protect resources and other guides from an influx of hunters from outside the district.

The bill was passed out of committee with no recommendation.

Phil Gunner, a commercial fisherman, testified that the fish and game advisory committees are ineffective because their recommendations are generally ignored by the board. There followed a discussion of the possibility of giving the committees more power.

The meeting was adjourned at 4:30 p.m.

Senate Resources Committee Meeting
February 26, 1974

The meeting was called to order at 3:10 p.m. by Senator Sackett

Members present: Senator Sackett, Senator Thomas, Senator
Hohman, Senator Meland

Testimony regarding SB 51:

Mr. Richard White
General Manager
Wakefield Seafoods

Wakefield has five plants in Alaska (crab and shrimp), one of which is a floater.

Floaters don't have a competitive advantage because they need a larger crew, have to guarantee wages, have higher maintenance costs, double overhead, and 400% higher taxes. They need mobility in order to compete.

They don't bring in outside labor. Their labor force is 89% Alaska resident.

They are good for local economy in that they employ local people and patronize local businesses. There is greater local representation on floaters than in shore based processing plants.

In 1973 14.6 million pounds of crab was taken in Kodiak, 3 million pounds by floaters. This represents only a 10% loss to Kodiak processors.

If SB 51 is passed limiting floater mobility, the result will be more floater operations.

(Mr. White will send a full transcript of his statements.)

Jerry Nebel
Valdez Chamber of Commerce

Mr. Nebel read a resolution from the Valdez Chamber of Commerce (attached).

He stated that Valdez hasn't seen a floater yet but felt that permanent facilities should be encouraged to support the local economy.

Bix Bonney
Kodiak Chamber of Commerce
processor - B & B Fisheries (plants in Kodiak and Valdez)
Kodiak Borough Legislative Committee

Mr. Bonney read a resolution from the Kodiak Chamber of Commerce encouraging the protection of the Kodiak economy and warning of the dangers of floaters.

He stated that floaters come from Seattle fully equipped.

Kodiak lost 40% of its king crab quota to floaters in 1973. (figures from Fish and Game) Six to eight floaters from Seattle moved in last year and the season was closed in eleven days with only a short reopening. All of Kodiak suffered.

Projected that in 1974 floaters will process MORE THAN crab. It is now possible and economically profitable to process anything on a floater that can be processed on shore.

There are no Alaska based floaters (operations that are controlled from Alaska).

Floaters don't belong in competition with land based operations but could be useful if used on an experimental basis away from on shore processors.

He brought up the question of where the primary product was being processed into the saleable package.

Floaters use harbors and docks without paying local taxes.

What's the incentive for shore base expansion? The resource should be preserved for permanent residents.

Linne R. Bardarson
Resident Manager
Seward Fisheries

Mr. Bardarson encouraged permanent commitment to a community.

This year they will have \$5 million capital investment in Seward. In 1973 they employed 80 - 200 local people -- \$1.3 million payroll.

To retain quality of labor they have to have long seasons.

He didn't think the extra taxes paid by floaters compared with the long range benefits of land based processors.

Ross Wood
Kodiak Island Borough Mayor

Stated that floaters come and go and leave nothing to show for it.

Mr. Wood said that Kodiak residents want increased public services but if they are not allowed to work year round they won't be able to afford the increased taxes needed for these improvements.

Ralph Jones
President
Alaska Shell

Mr. Jones raised the question that this bill singles out one group, denying equal protection.

This bill protects a monopoly, denies floaters the right to use their property, raising a question of due process.

General tax laws apply to floaters. Laborers pay state income tax, school tax, sales tax, property tax, etc., and the raw fish tax is 400% greater to floaters.

Passage of SB 51 will increase the number of floaters.

His plants have been in Alaska continually since 1971.

Kodiak shore plants are not owned by Kodiak residents. Kodiak shore plants also have floaters.

In 1973 14,662,000 pounds were caught in the Kodiak area. 3,000,000 pounds were delivered to floaters by small, local boats. If SB 51 is passed these local boats would be hurt.

The forced hauling of resources over long distances results in a high death rate, waste, and substandard products.

He then listed over 100 of his 1973 employees from Alaska.

(transcript attached)

Ron Tullis
New England Fish Co.

If SB 51 is passed they will need more floaters in order to compete; to pay for the new plants they will pay less for fish.

The Adak economy is greatly helped by floaters. If the bill is passed the floater couldn't economically stay there.

Hank Ostrosky
commercial fisherman from Bristol Bay

It depends on how floaters are being used. If they increase the cost benefit ratio to the consumer they should be granted some mobility. If they are merely raiders, they should be controlled.

He suggested that the Committee empower a task force to study the economic impact, marketing practices, and source of control of floaters.

Tom Thompson
Executive Vice President
Petersberg Fisheries

in favor of grandfather rights.

ALASKA
STATE LEGISLATURE /

MEMORANDUM

February 27, 1974

TO: Members
Senate Resource Committee

FROM: Senator John Sackett

SUBJECT: SB 51

Attached is a summary of the testimony given to the Senate Resources Committee during the public hearing held February 26, 1974, on SB 51, "An Act relating to floating canneries, buyers, and processors."

Senate Resources Committee Meeting
February 27, 1974

The meeting was called to order at 3:10 p.m. by Senator Sackett.

Members present: Senator Sackett, Senator Butrovich, Senator
Thomas, Senator Hohman

Following is a brief summary of testimony received:

Clark Engle
guide
Alaska Professional Hunters Assoc.

SB 347 and SB 348

- don't want the legislature to regulate Fish and Game but rather leave it to the biologists.
- local advisory boards are not presently working (Fish and Game pays them no attention) but he's afraid to give them more power.
- wants Fish and Game Board split

SB 366

- directed to boarder jumpers and road hunters

HB 242

- if for better enforcement he's for it.
- if not, Fish and Game should control

SB 375

- for, especially for sports fishing

Bill Martin

Fish and Game Protection Officer 7 1/2 years
presently operates fishing lodge

over all

The public is asking the legislators to do Fish and Game's job.
The legislature should give State agencies support so they can do their own work.

SB 356

- opening the door to subsistence misuse
- unenforceable

SB 364

- for

Robert A. Rouch

Fish and Game

SB 347 and SB 348

- no limit on number of advisory committees
- overlapping authority
- will create more problems than they solve
- there are now 300 advisory committee members

HB 242

- needs wording changes in names of joints

SB 366

- opposed-- too many relatives
- classes of non-residents probably isn't legal
- non-residents paid 72% of license fees

SCR 17

- for

SB 379

(Don McKnight, Chief of Research, Fish and Game)

- can't raise them in quantity
- too expensive to be done in-State
- few will benefit at cost (tax) of all
- matter of priorities -- no money to experiment
- will do a cost analysis

SB 346

- falconry now under jurisdiction of federal government
- presently some illegal traffic
- bill has some merit
- Fish and Game has authority to provide for falconry
- conflict between State and federal control/authority

Phil Connors

guide

SB 346

- Fish and Game Commissioner doesn't have to issue a permit -- he can
- legalization of sport won't change illegal practices

Bob Curtis

Self

SB 347 - for: Fish and Game doesn't do its job

SB 348 - "

SB 375 - for

HCR 33 - bad procedure

SB 260 - shouldn't give special consideration

SB 346 - don't open it up before careful study

- it's big money, big business

SB 356 - subsistence should be subsistence

commercial should be commercial

SB 366 - for

HB 242 - for

Mark Jansen

guide

- leave regulatory power in the Department of Fish and Game
- for splitting Fish and Game Board
- for advisory boards by game unit (area)
- against blanket State regulations

Senate Resources Committee

3/5/74

The meeting was called to order by Senator Sackett, Chairman, with all members present.

Robert Dwyer, Acting Commissioner, Department of Public Works, was introduced. Mr. Dwyer stated that he had brought the following men with him in an effort to determine whether or not a spill occurred, how extensive it was, and how similar situations would be handled in the future.

Mr. Jack Addington, Operations Supervisor
Mr. Ed Evans, Maintenance
Mr. Dick Edwards
Capt. R. G. Reid, U.S. Air Force
Mr. Frank Blodgett, Public Safety, Fish and Wildlife

Mr. Addington: Three dumps took place in the gravel area 30 - 40 feet from the edge of the new parking lot: twice the ground was not frozen and the solution drained into the ground; once with the ground frozen, the solution spreading out approximately 150 feet.

It is 2270 feet from the parking lot to the Naknek river and 730 feet from the parking lot to Fox Creek. There is a 5 foot drop from the parking lot to either area.

He saw "no possible way" for the alcohol to have gotten into the creek.

The dump was ordered because it was thought that the solution was contaminated. Analysis of the solution dumped from the same tank showed that the solution contained only 1/2% contaminants.

Mr. Evans: He explained how alcohol was/is used to clear the runway. It never runs outside the lights. They have orders not to burn fuel. He didn't think the dump could possibly contaminate the river.

Commissioner Brewer, Environmental Conservation
He received correspondence from J. Mark Johnson, Bristol Bay Area Corp., on 12/26. On 1/2 he wrote to Commissioner Easley enclosing the letter from Johnson and asking for information. 1/21 Easley received a TWX stating that only water was dumped according to Fish and Game. More information would follow. (There had been another dump of water only from an alcohol truck -- hence the confusion) On 2/18 Dr. Brewer received the report of Mr. Blodgett, investigator, stating that three dumps took place of questionable amounts.

He received correspondence from the Bristol Bay Area Health Corp. asking why no response to the charges had been made. A proper investigation took longer than expected and he should have notified the Health Corp.

Commissioner Brewer (con't)

On the question of whether any of the solution got into the creek or the river he replied that it was possible though doubtful. To determine this for sure a soil analysis would be needed along with information on the ground water situation. The evaporation rate of the solution when it is in the ground is very slow.

Mr. Blodgett: He received a complaint from Dillingham the end of December, did a thorough investigation, and sent the results to Commissioner Brewer in January. This was found to be the water dump and was so substantiated by testimony.

Three different dumps occurred. He received testimony from the men who had dumped the solution: one thought it could reach the river, the other did not.

Bristol Bay Area Health Corp. didn't think the state should investigate the state so sent their information to Commissioner Brewer.

He stated that only 1/2% of the solution dumped would not evaporate fast. He had no idea if any of the solution reached the creek.

Mr. Edwards: He told of the capacity of the three trucks and how full they were at the time of the dumps. He estimated that the small trucks had about 9000 gal each and that the large truck dumped about 3500 gallons.

Capt. Reid: Testimony attached.

All men agreed that if it ever became necessary to dump fuel in the future, all concerned would be contacted and the best possible method determined.

The committee reported the following bills and resolutions out: HJR 74, SCR 17, SB 347, SB 348, CS HB 242, SB 366, HJR 87 (after testimony by Rep. Naughton).

To be discussed in the near future: SB 352, Hatcher Pass Resolution.

Resources Committee should draw up appropriate funding for SB 379.

Need to discuss CS SB 326 (combining SB 326 and SB 375)

The meeting adjourned at 4:30 p.m.
Members were invited to view slides of Japanese and American fish hatcheries and a presentation by Phil Daniels.

EMPIRE 2/25/74

State Is Probing Alleged Fuel Spill

The state administration and the legislature are investigating reports that division of aviation employes dumped about 7,000 gallons of jet fuel into the Naknek River last fall.

Jerry Reinwand, deputy commissioner of environmental conservation said Wednesday that despite complaints by Bristol Bay Wednesday, "we are not trying to push this matter under the rug."

Reinwand said the department had received a letter in December from the Bristol Bay Area Development Corp. claiming it had evidence that on three occasions during October division employes at King Salmon had dumped fuel into Fox Creek, a tributary of the Naknek River.

"Apparently a state trooper took affidavits from people who saw the dumpings," Reinwand

said. "We're looking for the affidavits."

The deputy commissioner said he believed the iso-propyl fuel had been used to clean the runway at the King Salmon Airport, but other details were not available, he said.

After receiving the initial complaint two months ago, Reinwand said, his department questioned the division and was told three weeks later that about 5,000 gallons of water but no fuel had been dumped.

"I guess we made an error in not acknowledging the corporation's letter," Reinwand said. "In all of our pollution cases, it takes a long time to gather information... frankly, we're glad to get this type of information. The people out there are our auxiliary inspectors."

Commissioner Max Brewer was investigating the reports personally, he said.

make their periodic pilgrimage

EMPIRE 3/4/74

Brewer Has 'Dim View' Of Toxic Solution Spill

Commissioner of Environmental Conservation Max Brewer says he takes "a dim view" of the dumping of 7,000 gallons of toxic solution by state employes at the King Salmon airport.

However, Brewer said it will never be known whether the dumpings last fall caused any environmental damage to the Naknek River.

It appears, the commissioner said, that Division of Aviation employes dumped the solution on three occasions into an area adjacent to the airport. The runway is bordered on one side by Fox Creek, a tributary of the Naknek River.

Reports of incidents during September and October surfaced last week when Sen. John Sackett, R-Galena, announced his Natural Resources Committee would follow requests by the Bristol Bay area Development Corp. to investigate the dumpings.

After investigating the matter personally, Brewer, said "the

preferred way of disposal" of the solution would have been a controlled burn.

The commissioner said employes involved in the dumping told state troopers that the isopropyl solution, used to clear ice from the runway, had been thrown away after being contaminated by jet fuel. The solution is similar to rubbing alcohol.

"We don't know if there were any fish kills," Brewer said. "But let's face it—if there were any fish in the vicinity and if the solution leaked into the creek, they would have been killed."

His concern over the dumpings "has been brought very forcefully to the attention of the people involved," Brewer said. "As far as other action, the state doesn't sue itself... the positive effect is to make people far more aware of the problems that arise from an unthinking action."

MARCH 2, 1974

TO WHOM IT MAY CONCERN:

REFERENCE TO PARKING LARGE STATE ALCOHOL TRUCK ON NEW PARKING RAMP OF KING SALMON AIRPORT AND DRAINING WHAT I ASSUME WAS CONTAMINATED ALCOHOL.

My name is Mr. J.T. Stubbs. I am employed by the Federal Aviation Administration as Air Traffic Control Tower operator, King Salmon Alaska.

In mid to late December 1973 I was on duty when State took their large tanker truck across runway 18/36 to the new parking ramp and proceeded to the south boundry on the gravel portion of the parking ramp. In this position the crew started the drain system, apparently to drain the contents onto the gravel or dirt parking area. This area appears nearly flat from the tower and I wondered at that time if the alcohol might evaporate or soak into the gravel or perhaps run off. I checked the draining tanker several times with our tower binoculars (7X50) and each time the runoff or drain area appeared to be about the same in size, probably not more than a 100 foot to 150 foot circular area.

The tanker was in this position for quite a long time, more than 8 hours probably around 10 to 12 hours I believe before the crew came and moved the tanker back to the State equipment parking area.

The drain area is located several hundred yards from the Naknek River and in my opinion it would have been very unlikely that any of the fluid could have reached the river or any tributary streams.

As a native of central Oklahoma where my father worked in the oil fields most of his life I'm certainly no stranger to pollution, I've seen saltwater and oil spills completely kill some of my favorite fishing streams and ponds.

It's comforting to know that the State of Alaska has such an active Anti-Pollution interest. I'm glad to report that in my opinion, no pollution could have resulted from this operation and you may rest assured that if I ever witness any act to pollute this great land and its waters I will notify the proper authorities and document all I can with photographs and witnesses.

Thank you.

J.T. Stubbs

J.T. Stubbs
PO Box 271
King Salmon, Alaska 99613

TO FIND: 1. The GREATEST possible concentration of isopropyl alcohol which could occur in the Naknek River as a result of runway de-icing operations at King Salmon Airport.

2. Comparison of the above figure with known fish toxicity values.

GIVEN: 1. Alcohol Use

a. Maximum alcohol usage in the past two years occurred in January 1973 and was 21,482 gallons.

b. Method of application is by 1500 gallon tank trucks equipped with 30 foot wide spray bars. Two successive passes are made along the 8000 foot runway. The amount of alcohol applied is controlled by the speed of the vehicle over the 16,000 foot round trip. The maximum usage in 24 hours is estimated at 4 applications of 1500 gallons each for a total of 6000 gallons.

c. Assume that all alcohol applied reaches the Naknek River, at a uniform rate, during the time period under consideration.

2. River Flow Data

a. Source: State employee (name unknown) obtained information from a state agency in Juneau, Alaska.

b. From 1 June to late September, volume rate of flow ranges from 4,000 to 15,000 cubic feet per second (cfs). The volume rate of flow in January is estimated to be only 2,000 cfs.

COMPUTATIONS :

1. On a daily basis (24 hours):

Converting cfs to mgd (million gal per day):

$$\begin{aligned} 2000 \times 60 \times 60 \times 24 &= 172.8 \times 10^6 \\ &= 172.8 \text{ mgd} \end{aligned}$$

Maximum Possible Concentration:

$$\frac{6000 \text{ gal/day (alcohol)}}{172.8 \text{ mgd (H}_2\text{O)}} = 34.72 \text{ ppm (parts per million by Volume)}$$

$$34.72 \times 0.7874 = 27.34 \text{ mg/l (milligram per liter)}$$

2. On a 31 Day Month Basis:

River Flow:

$$172.8 \text{ mgd} \times 31 \text{ d} = 5356.8 \text{ mgM (million gallons per Month)}$$

$$\text{Alcohol Issued January, 1973} = 21,482 \text{ gal}$$

Maximum Possible Concentration:

$$\frac{21,482}{5356.8} = 4.01 \text{ ppm by Volume}$$

$$4.01 \times 0.7874 = 3.16 \text{ mg/l}$$

COMPARISON: Studies ¹ of creek chub , a fish considered to be average in tolerance, showed a critical range of 900-1100 milligrams per liter (mg/l).

The calculated maximum concentration was 27.34 mg/l

COMPARISON: 27.34 is less than 900 by a factor of 32.92

¹Water Quality Criteria, Second Edition by MCKee and Wolf. Publication

number 3-A, State Water Quality Control Board. Sacramento, California.
Reference L. A. Gillette, D.L. Miller, and H.D. Redman, "Appraisal of
a Chemical Waste Problem by Fish Toxicity Tests" published in Sewage
and Industrial Waste Journal, Vol IV, 1952.

MEMORANDUM TO COLONEL STOCKMAN

4 MAR 1974

SUBJECT: Use of Isopropyl Alcohol at Galena and King Salmon

1. The use of isopropyl alcohol at Galena and King Salmon is required to remove ice and maintain the runway surface in as near a dry state as possible. During certain temperature range (32°F - 0°F) the alcohol is used in conjunction with brooms to remove ice and improve the runway condition reading (RCR).
2. The RCR is a measure of braking action on a runway surface and gives the pilot some idea of the distance required to stop his aircraft on the runway available. A dry runway has an RCR of 24 while a wet surface has a value of 12 and 5 for an icy runway.
3. The Alaskan Air Command Supplement to AFM 60-16 requires a minimum RCR of 6 for all fixed wing operations with the exception of the F-4 which requires a minimum of 10. By lowering the freezing point of water, the use of isopropyl alcohol allows us to remove moisture from the runway that would otherwise freeze, resulting in an RCR below that required for our operations. Without the ability to raise the RCR above 6, essential resupply missions to Galena and King Salmon could not be accomplished. In addition, RCRs below 10 would halt routine training, ~~E-4~~ operations seriously degrading our ability to fulfill our air defense mission.

CASPER S. BIERMAN, Colonel, USAF
Assistant DCS/Operations

DO READ COPY

July 11, 1963

SUPERSEDING

Fed. Spec. TT-I-735

Nov. 3, 1959

(See 6.4)

FEDERAL SPECIFICATION

ISOPROPYL ALCOHOL

This specification was approved by the Commissioner, Federal Supply Service, General Services Administration, for the use of all Federal agencies.

1. SCOPE AND CLASSIFICATION

1.1 Scope. This specification covers the requirements for isopropyl alcohol.

1.2 Classification.

1.2.1 Grades. Isopropyl alcohol shall be furnished in the following grades, as specified (see 6.1).

Grade A.—Water content 0.1 percent maximum.

Grade B.—Water content 0.4 percent maximum.

2. APPLICABLE SPECIFICATIONS, STANDARDS, AND OTHER PUBLICATIONS

2.1 Specifications and standards. The following specifications and standards, of the issues in effect on date of invitation for bids, form a part of this specification.

Federal Specification:

TT-P-143—Paint, Varnish, Lacquer, and Related Materials; General Specifications for Packaging, Packing, and Marking.

Federal Standards:

Fed. Std. No. 102—Preservation, Packaging, and Packing Levels.

Fed. Test Method Std. No. 141—Paint, Varnish, Lacquer, and Related Materials; Methods of Inspection, Sampling, and Testing.

Fed. Test Method Std. No. 791—Lubricants, Liquid Fuels, and Related Products; Methods of Testing.

(Activities outside the Federal Government may obtain copies of Federal Specifications, Standards, and Handbooks as outlined under General Information in the Index of Federal Specifications, Standards, and Handbooks and at the prices indicated in the Index. The Index, which includes cumulative monthly supplements as issued, is for sale on a subscription basis by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

(Single copies of this specification and other product specifications required by activities outside the Federal Government for bidding purposes are available without charge at the General Services Administration Regional Offices in Boston, New York, Washington, D. C., Atlanta, Chicago, Kansas City, Mo., Dallas, Denver, San Francisco, and Auburn, Washington.

(Federal Government activities may obtain copies of Federal Specifications, Standards, and Handbooks and the Index of Federal Specifications, Standards, and Handbooks from established distribution points in their agencies.)

Military Standard:

MIL-STD-105—Sampling Procedures and Tables for Inspection by Attributes.

FSC 6810

(Copies of Military Specifications and Standards required by contractors in connection with specific procurement functions should be obtained from the procuring agency or as directed by the contracting officer.)

2.2 Other publications. The following document forms a part of this specification to the extent specified herein. Unless otherwise indicated, the issue in effect on date of invitation for bids shall apply:

American Society for Testing and Materials:

ASTM Standards, Part 8.

(Copies may be obtained from the American Society for Testing and Materials, 1916 Race Street, Philadelphia 3, Pennsylvania.)

3. REQUIREMENTS

3.1 Quantitative requirements. The isopropyl alcohol shall conform to the requirements specified in table I.

3.2 Qualitative requirements.

3.2.1 Appearance. The isopropyl alcohol shall be clear and free from sediment and suspended matter when examined by transmitted light.

3.2.2 Odor. The isopropyl alcohol shall have the characteristic odor of isopropyl alcohol and leave no residual odor after drying on filter paper for 2 hours.

3.2.3 Hydrocarbons. The isopropyl alcohol shall be miscible without turbidity when diluted to ten volumes with distilled water at 20°C.

3.2.4 Corrosion. The isopropyl alcohol shall not cause pitting nor black stain on a copper strip when tested as specified in section 4. However, a slight brown stain shall not be cause for rejection.

3.3 Workmanship. The isopropyl alcohol shall conform to the best commercial practice covering this class of material.

4. SAMPLING, INSPECTION, AND TEST PROCEDURES

4.1 The supplier is responsible for the performance of all inspection requirements as specified herein. Except as otherwise specified, the supplier may utilize his own or any other inspection facilities and services acceptable to the Government. The Government reserves the right to perform any of the inspections set forth in the specifications where such inspections are deemed necessary to assure that supplies and services conform to prescribed requirements.

4.1.1 For military agencies. Supplier responsibilities shall be as specified in method 1031.1 of Fed. Test Method Std. No. 141.

TABLE I.—Quantitative requirements

Characteristics	GRADE A		GRADE B		Test reference paragraph
	Min.	Max.	Min.	Max.	
Acidity (percent as acetic acid)	—	0.002	—	0.002	4.4.1
Distillation range:					
Initial boiling point °C.	81.3	—	81.3	—	4.4.1
Dry Point °C.	—	83.0	—	83.0	—
Nonvolatile Matter (gram per 100 ml.) ...	—	0.002	—	0.002	4.4.4
Specific gravity at 20°/20°C.	0.7862	0.7870	0.7862	0.7873	4.4.1
Water content (percent)	—	0.10	—	0.40	4.4.2
Color (platinum cobalt scale)	—	10	—	10	4.4.5

4.2 Sampling. Sampling shall be performed in accordance with method 1021 of Fed. Test Method Std. No. 141.

4.3 Inspection. Inspection shall be performed in accordance with method 1011 of Fed. Test Method Std. No. 141.

4.3.1 For military agencies. A random sample of filled containers shall be selected in accordance with MIL-STD-105 at Inspection Level I and Acceptance Quality Level of 2.5 percent defective to verify all requirements of this specification in regard to fill, closure, packaging, packing, marking, workmanship, and other requirements not involving tests.

4.3.1.1 Resubmitted inspection lots. Paragraph 12.2 of MIL-STD-105 shall apply except that a resubmitted inspection lot shall be inspected using tightened inspection. For visual examination, where the original acceptance number was zero, a sample size represented by the next higher sample size code letter shall be chosen.

4.4 Tests. Tests shall be made in accordance with the applicable methods of Fed. Test Method Std. No. 141 and as specified herein.

4.4.1 The following tests shall be conducted in accordance with Fed. Test Method Std. No. 141.

TABLE II.

Tests	Method No.
Acidity	5252
Distillation range	4301
Specific gravity (any convenient method enumerated)	4183
Appearance	4261
Odor	4401
Corrosion	5101

4.4.2 Water content. Water content of the isopropyl alcohol shall be determined in accordance with Method 3253 of Federal Test Method Standard No. 791.

4.4.3 Hydrocarbons. Place 25 milliliters of

the isopropyl alcohol in a clean 250-ml. graduated cylinder, dilute to the 250-ml. mark with distilled water and mix thoroughly. Allow the air bubbles to rise to the surface. Place 250 milliliters of distilled water in a second clean 250-ml. graduate. Place the graduates side by side on a dark background in such a manner that the light source (natural or artificial) will pass transversely through the columns of liquid. Compare the appearance of the sample solution with that of the distilled water by viewing the liquids from directly above and through the lengths of their columns. The sample solution shall be as free from turbidity as the water.

4.4.4 Nonvolatile matter. One hundred milliliters of the isopropyl alcohol shall be placed in a tared evaporating dish and evaporated almost to dryness over a steam bath. The dish and residue shall be dried in an oven at $105^{\circ} \pm 2^{\circ}\text{C}$. ($221^{\circ} \pm 4^{\circ}\text{F}$. to constant weight, cooled in a desiccator and weighed. The difference in weight shall be reported as grams of nonvolatile matter per 100 milliliters of the sample.

4.4.5 Color. The color of the isopropyl alcohol shall be determined in accordance with method D 1209-54 of the American Society for Testing and Materials Standards.

5. PREPARATION FOR DELIVERY

(For civil agency procurement the definitions and applications of levels of packaging and packing shall be in accordance with Fed. Std. No. 102.)

5.1 Packaging, packing and marking. Packaging, packing and marking shall be in accordance with TT-P-143 as specified for the applicable level.

5.1.1 Special marking. Each container shall have affixed to it a white label with the following information printed in red letters thereon:

Warning:

Flammable

Keep away from heat and open flame.

Keep container closed.

Avoid prolonged breathing of vapors.

Use with adequate ventilation.

6. NOTES

6.1 Intended use. Grade A isopropyl alcohol as covered by this specification is intended for use as an intermediate in the manufacture of chemicals. Grade B isopropyl alcohol, is intended for use in organic coatings, anti-icing fluid and ordnance material.

Amend-2 Red
6.2 Ordering data. Purchasers should exercise any desired options offered herein, and procurement documents should specify the following:

- (a) Title, number, and date of this specification.
- (b) Grade required (1.2.1).
- (c) Levels of packaging, packing, and marking (5.1).
- (d) Size of container required.

6.3 Basis of purchase. The material should be purchased by volume, the unit being a U. S. Gallon, 231 cubic inches at 15°C. (60°F.).

Amend-2
6.4 Supersession data. This specification includes the requirements of Military Specification MIL-F-5566 dated 6 January 1956

and Military Specification MIL-I-10428A (Cml C) dated 22 December 1958.

6.5 Transportation description. Transportation descriptions and minimum weights applicable to this commodity are:

Rail:

Isopropyl alcohol solvent

Carload minimum weight 30,000 pounds.

Motor:

Isopropyl alcohol solvent

Truckload minimum weight 30,000 pounds, subject to Rule 115, National Motor Freight Classification.

Notice. When Government drawings, specifications, or other data are used for any purpose other than in connection with a definitely related Government procurement operation, the United States Government thereby incurs no responsibility nor any obligation whatsoever; and the fact that the Government may have formulated, furnished, or in any way supplied the said drawings, specifications, or other data, is not to be regarded by implication or otherwise as in any manner licensing the holder or any other person or corporation, or conveying any rights or permission to manufacture, use, or sell any patented invention that may in any way be related thereto.

MILITARY INTEREST:

Army—MU

Navy—Wep

Air Force

FEDERAL SPECIFICATION

ISOPROPYL ALCOHOL

This Amendment, which forms part of Federal Specification TT-I-735a, July 11, 1963, was approved by the Commissioner, Federal Supply Service, General Services Administration for use of all Federal agencies.

Page 4, paragraph 6.1: Add—Isopropyl Alcohol is not satisfactory for use on acrylic plastic materials, such as MIL-P-5425B, MIL-P-8184, or MIL-P-21105, which are used for canopies or windows.

Page 4, paragraph 6.4: Delete "MIL-F-5556" and substitute "MIL-F-5566."

MILITARY INTEREST:

Army—MU

Navy—Wep

Air Force—MOA

FSC 6810

Senate Resources Committee SB 314
March 13, 1974

The meeting was called to order by Sen. Butrovich at 3:10 p.m.

Members present: Sen. Butrovich, Sen. Meland, Sen. Palmer,
Sen. Thomas

Senator Meland indicated the need for a tourist sport fishing license. The bill, SB 314 was drawn up some time ago so that an increase in the fee should be considered.

Mr. Frank Seymour testified that Alaska is now getting a new kind of tourist who visits for a short period of time on a package deal. He felt that a special one day license would have little or no effect on the number of fish since this is primarily an experience and few fish are caught. The present non-resident 10 day license for \$10 was prohibitive for an experience alone. He felt that \$2 a day would be fair. This is a new customer and he didn't feel that this license would change the number of existing customer licenses.

Senator Butrovich indicated that most licenses are sold in sporting goods stores where they already complain about how much they make for selling a license.

Mr. Rupert Andrews of Fish and Game stated that 50% of the state's income from licenses comes from non-resident \$10 licenses. He felt that the whole license schedule should be gone over and recommended a 3 - 1 non-resident/resident ratio as opposed to the 4 - 1 present ratio.

Mr. Ralph Kimlinger of the Department of Revenue said that the proposed \$2 license would represent a possible loss of revenues but it was not possible to compute how much. He stated that it would be doubtful that federal matching funds for this license would be provided. There was also an administrative problem with the bill in that the date must be specified on the license and he asked for a Jan. 1 effective date.

It was decided by the committee that, with the permission of Sen. Meland, the sponsor, a Resources CS would be drawn up incorporating a one day souvenir license for \$5. Existing license fees would be increased in proportion to the \$5 license and incorporating the 3 - 1 ratio.

Mr. Andrews will report new license fees back to the committee within a few days, at which time the CS will be drawn up.

Meeting adjourned at 3:45 p.m.

Senate Resources Committee Meeting

March 19, 1974

3 p.m.

The meeting was called to order at 3:05 by Senator Sackett.

Members present: Sen. Sackett, Sen. Butrovich, Sen Hohman,
Sen. Meland, Sen. Thomas

Senators Salides and Croft explained CS SB 311 which combined SB 279, SB 309 and SB 311. Briefly SB 311 provides that the State will insure its own energy needs, sets up criteria for determining state's interest, sets up an advisory board to assist the commissioner in determining the best possible use of royalties, and provides for legislative review.

Senators Thomas and Butrovich considered the last provision too restrictive.

Senator Thomas moved that it be passed out of committee with individual recommendations.

Senator Salides explained that the following options existed on SB 269: leave as is, increase the number of years, delete Section 4, repeal binding effects clause.

Mr. Lipton indicated that the Leasing Act would have been better without the binding effects clause. He was against any kind of a time limit. He favored deleting Section 4.

Senator Thomas moved to delete Section 4. There being no objections, SB 269 am was passed out of the committee.

The meeting was closed at 3:30 p.m.

Senate Resources Committee Meeting
March 21, 1974

The meeting was called to order at 2:10 p.m. by Senator Sackett.

Members present: Senator Sackett, Senator Butrovich,
Senator Palmer, Senator Thomas, Senator
Rader, Senator Meland

Mr. Ted Smith, Director of the Division of Parks, Department of National Resources, gave a presentation concerning SB 436, Hatcher Pass Recreational Area. He suggested that the original bill be modified to allow for mineral exploration. The central area of the park would be designated primarily for mining. In this area no recreational activities would be permitted to interfere with mining. The rest of the area would be primarily for recreation purposes and no mining would be allowed to interfere. The addition of more land on the South would provide more flat land and access to the area. The entire area would be open to mining on a lease rather than claim basis.

Mr. Stranberg of the Alaska Miners Association asked that the Committee allow testimony from his group at another time.

It was decided that more testimony would be heard and in the mean time a CS would be drawn up to incorporate the suggestions of Mr. Smith

SJR 62, HJR 92 was put out with a do pass.

SB 352 requiring an impartial evaluation of impact statements. Dr. Brewer of Environmental Conservation said that the intent of the environmental impact statements act is presently being manipulated.

Questions were raised concerning how the impartial review board would be "selected" and who would pay for their services

Commissioner Campbell of the Department of Highways said that there is an A 95 clearing house of all State department impact statements for local, state, federal, etc., projects. He asked how one firm could possibly have the expertise of all the personnel of the state departments combined.

CS SB 443 requiring a hearing -- the people's "right to know" bill. Commissioner Brewer stated that there should be no need for a duplicate impact statement if the first one was done properly. His recommendations have been incorporated into the CS. The Committee asked for a department budget impact study of this added responsibility. We will get a fiscal note on CS SB 443.

Commissioner Campbell said that there was no need for more laws. We should solve our problems with education and training.

Senate Resources Committee
March 21, 1974 (con't)

SB 393, disposing of state lands, requiring a 30 day waiting period during which time hearings may be held if requested. Bring in agencies comments early.

CS 393 am (p 2, line 8) was put out of committee.

The meeting adjourned at 4:30 p.m.

Senate Resources Committee
March 26, 1974
3 p.m.

The meeting was called to order at 3:05 p.m. by Senator Sackett.

Members present: Senator Sackett, Senator Butrovich, Senator Palmer, Senator Thomas, Senator Hohman

SB 419: Senator Poland testified that it refers to crab only. She mentioned that the crab season is often hampered by bad weather and that it takes time to get the pots out of the water and haul the catch back for processing.

Mr. Ed Huizer of Fish and Game stated that the existing law allows ten days between the close of the season and the additional time allowed for transporting and processing the catch. The three days represents a compromise between no additional time and the present ten days.

Senator Palmer moved that it be put out of committee with a do pass.

SB 433: Sergeant Don Tesloff of Fish and Game Protection testified that the Department could work with the bill but that it would present bookkeeping problems between the time of arrest and eventual court proceedings. He was in favor of seizure on site.

Joel Bennett stated that this bill would supplement the seizure at time of arrest but that it also gives the State the option of instituting civil proceedings leading to forfeiture.

Sergeant Tesloff stated that if that was the purpose of the bill he was in favor of it.

Senator Butrovich moved that it be put out with individual recommendation.

SB 379: Senator Butrovich moved that it be put out do pass.

SB 444: Lou Bandarolla of Sport Fish stated that there had been problems with the definition in the past. The existing regulations have not been enforced. The five years gives stability -- prevents fly by night operations from coming up for the purpose of a fishing derby only.

Senator Palmer moved that it be put out with a do pass.

SB 435: Senator Butrovich moved that it be put out with individual recs. and go on to Finance.

SB 249: Joel Bennett testified that the CS further defines reckless disregard.

Senator Palmer moved that it be put out with a do pass.

SB 51: Senator Poland testified that the Attorney General had made suggestions which are incorporated into the CS.

Senate Resources
March 26, 1974

Joel Bennett stated that the CS has included an intent clause to defend the constitutionality of the bill. It can't guarantee constitutionality, however.

Senator Hohman recommended that it be put out with individual recommendations.

The meeting was adjourned at 3:45 p.m.

Senate Resources Committee Meeting
March 27, 1974

The meeting was called to order at 3:15 p.m. by Senator Sackett.

Members present: Senator Sackett, Senator Butrovich, Senator Rader, Senator Palmer, Senator Thomas, Senator Meland, Senator Hohman

SB 408: Senator Kerttula offered a suggested CS. He stated that the Matanuska Valley Farmers Co-Op had requested this bill, the purpose of which is to include other items in a market order.

Don Magnason of the Alaska Retail Assoc. introduced Ben Noland of Arden in Anchorage. Mr. Noland described re-combined milk, his company's major product. He stated that there is not enough milk produced locally and that the present statute is not being used.

SJR 57: national grainery storage. Senator Kerttula described the possibility of a "food crisis" and the need to make provisions far in advance of possible problem.

Senator Thomas moved that it be put out of committee with individual recommendations.

SB 436: The CS on this bill had been drawn up. Mr. Bill Fackler of Natural Resources was asked why this area was being made a recreational area -- what would it accomplish -- what would the prohibitions in the separate areas prohibit? He replied that it would give more control, would stop claim staking, control snow machines and illegal entries.

Discussion of this bill was postponed until the Commissioner of Natural Resources and a representative of the mining interests (Phil Holsworth) could be present.

SB 369: Charles Matlock, Deputy Commissioner of Highways testified that the provisions of this bill were covered in the Highways Action Plan. He felt that this bill would allow too small a group to determine state interest.

Senator Rader suggested that resolutions be introduced against building specific roads, or that no state funds could be used to build a road if it were prohibited by a resolution of both houses.

SB 352: Senator Thomas recommended that a second CS be drawn up limiting the bill to groups, not private individuals. He moved that the bill be put out with the incorporated changes with individual recommendations.

Senator Rader objected. By vote it was determined that the bill would remain in committee.

The meeting adjourned at 4:40 p.m.

Senate Resources Committee Meeting
April 9, 1974

The meeting was called to order at 3:15 p.m. by Senator Sackett, Chairman.

Members Present: Senator Sackett, Senator Palmer, Senator Thomas, Senator Butrovich, Senator Meland

Two members of the Citizens Participation Conference Resources Committee testified. Jerry Liboff (see attached) Tony Paul stated that advisory boards should be given regulatory power but he was not in favor of SB 326.

Critical Habitat

Commissioner Brooks explained the law, history, and effect. Mike Smith, Habitat Director, gave a description of the areas included in the bill. A biological perspective of the areas was passed out.

A discussion followed between Brooks and Herbert about the designated areas. Natural Resources opposed the inclusion of islands off Prudhoe Bay. Mike Smith felt the Gastineau Channel area should be removed because it creates too many problems.

Senator Palmer moved that 73-3, 73-4, 73-15, and 74-12 be deleted. Seconded by Senator Thomas. Senator Palmer moved to bring up just Katchemak Bay.

The bill was passed out of committee with amendments.

Hatcher Pass

Commissioner Herbert endorsed the substitute introduced by Natural Resources. The bill will be re-worked before committee action.

S

B 507

Phil Daniels testified that the bill is necessary for Alaska's continued fisheries and essential to future bargaining power. Two amendments were proposed. Senator Meland moved that the bill do pass with amendments.

TESTIMONY BEFORE THE SENATE RESOURCES
COMMITTEE

April 9, 1974

My name is Jerry Liboff and I am a CPC Conference delegate from Koliganek which is in the Bristol Bay Area. I am here representing the Bristol Bay Area Development Corporation. Of the bills before the Committee today I would like to comment on SB 429.

First off I would like to say that the people in my area highly favor this bill... the creation of a Reindeer Policy Board. The fishing in Bristol Bay has been bad and is expected to get worse and this type of alternative industry is needed to pick up the slack. We just hope that it will pass and that it will be funded, and especially that it will prove successful in helping establish a reindeer industry in various parts of the State where it is needed.

With your permission there are several other bills that I want to comment on today, since I won't have the opportunity to do so at a later date. These bills are of special importance to people in my area.

1. SB 99 - establishment of subsistence hunting and fishing zones... we highly favor the bill. The only reservation we have would be that these zones be activated only in times of severe depletion of the resource, and that the zones should remain active only so long as the resource remains seriously depleted in that area.

2. In addition, we feel that there should be substantial increases in the budgets of fish and game research, management, and protection. To this effect we highly support HB 475 which authorizes \$6,500,000 for fish and game facilities, HB 690 which transfers fish and wildlife protection to the Department of Fish and Game, and HB 525 which creates a Department of Fisheries in the University of Alaska.

If anything, we have not spent enough on the research, cataloging and protection of our fish and game reserves in Alaska; and we should be spending much, much more. We can't make rational fish and game laws without the facts, and this is what research and management give us, and we can't enforce rational laws without adequate protection. For all of these we need money. And I think you will agree that we aren't spending

nearly enough to do even a mediocre job at this.

3. Other resource bills which we wish to comment on include:

a) SB 351 - 20 million dollars in bonds to developing port facilities in many communities - we highly favor this.

b) SB 364 - we favor permitting a local government agency to sell eggs donated from subsistence caught salmon. We think this should pass and that it should be amended to include the sale of salmon heads, hides and horns of donated subsistence caught game. In many cases, the hides and horns of caribou and moose are left to rot when they could be donated to the local governments and in turn sold by them to commercial users.

c) HB 524 - This is increases in license fees for hunting, trapping and fishing - We feel the 25¢ license should go to anyone who is either on welfare, or who is below the poverty guidelines set by the federal government. The way the bill is worded now, a person who has a wife and ten kids, and who is making only \$4,000 a year, but refuses welfare, could not get the 25¢ license. In addition, for commercial fisheries there should be a reduced fee for gear and fishing licenses for those people who fall below the poverty guidelines.

That's all I have to say.

Thank you for giving me the time to speak before you. If you have any questions, I would be glad to respond.

Jerry Liboff
Koliganek, Alaska 99576

Senate Resources Committee Meeting
April 19, 1974

The meeting was called to order at 2:15 by Senator Sackett, Chairman.

Members present: Senator Sackett, Butrovich, Palmer, Meland

CS HCR 21

Dave Rainey, El Paso, reviewed their proposal. He stated that El Paso was willing to agree in writing to deliver royalty gas to any point in Alaska. Their proposal would provide jobs for approximately 5,000 Alaskans. Construction of the line would have to wait until after the oil line was finished for equipment, men, and the availability of gas. Their proposal would provide Alaska with tax revenues. The cost difference between an all pipeline and a pipeline/ship route is minimal. Shrinkage due to liquification vs BTU about the same. He stated that Mr. Lipton had endorsed the resolution.

Bob Ward, Gas Arctic testified that the problem that their route might provide partial control by a foreign government didn't exist because of the major trade already existing between the two countries. Canada is willing to sign an agreement. Canada recognizes no difference between a treaty and an agreement. Their transportation advantage would be \$200 m a year. They could deliver more gas to market more economically and safely. They can't compete with the number of jobs for Alaskans. The tax base would not be as large but would still provide a significant amount. He said that El Paso's claims concerning balance of payments and faster completion time were unfounded. El Paso hasn't said exactly which route they'll take so have no justification for their claims. He contended that liquification results in larger shrinkage of gas -- only 40% saved. He charged that Mr. Rainey misrepresented the proposal comparisons. He said that the El Paso proposal does not provide any safe utilization of Alaska's resources. He suggested that Alaska has plenty of time to study alternatives and make recommendations to the FCC.

Senator Butrovich moved that the resolution be put out with individual recommendations.

HCR 4 (proposed CS)

Corry Clark, Manager of Parks and Recreation, Anchorage explained the proposal. The park area would be divided into sections according to use. 1. watershed area, flood plane, 2. open space and recreation area (airstrip in this area to be used for 20 years), 3. public lands.

Senate Resources
April 19 (con't)

There would be no private or industrial development. The proposal included a Native cultural center.

Arla Stergeluski explained the Bicentennial Commission's plans. The Commission would oppose the CS.

Mr. Kennedy

Member of the State Bicentennial Commission testified in favor of the park as well as Gary Terrel, an Anchorage attorney.

Senator Hohman moved the CS out with individual recommendations.

HB 278

Rep Huber testified that fur farming is now under Fish and Game instead of Agriculture and there are problems importing the animals. He proposed an amendment to the bill making the annual fee for collecting fur animals for fur farming \$100.

Senator Palmer moved the bill out with individual recommendations and the amendment.

SR 3

Senator Poland testified that this resolution was to get Fish and Game's attention. A guide testified that Alaska is the last hunting frontier and he favored the resolution. Senator Palmer suggested the resolution be written again to state that this is a problem, this is a proposed solution, and request Fish and Game to either implement or find another answer. The department supported this concept.

Senate Resources Committee Meeting
April 22, 1974

The meeting was called to order at 3:40 p.m. by Senator Sackett, Chairman.

Members present: Senator Sackett, Palmer, Thomas, Meland

HB 461 - same as SB 311. Put out do pass

HCR 75 am - Rep. Helen Bierne testified that the bill would remove portions of the City of Girdwood and Potters Point from the park boundaries.

Commissioner Herbert ok'ed the bill.

CS HB 830 - Phil Daniels discussed the differences between the House and Senate versions. He offered an amendment to take out departmental approval. The bill was passed out of committee with an amendment.

CS HB 714 - Rep. Orsini testified that the purpose of the bill is to preserve agricultural land.

Resources CS for CS HB 714 - Rep. Tillion testified that the changes had been made to help protect people from being pushed off their land.

Commissioner Herbert objected to section (a) -- should spell out "permanent" This would repeal department policies. Possible conflict with timber. "Agricultural potential" should include timber harvest.

Orsini, Tillion and Herbert would get together to reach agreement.

HB 841 Jackman testified as to the intent of the bill. Senator Palmer moved that it be put out with a do pass.

The meeting adjourned at 4:20 p.m.

Senate Resources Committee Meeting
April 23, 1974

The meeting was called to order at 2:10 p.m. by Senator Sackett, Chairman.

Members present: Senators Sackett, Palmer, Thomas, Hohman

SCS HB 714 two amendments were offered which Commissioner Herbert ok'ed. Senator Palmer moved the amendments. Senator Palmer moved the bill out do pass as amended.

HCR 75 am Senator Thomas moved the bill out do pass.

HJR 86 Senator Thomas moved the bill out do pass.

CS HB 591 Senator Thomas moved the bill out do pass

CS HB 682 Rep. Elaison explained that the bill would give municipalities jurisdiction over tide lands. Ok with Commissioner Herbert
Senator Palmer moved the bill out do pass.

SJR 54 out do pass

The meeting adjourned at 2:30 p.m.