

**STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING**

**BIG GAME COMMERCIAL SERVICES BOARD**

**MINUTES OF MEETING  
July 23, 2015**

By the authority of AS 08.01.070(2) and AS 08.86.030, and in compliance with the provisions of AS 44.62, Article 6, a teleconference of the Big Game Commercial Services Board was held July 23, 2015.

The staff of the Division of Corporations, Business and Professional Licensing prepared draft minutes. They were approved by the board on December 7, 2015.

**AGENDA ITEM 1            CALL TO ORDER/ROLL CALL**

The meeting was called to order by Kelly Vrem, Chairman at 9:06a.m. There was not a quorum. Mr. Atkins stated that if we can't follow through with our job then we need to step back and let someone else do it. Mr. Tiffany IV agreed. After further discussion on the lack of a quorum, Chairman Vrem directed an executive session be scheduled as soon as possible to discuss the ten cases on today's agenda.

Board Members present:

Kelly Vrem, Master Guide-Outfitter  
Tom Atkins, Transporter  
Henry D. Tiffany IV, Master Guide-Outfitter

Board Members absent:

Michele Metz, Private Landowner  
David Brown, Board of Game Representative  
Karen Polley, Public Member  
Brenda Rebne, Private Landowner  
David Jones, Transporter  
Gene Peltola, Public Member

Board staff present:  
Lee Strout, Investigator  
Cindy Hansen, Licensing Examiner

## **AGENDA ITEM 2          APPROVAL OF THE AGENDA**

There was not a quorum so the agenda was not approved.

## **AGENDA ITEM 3          PACKER SUBCOMMITTEE UPDATE**

Lt. Fussey stated the wording is the same-physically present, in or around the camp, unforeseen circumstances are not defined. Most regulations are to the point and this one is kind of vague. Who is going to define in or near the camp? Everyone seems to have a different opinion at the annual meetings.

Chairman Vrem gave an example of a hunter bagging a brown bear and the registered guide directs an unlicensed person to flesh the bear and stop at the face until he returns. That means the guide trusts the unlicensed person, has other things to do and wants to monitor the face part in a timely fashion. If the guide cannot return on time than this language allows that unlicensed person to salvage the rest of the face/hide if an unforeseen circumstance such as weather means the guide cannot return to camp on time.

Lt. Fussey stated that his scenario of the guide leaving and letting an unlicensed person continue to work, the way this is written if the guide is flying back to the unlicensed person, then the guide is not in camp so the unlicensed person cannot take action until the unforeseen circumstance occurs.

Chairman Vrem stated it does mean the unlicensed person can take action and prevent the danger of losing a hide. The likelihood of losing communication is remote. It would be for a scenario like the plane left with the guide at 5am and the registered guide should return at 3pm but its 10pm or 6am the next day and something has to be done with that hide. The unlicensed person can take the steps necessary to preserve the hide.

Lt. Fussey stated that's not what he meant, the unforeseen circumstance would not occur until later so that person could not work on the hide.

Chairman Vrem stated this has been a common practice with an unlicensed person as part of his training and his labor. Our legal counsel thinks this is a reasonable sentence to have in this regulation and she is comfortable with it.

Lt. Fussey stated that he understands but "unforeseen circumstance" is vague and the way it's written, the unlicensed person could not work on the hide until the "unforeseen circumstance" begins.

Chairman Vrem stated he thinks it is the opposite. He can give direction and if he does not return, the unlicensed person can make a judgement call. This would be a reasonable scenario when Chairman Vrem would not be around even though he intended to. He thinks it's probably like the public safety troop academy where the difficulty of the situation is increased during training.

Mr. Tiffany IV stated that the way he interprets it-in the beginning the apprentice is supervised. It's only because of unforeseen circumstances while unsupervised that the apprentice can make a decision. It started as a supervised process, but because of weather or other problems, an unforeseen circumstance occurred.

Lt. Fussy stated that the scenarios are in or near camp that would be covered in the first part. "Out in the field" is the second part and where the unforeseen circumstance would occur. He understands what the board is trying to do; they have clients and trophies to take care of, it's their livelihood. Unforeseen circumstances would be at a kill sight. So until there is an unforeseen circumstance the unlicensed person can't take care of the hide. The words "unforeseen circumstance" means the person doesn't stand around with his hands in his pockets primarily in or near the camp; he does not see why that unlicensed person can't keep working. He was looking at the kill sight.

Chairman Vrem stated the cape and the antlers are the last thing to get out per regulation. The unlicensed person has to get the meat, the cape and the antlers. If the guide isn't back, then the cape isn't done, the nose isn't turned and the clock is ticking. The person is going to revert back to an unlicensed person and make a decision. That's an unforeseen circumstance. He does not see why we have to even address unforeseen circumstance. We are giving them blanket authorization to make sure that some proper care is being done to the clients trophies, even when we can't be there every minute.

Mr. Joe Want stated he certainly understands the scenario for “unforeseen circumstances” but in order for the trophy to spoil, it would have to be in pretty bad shape and this creates another loophole. For a trophy to spoil, that guide would have to be aware for quite some time. Is it legal, yes, but is it effective, no. He could not believe a guide would not be aware of it.

Mr. Want stated as far as transporters, something needs to be one with the data gathering with the Department of Fish and Game. There is little point in collecting the data if you can't use it. Chairman Vrem stated he agrees and both boards need to work on the data gathering

#### **AGENDA ITEM 4            PROPOSAL TO ESTABLISH TRANSPORTER GUIDE USE AREAS**

Mr. Atkins stated he doesn't see how the two transporter proposals will work in his business. The board is trying to bring in the air taxis that transport hunters and a transporter use area could turn some away instead of bringing them into the flock.

Chairman Vrem stated that the registration fee would cost the same as a guide use area registration fee and a transporter could operate in three game management units or all 26 of them. Each unit would have a fee. He would like to see the transporter activity reports include guide use areas to be more precise on harvest levels and hunter levels. None of the surface based transporters have an exemption, only the air taxis and in his opinion this is not working.

Mr. Atkins stated often there is not any advance notice when moving around the state. He will probably oppose this because most of the problems aren't from transporters.

Chairman Vrem stated that that is correct because there is not a lot of ways the transporter can get into trouble compared to a guide. In his view it is a first step in a multi-step process to get some uniform regulations so we can mine our database and find out how many guided and transporters hunters went to a specific location.

Mr. Tiffany IV stated he supports the proposal by Chairman Vrem for transporter use areas for a number of reasons and will continue to support Mr. Atkins to eliminate air taxi exemptions. He will facilitate moving that into the legislation as best he can however he is directed to. He appreciates Mr. Atkins concerns about the

transporter use areas but agrees with Chairman Vrem that in its first draft it's quite liberal. If he is a transporter and operates anywhere around the state and knows that he goes to 23 of the 26 Guide Use Areas every year, then he would contact the licensing examiner and register GUA 1-23 for the 2017 season and here's his check. If he is a boat operator in only 3 GUAs and the chances of that changing are remote, then he would contact the licensing examiner and register for those three GUAs and send in his check. He believes it supports Mr. Atkins's general idea of being on the same page and playing field. Transporters have flown under the radar for his entire career of almost 30 years. While they may not be the primary contributing factor to issues, they are part of the equation and the BGCSB's responsibility to regulate both the guide and transporter industry. It is time we address the second half of the industry. It starts with Mr. Atkins proposal and the GUA registration proposal is appropriate.

Chairman Vrem stated that if Mr. Atkins flew for Mr. Tiffany IV then under 135 Mr. Atkins would not be considered a transporter and would not need to register in a GUA. Mr. Atkins stated that he would still need a transporter license. Chairman Vrem stated that it would be a guided hunt for Mr. Tiffany IV, the registered guide. And he would have to turn in a hunt record. Mr. Atkins stated that there has been a question about this. Chairman Vrem stated Part 135 is about on-demand charter so if Mr. Atkins transported for a guide then he took a person from A to B for someone else but he didn't direct the actions of the hunter or solicited him so it would be up to the guide to report that activity, not the air taxi.

## **AGENDA ITEM 6            PUBLIC COMMENT**

Packer Subcommittee member Sam Rohrer stated that a lot of energy and time has been put into developing this language and it is not perfect but it's as perfect as they can get. It has been going on two years that they have been working on this. The troopers have been gracious but eventually they will have to start enforcing it. It's really frustrating that they don't have a quorum to get this moving and he hoped the board can do something by email or however possible. He strongly encouraged the board to pass the packer regulation as proposed today.

Mr. Rohrer stated that there should be transporter use areas. He thinks it is time and the board has the authority to do that. He believes it is important for no other

reason than to collect data. They have no idea where transporters go and so he thinks they need to be regulated just for the data. The Alaska Professional Hunters Association has talked about it at length and hoped to see it further fleshed out.

They are aware that we will see a fee increase and everyone is anxiously waiting.

Chairman Vrem stated Director Hovenden will be online to discuss the proposals very soon and it is up to the board to take up option A B or C.

Mr. Henry IV stated some members of the board have a multi-prong approach to the fees and debt reduction and considering other avenues such as guide use area registration fees, transporter use area fees and administrative paperwork fees in order to spread the fee increases so as not make it too substantial for any licensee group. The board was just informed that the legislature will allow disciplinary fees revert back to the board which incurred the cost to get the fines in the first place. Chairman Vrem stated he agrees with Mr. Tiffany IV about a multi-prong approach. We have been doing the same thing for the past fifty years and hopefully will get some flexibility.

Mr. Rohrer stated that certainly APHA would support a multi-prong approach. It has always made sense that the licensees who have cost the program the most should see their fine payments go to the board.

## **AGENDA ITEM 5            PROPOSED 2016-17 FEES**

Director Hovenden, Operations Manager Sara Chambers and Administrative Officer Martha Hewlett reported in. Ms. Hewlett stated that the third quarter report for FY15 1<sup>st</sup>-3<sup>rd</sup> Qtr., the licensing revenue was \$158,946, a non-renewal year. Direct expenses were \$241,647 and of that, direct personal services were \$176,431. This is slightly lower than last year. It's looking very good for the board this time. \$51,737 in contractual expenses for postage, advertising, room and space, legal expenses, \$37,038 was for investigations and mediation was \$11,996. Lastly, supplies were \$93.00 which is for putting together board meeting packets. Almost \$94,000 was for administrative services, payroll, human resources, etc. You will be looking at a deficit of \$176,401 at the end of the 3<sup>rd</sup> quarter. Since no one has a copy, it's a little difficult for anyone to have any questions. Ms. Hansen will email the board with the FY15 3<sup>rd</sup> Qtr GUI report immediately after the meeting.

Mr. Tiffany IV asked what the total deficit vs. total expenses. Ms. Hewlett stated the FY 14 cumulative deficit was \$1,041,267 and ending deficit was \$839,480. The 3<sup>rd</sup> quarter FY15 cumulative deficit was \$839,480 and the cumulative deficit was \$1,015,881.

Mr. Tiffany IV asked if the legislature passed the budget section about fines being directed back to the program. Ms. Chambers stated that not too many weeks ago the budget was adopted by the legislature and included the receipt of fines to boards to offset some of the investigative costs beginning July 1. We will include this in quarterly reports. This is another opportunity for the investigative costs to be recouped through the fine process.

Ms. Chambers stated she would go through the layout of the spreadsheet and touch on the three options, explain the differences between the three and encourage the board to discuss them Option A is the recommendation by the division but we wanted to give other options to the board. The first column on the left is the fee type, next is the current fee schedule and reflects what is true today. Projected units are based in FY14, and the rationale behind the numbers and the projected revenue. The next section, "Proposed by Board", allows the board to type in fees and adjust them. This puts the board in the driver seat and gives more options to engage in the process. The next section is the division's proposals to adjust fees. To the right of that is a pink section to show how many pro-rated licensees.

Chairman Vrem stated when he upgraded a licensee from an Assistant to a Class-A Assistant he had to pay the full amount and Ms. Chambers stated at the first renewal the fee will be pro-rated.

Ms. Chambers stated that if they go down to "Revenues and Expenditures" they can see the big picture. They have revenues and expenditures based on calculations by the board proposals and the division proposals. The revenues and expenses for FY 12/13, FY14 and projected FY15 as well as the FY 16/17, FY18/19 and FY20/21 are shown. Below that there is a biennial increase based on the Anchorage consumer price index. It builds in a conservative expense and keeps the fee analysis conservative. That is what we base our expenses. There is a projected net and at the bottom you will see the ending cumulative deficit of \$908,343 in FY14/Projects FY15. The next column is doing the same but it is tied to the column G "Proposed by the Board".

Mr. Tiffany IV stated that he wanted to compliment the layout of the spreadsheet. Mr. Atkins asked how they arrived at \$5865 for HR TAR report filing in the first

column for the projected units. Ms. Chambers stated we have 481 for GUI Registration as the same for Transporter Registration. We “guesstimated” that some licensees would renew annual and some would renew at five years. If those fees are adopted and there is a use area regulation than we can see annually how much revenue the board receives, whether it is annually or in five years.

Chairman Vrem asked if there is \$100 under registration wouldn't that generate \$481,000. Ms. Chambers stated that since we know licensees are registering for multiple years, we estimated on half of them renewing at one time; therefore, that is \$120,250 for \$100 X 2.5 years of renewal. This is because regulations allow people to do multiple years for a registration. We do not know how many will register until it happens.

Chairman Vrem asked if a licensee has to register and pay \$100 for each GUA, for five years it's \$1500 so will the division hold the credit or will the board have to do away with the five year registration. Ms. Chambers stated that guides can make that business decision themselves. Chairman Vrem stated that because of the complexity for someone to register and receive that service and then change their mind he would advise to make the decision on an annual basis. He stated it might be worth considering that it seems as though on the violations there have been a number of cases of people not registering because it has fallen off their radar.

Ms. Chambers stated provisions can be made for changes in GUA registration, especially when it is beyond a guide's control. A filing fee is included to hunt records and transporter activity report forms. It would be tied to those who were contracting as opposed to those who do not. There could be a filing fee and more transparent to the hunters that this is in regulation. Paying for the hunt record management support service at \$50 in option A would bring in revenue of almost \$300,000. It hits on several areas that have been a board concern. The Transporter Use Registration would require regulation and since this isn't official meeting without a quorum; if there was another meeting with a quorum, we could propose a fee for that just as we're planning to propose a GUA registration fee. The board could take this up at any time and change fee regulations, but it requires board authority before we can charge a fee for it.

The Division proposed in Option A to slightly increase the GMU exam fees and add a hunt record filing fee of \$50 and increase the licensing fees of Master and Registered guide-outfitters by \$200. Assistant and Class-A Assistant guides would



only be increased by \$50 for in state and \$100 for out of state, the same for Transporters.

Chairman Vrem stated he appreciated hearing what many of us have been wanting for Registered and Master Guide higher fees. He does not think these are so substantial. His clients will want to know what they are getting in return for the license fee increase and he does not know how to explain. Ms. Chambers stated that the official answer is the law requires it and the board is a million dollars in debt. The board does not want to go in front of the legislature next year with a million dollar deficit. Without raising fees that is what the board will be doing. The law requires the board to cover their expenses. For a time the fees were not high enough to cover the expenses. There was license activity and the fees were not set to cover the expenses. We are now within grasp of getting to point where we don't want to wring our hands as so how to get out of deficit. We want to move forward. The legislature won't question why have aboard if it can't cover its expenses. If clients don't like it or understand it, we can only tactfully point back to the law that if they want to play they have to pay. Mr. Tiffany IV stated that as a follow up, for the sake of discussion, let us presume the board is in agreement and accepts the division's proposal-the blue column with \$2.3 million. Does the projected FY16/17 shows a surplus of \$1.4 million? Ms. Chambers affirmed for FY18/19. Mr. Tiffany IV asked what benefit the board will get for the surplus. What added value? Ms. Chambers stated that this is based on nothing changing from the fee increase and they should approximately match so any program with a surplus that high would have a fee decrease. They would look at the new HR and TAR filing and guiding activity and bring the fees down. Basic licensing services and activities would be covered. The goal is to try to keep a cushion to cover investigations but not banking fees.

Mr. Tiffany IV asked if the sanction fees are called the "Investigative Offset" in the spreadsheet and Ms. Chambers stated yes.

Chairman Vrem stated guides make assumptions all the time and if they don't charge enough then they have a long lean winter. They are going to make the assumption that the state has accurate numbers and hope there are no more surprises. Ms. Chambers stated it is her hope too. The way the structure is set up we have to use the past to predict the future. Investigations have done great work to close the old cases and hopefully we are as tight as we can be but there is a lot in what we do that is unknown. If 500 people decide not to renew their license, if there is a huge investigation then we want to be sure that we have tools to tighten

up and be agile on day to day basis. We are in a good position to deal with the unknowns.

Mr. Atkins asked if the state has considered that there are an unknown number of registered guides who are hanging onto their license who may start dropping from the polls. Ms. Chambers stated that the law hasn't provided an access to know this because there is an option for guides to have a license but not use it for a period of time. We want to go to a structure that puts some of the administrative costs on the HR and TAR filing because people who are not working are not going to be filling out these forms. These are revenue streams that only the contracting persons will be paying.

Chairman Vrem stated that he would like to see more money on the activity report filings and reciprocity that changes the record keeping system so we can track the data better. He recommends a higher fee to get IT on board so the numbers are more attainable. He is seeing more combative issues before the board and we need to know how many guides and transporters were in the areas.

Ms. Chambers stated that is a lot to think about. Changing the HR database would be a question for the subcommittee. For now, do the board members here today feel that \$50 per report is too low and want to increase it to \$100 or another number and reduce fees somewhere else or putting \$100 for filing and using that as part of chipping away at the debt? Chairman Vrem stated we do but Mr. Tiffany IV and I made a mistake with the Data Keeping Retrieval subcommittee and we want to raise the fee enough to change the way we keep the information on what we collect in our HR and TAR forms. Ms. Chambers stated that there is more to it than just saying "now we are out of debt so now we have the money to throw at it". It requires computer programming and it is more than just raising a fee. It will take meetings with IT to look at their ability to change these things, consider the ongoing cost and how to input it? We can look at establishing this new database filing fee but she cannot tell them today because this is a process with other people that we want to change the database for the HR and TAR. It would be irresponsible of her to do that.

Chairman Vrem agreed and asked Ms. Chamber to talk to IT about developing an online HR/TAR form. He knows if he owns a dairy cow, that cow is tracked from birth to death. He would think an electronic form would cut back on the expense. He doesn't think they are asking too much. Obviously there was a misunderstanding between what we asked and what we are getting. He wants this

board to pay for itself so if \$50 isn't going to do it then we could increase the fee to \$75 and take it to IT, so we can explore this option or even go to \$100 and adjust it later. It's just a rough estimate we would need.

He would like to pursue this concurrently with increased filings.

At this point and time everyone is going to have to feel the pain but the guides who aren't contracting could have frozen fees and we could raise the cost for HR filings. He wants to improve our program and reduce our debt reduction.

Ms. Chambers stated she will talk to IT and needs time to think about it and read the sub-committee notes. She feels very strongly it should be a board decision and be given the proper thought where we don't end up with an audit finding and not having department personnel to do the work. In the meantime we can set the filing fee at a rate. Is \$75 what the three of you would recommend so when we go out for this we can explain that the board members here today recommended \$75 for this as a goal. Chairman Vrem stated \$50 is more than we're getting now and some board members are willing to up that to help our database. Mr. Tiffany IV stated APHA wanted to comment on the proposed fees. Ms. Chambers stated she cannot allow public comment on proposed fees until it has been put out for public comment. Mr. Atkins asked if the forms would be \$50 each and Ms. Chambers stated yes. She does not think it's the proper role of the state to get into a sliding scale. It is a set fee to file a report. Chairman Vrem stated he puts the fees on his invoice as line items: APHA fee, DNR fee, etc. and hasn't had any blow back on it. Ms. Chambers stated the fee proposals will go out for public comment and the state will be looking at the comments. There is not any reason why it couldn't look any different. It's a form that has to go through the same process to get into the record and being able to justify to licensees, this why the cost is pretty easy. It would be hard to say that the people charging more would be paying more. She thinks Chairman Vrem explained it well on his invoice.

Ms. Chambers stated that she and Director Hovenden would like feedback in the next few days about what fees they would like to see set, whether option A is good, whether the HR/TAR report fee makes sense at \$50, 75, \$100 and whether or not the board will meet again in the next couple of weeks to come up with a recommendation. Chairman Vrem stated that he is going to do his best to come up with meeting.

Ms. Chambers stated the fee proposals cannot be discussed until public comment and have to be public noticed before having public comment.

The state can consider this our good faith attempt from the three board members and other board members can provide their comments during the public comment period and then we can deliberate at the end. Chairman Vrem stated that \$50 filing fee is a good enough place holder for him and perhaps amend it during the public comment period. Ms. Chambers stated the fee could not be increased but it could be decreased. If we public notice a \$50 fee we could not increase it during the process. Mr. Tiffany IV stated he is okay with doubling the proposed HR fee from \$50 to \$100 if we could get assurance of having an acceptable database. He does not want to put Ms. Chambers on the spot because there are a lot of others players critical to doing that. So fundamentally he is not opposed to making the filing fee \$100.

Mr. Atkins stated he is going to have to oppose it. He thinks they are looking at two different facets of occupation. Both pay the same fee but both have different rates. He stated he would hold it at \$50.00. Chairman Vrem stated that this straw poll shows 2 to 1 for \$100 instead of \$50. Mr. Tiffany IV stated if this is a placeholder for public notice and if we can reduce it then he is okay with \$100 and reduce it if we decide to do that, as Ms. Chambers has stated this gives us more options.

Chairman Vrem asked Investigator Strout what he thought about a Disciplinary Sub-committee for recommendations to the board for their vote or should it be kept the same. Mr. Strout doesn't think that is possible because there has to be a deliberative period where all board members can voice their opinions. When he or Mr. Tiffany IV emails Chairman Vrem, this is our recommendation but the entire board needs to deliberate over a respondent's issue, not just Chairman Vrem or Mr. Tiffany IV. Once we have a consent agreement, the entire board then has to review and deliberate on it. Chairman Vrem stated he thought the board owed a timely resolution to their licensees and applicants. Mr. Strout suggested that since the disciplinary matters don't need to be public noticed, if the board could have a quorum then they could meet more frequently, even on short notice. It's only board activities are included in the agenda that must be public noticed and take time. Hopefully we can meet within a week or so about these cases.

Chairman Vrem stated he wants to separate the cases from public notice meetings in the future.

Mr. Atkins stated that for the record, he does not support the fee increase for activity reports, either the \$50 or \$100 fee.

Mr. Atkins stated he wants to see the guide board members participating in the executive session meetings since the cases involve mostly guides.

The Chair adjourned the meeting of the Alaska Big Game Guides and Commercial Services Board at 11:53a.m.

Cindy Hansen

Respectfully submitted:  
Cindy Hansen, Licensing Examiner

Date: 1/25/16

Kelly Vrem

Kelly Vrem, Chairperson  
Big Game Commercial Services Board

Date: 1/13/16