

Hon. Harold C. Heinze
Commissioner
Department of Natural Resources

September 27, 1991
993-90-0049 and
993-91-0105
465-3600

Parks/Kenai River guide
regulations projects

Jeffrey W. Bush
Assistant Attorney General
and Regulations Attorney

As outlined below, we have completed our review and are prepared to approve for filing most of the general regulations on parks, file no. 993-90-0049, once the issue of helicopter use in the Wood-Tikchik State Park is resolved. With respect to the KRSMA sport-fish guide regulations, file no. 993-91-0105, we cannot approve them in their current form because, if put into effect, the limited entry permit system would clearly violate several provisions of the Alaska Constitution.

Parks, file no. 993-90-0049:

We recently received a copy of a memorandum from you to Lieutenant Governor Coghill dated September 18, 1991, which proposes to change 11 AAC 20.375 to outlaw the use of private helicopters in Wood-Tikchik State Park, but then proposes to "grandfather" in an exception to the prohibition for the single operator working in the area at the present time.

Our research concludes that to "grandfather" in one individual permittee on a permanent basis would violate the Alaska Constitution's equal protection clause (art. I, sec. 1) and equal application provision (art. VIII, sec. 17). Although we have opined in the past that certain grandfather provisions may be defensible (see 1986 Inf. Op. Att'y Gen. (883-86-0076; May 28)), that is only arguably true where the distinction created is based on a valid and substantial state interest. In the present case, we cannot find any significant state interest that is being furthered by the proposed exception. In fact, the exception is directly at odds with the management plan for the park, which was adopted by the Wood-Tikchik State Park Management Council in accordance with the legislative mandate under AS 41.21.164.

Therefore, the proposed revision cannot be approved.

Several other acceptable options are available, however. The department could simply remove 11 AAC 20.375 from the project. We understand that Lieutenant Governor Coghill prefers this approach. 1/ Alternatively, the department could leave the absolute prohibition on helicopters in 11 AAC 20.375; this was the substance of the regulation as adopted by your department. As a potential compromise, a third option would be for the department to adopt the absolute prohibition now but delay the effective date of the section, to allow the current operator to continue his helicopter operations for some period of time. We await your instructions before proceeding with these regulations.

Kenai River guide limitation, file no. 993-91-0105

The current proposal to limit the number of guides on the Kenai River is patently unconstitutional. The proposal would set up a system in which anyone wishing to guide on the river could apply to the department for a permit. Permits would be issued for a five-year period (1/5 each year) to those applicants scoring the highest number of points, which would be awarded based on several factors. Proposed 11 AAC 20.887. The most significant factor, and the one of greatest concern from a constitutional perspective, is the proposal to award five points for each year of guiding experience on the Kenai River. Proposed 11 AAC 20.887(d)(1). Since we can assume that all other factors will generally cancel themselves out, the system will naturally heavily favor current permittees over new entrants to the program, because a current permittee who is required to reapply when his/her permit expires would automatically get 25 points for the preceding five years of experience gained as a permit holder.

This is precisely the kind of special preference rejected by the Supreme Court in Owsichek v. State, 763 P.2d 488 (Alaska 1988).

In Owsichek, the Supreme Court stated that it would not accept any monopoly system to regulate the use of our fish or wildlife. There are to be no "exclusive grants or special privileges." Id. at 493, citing Alaska Constitutional Convention papers; see also McDowell v. State, 785 P.2d 1, 6 (Alaska 1989).

This prohibition on exclusive grants or privileges applies not only to a grant to a single person or corporation but to any special group or number of people. McDowell, 785 P.2d at 7. The system that was rejected in Owsichek was "based primarily on use,

1/ If you would like to revisit this issue later, we could designate the rest of this project as Part 1 and submit it to the lieutenant governor at this time for filing, and designate 11 AAC 20.375 as Part 2 for further work.

September 27, 1991
Page 3

occupancy and investment, favoring established guides at the expense of new entrants in the market." 736 P.2d at 496, emphasis added. The Court noted that "to grant such a special privilege based primarily on seniority runs counter to the notion of common use." Id.

Unlike under the current Kenai River proposal, in Owsichek the Court was faced with a system in which the guide permit, the "exclusive guide area," was of unlimited duration. The Court relied, in part, on this factor in its analysis in Owsichek. 763 P.2d at 496. We do not believe, however, that this distinction is significant enough to make the current proposal defensible. The Owsichek Court based its decision not only on the unlimited duration of the special privilege granted by the state, but also on the fact that the privilege was granted at all. Id. Moreover, the system proposed for the Kenai River so heavily favors established guides over new entrants as to make the permits effectively of unlimited duration.

Even if we were able to overcome these constitutional hurdles, there is a serious question whether any system to limit guide numbers would be defensible at the present time. Your department recently furnished us back-up information that supposedly justifies the proposed guide limits. This information, however, shows that the actual fishing pressure on the river has not significantly changed since 1983, and in fact it declined in 1990 and 1991. Furthermore, the evidence shows that although the actual number of guides has increased over this period, guided angler hours still constitutes only 40% of the total fishing effort on the river.

To survive challenge, a regulation must be reasonably necessary to carry out the purpose of its enabling statutes. See Kelly v. Zamarello, 486 P.2d 906, 911 (Alaska 1971). When the regulation affects access to fish, it must also impinge as little as possible on the constitution's open fishery clauses (Art. VIII, secs. 3 and 15). Johns v. CFEC, 758 P.2d 1256, 1266 (Alaska 1988); State v. Ostrosky, 667 P.2d 1184, 1191 (Alaska 1983). Assuming the department has the authority to adopt a regulation to limit the number of guides on the river and proposes to do so in a constitutional manner, the department still must be able to demonstrate that the limitation is reasonably necessary. The data supplied to us supports neither the conclusion that there is a problem of overcrowding or of increasing fishing pressure, nor the conclusion that limiting the number of guides alone would help solve the problem, if it were

found to exist. 2/

For the reasons outlined above, we cannot approve for filing any regulations proposing to limit the number of guides through a system that favors existing guides over new entrants. If we assume, however, that your department can find sufficient empirical evidence that a problem of overcrowding or increasing crowding exists on the river and that a limitation on the number of guides would alleviate the problem, we can suggest possible systems that would be defensible. A pure lottery system, in which lottery participants qualify based on criteria that do not favor established guides over new entrants, would be the best system and clearly would not violate constitutional prohibitions.

The length of the permit would have to be reasonable, but we believe the proposed five-year period would not cause any serious problems. We recommend the department seriously consider this option.

If the department finds the lottery option unpalatable, a concession system, in which any qualified guide applicant could bid and permits would go to the highest bidders, would arguably be defensible. The Court in Owsichek indicated that such a system might survive constitutional challenge (763 P.2d at 497), although there is a strong possibility the Court would reject such a system because it would favor the wealthy. See Ostrosky, 667 P.2d at 1198 (Chief Justice Rabinowitz, dissenting). We would likely approve a regulatory scheme based on such a concession system (assuming that there is sufficient evidence that the system was reasonably necessary) and leave it to the courts to decide the program's legality.

Enclosed are your original adoption order and supporting documents for this project. We will now close our file on this project. If you wish to pursue an alternative guide limitation program for the river, please contact us and we will open a new regulations file for that project at that time.

JWB:cl

2/ Even if we assume that the river is overcrowded (and has been since 1983), DNR's current proposal is to issue 220 permits plus 30 lodge concession permits. Proposed 11 AAC 20.885(h) and (i). This further undermines our argument, because these figures do not represent a significant reduction from current guide numbers and thus are not designed to alleviate the alleged problem.

Hon. Harold Heinze, Comm'r, DNR
Our file: 993-90-0049 and 993-91-0105

September 27, 1991
Page 5

cc w/enc.: Neil Johannsen, Director
Division of Parks

John B. Coghill
Lieutenant Governor

Elizabeth Barry
Assistant Attorney General
Anchorage