

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

**BIG GAME COMMERCIAL SERVICES BOARD
TRANSPORTER SUBCOMMITTEE**

**MINUTES OF MEETING
February 23, 2016**

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 transporter subcommittee was held February 23,2016.

The staff of the Division of Corporations, Business and Professional Licensing prepared these minutes, which were approved by the board during the March, 2016 meeting.

AGENDA ITEM 1 CALL TO ORDER/ROLL CALL

The meeting was called to order at 1:00pm by Dave Jones, Transporter Subcommittee Chairman.

Subcommittee Members present:

Dave Jones
Tom Atkins
Valerie Baxter

Joe Schuster
Aaron Bloomquist
Mark Enyeart

Subcommittee Members absent:

Gene Peltola

Thor Stacey

Participants:

Eric Howard
Joe Klutsch
Dan Montgomery
Jeff Slaughter
Kelly Vrem
Bruce Werba

Mark Richards
Virgil Umphenour
Wayne Kubat
Tim Pope
Ryan McCue
Rolan Ruoss

Board Staff Present:

Sara Chambers, Operations Manager
Cindy Hansen, Licensing Examiner

AGENDA ITEM 2 REVIEW AGENDA

AGENDA ITEM 3 DISCUSSION

Chairman Jones stated there will be three points of discussion:

1. The board resolution to remove air taxis from statute.
2. The pending proposal for transporter use areas.
3. The new transporter activity report filing fees.

Mr. Pope from Natron Air stated the air taxi loophole is about not living within the law and illegally advertising; this should be easy to enforce. He is okay with the fees if they have enough notice. People can plan accordingly when there is notice.

Mr. McCue stated he is the only licensed transporter in Ketchikan and it's not fair that he has to pay fees while others do not.

Mr. Ruoss from Seahawk Air stated they were surprised by the fee as it's going to cost them almost \$10,000 per year. He has been communicating with the Division Director, Operations Manager and Licensing Examiner who have invited us to come up with something better. The fee structures were not clearly thought through. We just generate paper; we do not get anything so we need lower fees.

Mr. Howard from Island Air Service stated they do not support a filing fee. They do a lot of transporting in guide use areas 8 and 9 and should not be limited to one area.

Mr. Richards from Fairbanks stated there is no way the board can force Part 135 licensees to become transporters. It's unconstitutional. They can't create transporter use areas because they can't force air taxis to become transporters. The bulk of the TAR filing fee would impact resident hunters and would force more transporters to become unlicensed.

Mr. Umphenour stated the transporter fees were increased the same time as the guide fees, in violation of the administrative procedures act, while the majority of

guides were in the field and unable to participate during the public comment period. He doesn't know how the board can deal with transporter use areas. The majority of the problem is not caused by guides; it is caused by hunters who hire air taxis.

Mr. Kubat stated he applauds the board for taking up the issue. There are a lot of guide regulations and very little transporter regulations.

Mr. Werba from Holy Cross is a Registered Guide and Transporter and believes the guiding industry is providing the majority of funding to keep hunting and fishing in the state. He supports transporter use areas.

Subcommittee member testimony:

Chairman Jones stated he would like to stay away from sweeping changes and instead progress slowly. They can address the TR issue through educational outreach and stepped up enforcement. It's within the board's scope and would not be costly. He is not opposed to TR use areas as long as there is a bush exemption. He is opposed to the current TR fee structure and at the most would prefer it to be effective in 2016 with no fees for 2015. It caught the industry by surprise, which were unable to recover the cost because their season was over. He would like an audit of the total regulatory cost because transporters cost the board less and their fees should reflect that.

Mr. Atkins stated he appreciates everyone participating today. The board has had very little involvement from transporters in the past. He had already voiced his opposition to the fee increase and the division letter which stated the board supported the new fee structure. Enforcement is a big issue and during the sheep working group meeting he met with Lt. Fussey who told him increased enforcement was not possible due to the budget. They have several large operators transporting without a license. He would need to hear more discussion about the TR use areas.

Ms. Baxter from Dept. of Natural Resources stated she is listening for new ideas.

Mr. Schuster stated he agrees with Chairman Jones that baby steps are the way to go and it's good to have transporter participation today. They already have a lot of regulations so this is about compliance and knowing the rules. He suspects that many do not realize the records are often not required. Just because someone is a transporter doesn't mean they have to fill out a transporter activity report form every time. We need to educate and take a firmer line about what is incidental and what is not. A transporter license is a statement that a licensee is entering the mark in Alaska's big game resource so there must be management tools in place for

when an area becomes stressed and TR use areas is a logical step in that direction. He does not like the fees but the program needs to get out of debt.

Mr. Enyeart stated he believes in free enterprise and wants it to be fair for everyone.

Mr. Vrem stated he is a guide with an air taxi business and can recall when air taxis were created over a dispute about access to musk ox on Nunivak Island. It was poorly thought out. There are more air taxis now that exist only for transporting hunters than there are incidental air taxis. He supports transporters paying TAR filing fees; the TAR forms take longer than HR forms to process. He believes the TR requirements should include first aid like the guides and some qualification other than a 135 certificate.

Mr. Klutsch stated he agrees with Mr. Vrem.

Mr. Bloomquist stated as a registered guide he attends state and outside outdoor shows and there are air taxis who illegally sell transported hunts. There is a basic lack of accountability within that realm of service.

Subcommittee members on the board resolution to remove air taxis from statute:

Chairman Jones stated he is not in favor. Air taxis flew before the boards' existence

Mr. Atkins stated he introduced this proposal in 2014 to eliminate the exemption or the license; a resolution was approved by the board but did not go forward. He is providing the same service as those who do not have a transporter license. The main problem is a lack of enforcement. He minds the TR use areas but not the fees.

Ms. Baxter stated she will abstain.

Mr. Schuster stated he is against removing the exemption. It would mandate that every air taxi become a transporter.

Mr. Bloomquist stated he would like to see the resolution sent to the Legislator for the purpose of high level discussion, although he is not in favor of removing the exemption.

Mr. Enyeart stated he is undecided and needs to know more.

Mr. Vrem stated the resolution was not submitted to the legislature until there was more public discussion.

Chairman Jones stated he will let the board know there is not a strong consensus among subcommittee members.

Subcommittee members on the pending proposal for Transporter Use Areas:

Chairman Jones stated he is not opposed to TR use areas but would vote against it because of the uncertainty of the TR exemption. It would tighten up the industry if it was better defined.

Mr. Atkins stated he is not opposed to TR use areas but it will be hard to encourage air taxis to become transporters with new restrictions so right now he's opposed.

Ms. Baxter stated if there is a TR use area without air taxis then it would not have the desired impact.

Mr. Shuster stated he supports TR use areas. They need to take a hard line and quit kicking the can down the road. The transporter would market his use area like guides. Air taxis would be ordered to get a license if they flooded that area.

Mr. Bloomquist stated he agrees with Mr. Schuster in that people who advertise should have a higher standard but should not be limited. They should pass an exam, report violations and have a first aid card.

Mr. Enyeart stated his is opposed to TR use areas because it takes away from free enterprise. A lot of etiquette occurs out in the field with hunters, non-hunters, residents and non-residents.

Mr. Vrem stated he is in support of TR use areas. Guides are limited to three use areas and a TR would have all 26 areas.

A Straw poll resulted in a tie of three to three with one abstain.

Subcommittee members on the new transporter activity report filing fees.

Sara Chambers, Division Operations Manager, stated she compliments the fantastic meeting and is impressed with the thoughtfulness and consideration. The fees are in place for activity which occurred November 20, 2015 or later. It is not retroactive prior to the day they went into effect. Mr. Chairman is correct in that refunds are for transporters with activity which occurred before November 20th. Transporters should pay only \$50.00 per form, not per client. The division has received thoughtful emails with ideas about ways these costs can be covered in different methods and we are always open to new and improved ways to cover the program costs. The

division wants to hear from the people who would be subject to these fees and are writing a memo to have this topic be on the board agenda.

Mr. Atkins stated he hoped he could come up with some ideas. A guide submits a \$50 hunt record for a \$25,000 brown bear hunt. He does a drop off and he has to submit a \$50 transporter activity report. He wished it could be fair.

Chairman Jones asked about the possibility of removing the 2015 fees since everyone was blindsided by it.

Ms. Chambers stated it would be difficult and only through a regulations project. What they can do is what they are doing now, asking transporter and guides to cover the cost of the records database as well as eliminate the deficit. New ideas could replace the current fee structure.

Chairman Jones stated he would like to see the guides and transporters develop a proposal on fees before the March board meeting. He does not see a consensus on this issue.

Closing Statements:

Mr. Atkins stated he wants to encourage the missing air taxis and transporters to participate.

Ms. Baxter stated she agrees with Chairman Jones about proposals for the fee structure and other issues.

Mr. Schuster stated he wants to keep the discussion going for clarity on regulations and a management plan so years from now we don't have bigger issues.

Mr. Bloomquist stated he does not disagree with the fee but he is unhappy about the way the department communicated with the industry over the fees. The licensees set up their fee structure a year in advance.

Mr. Enyeart stated he appreciated the input and has more to think about.

Mr. Vrem stated he is glad to see transporter participation in this meeting.

AGENDA ITEM 4 ADJOURNMENT

The Subcommittee Chair adjourned the Transporter Subcommittee meeting of the Alaska Big Game Guides and Commercial Services Board at 3:45PM.

Cindy Hansen

Respectfully submitted:
Cindy Hansen, Licensing Examiner

Date: 3/10/16

David Jones

David Jones Chairperson
Transporter Subcommittee
Big Game Commercial Services Board

Date: March, 10 2016