



March 27, 2013

The Honorable Mike Dunleavy
Chairman Senate Labor & Commerce
Alaska State Senate
State Capitol, Room 510
Juneau, AK 99801-1182

Re: Request for amendments to SB 79—Sport Fishing Guide Services Board

Dear Mr. Chairman,

The Boat Company (TBC) has been offering eco-tour style cruises in Southeast Alaska for thirty-three years. We currently operate two 150' vessels on week-long trips between Sitka and Juneau during May through September.

Our vessels carry multiple skiffs on deck which our crew members launch daily to provide a variety of off-vessel activities to our guests including hiking, catch-and-release fly fishing on fresh water streams, beachcombing, photographing/viewing wildlife, whale watching and salt water angling for halibut and salmon. We operate with a total crew member compliment of 25 onboard our two vessels. Annually, TBC needs to ensure that at least 11 of these 25 crew members are fully licensed by ADF&G as sport fishing guides, even though each of these guides may only engage in providing sport fishing guide services to clients a few times per week.

SB 79, as currently written, will cause harm to our operations by forcing us to stop providing guided sport fishing services. It does so by establishing a requirement for *assistant guides* to be supervised on a daily basis by a licensed *guide-outfitter* who, in order to qualify for the license, must demonstrate a history of having provided sport fishing guide services for "at least 20 days in each of any three years." But due to our company's distinctive business model which revolves around the operation of two mid-size USCG inspected passenger vessels, TBC is constantly challenged by the need to recruit crew members who have a combination of both mid-size passenger vessel experience and sport fish guiding experience. This is a rare combination.

We resolve this problem by recruiting crew members from the highly mobile but highly skilled world of maritime services, then we provide new-hires with extensive sport fishing guide training in-house. Many of the professional mariners we hire remain in our employ for a couple of seasons, but then move on in order to gain additional professional maritime experience and earn a higher grade of USCG license. For this reason, we have no confidence that we will be able to consistently and dependably cultivate licensed *guide-outfitters* from within our own organization. We feel that the "three years" requirement can be reduced without sacrificing the promotion of a safe and stable sport fishing guide industry.

We believe this legislation has a lot of problems. It will need to undergo more than just a few changes in order to avoid having it disrupt numerous Alaska sport fishing guides and businesses. Regardless, we have developed the following amendment suggestions that will go a long way toward resolving TBC's primary concerns:

Suggested amendment #1 –

At page 5 lines 28-30, substitute the criterion in subparagraph (8)(A) which reads "20 days in each of any three years" to instead read "40 days aggregate in any two years," as follows:

has been licensed and has performed services as a guide-outfitter or assistant guide in the state for at least ~~20 days in each of any three~~ 40 days aggregate in any two years under this chapter...

This substitution would provide TBC with a reasonable likelihood of being able to consistently cultivate at least two individuals from within our own organization who could qualify for licensing as *guide-outfitters*. With two licensed *guide-outfitters* in our employ, we would be able to deploy one on each vessel.

Suggested amendment #2 –

At page 4 line 29, insert the words "and diversity" into paragraph (3) which delineates the powers of the board to adopt regulations, as follows:

[to] establish, as necessary for resource conservation purposes and to promote economic stability and diversity within the sport fishing guide industry,

This insertion allows for an expansion of the powers of the board beyond the promotion of simple economic stability, which is inherently stifling to job-creation, and which tends to concentrate limited resources over time in the hands of a small number of resource users. By also endowing the board with the power to promote diversification within the sport fishing guide industry, regulators are given an additional set of tools with which to work.

Historically, when regulators have sought to find ways to stabilize or somehow limit the charter industry, they have tended to simply employ the tool of 'raising the bar of eligibility', making it possible for only those operators with the most sport fishing guide logbook days or the greatest numbers of sport fishing clients to receive priority consideration for the issuance of permits. But by stipulating that the board may also create regulations that are designed to promote diversity, this amendment allows them to be more creative. They would be able to consider the needs of operators like TBC that do not focus primarily on providing sport fishing guide services. They would be more able to consider our needs when developing concessionaire programs or other constraints on sport fishing guide service providers. TBC is a successful business which offers a highly marketable service, but we will never be able to compete directly with day-boat charter operations and lodges that focus primarily on sport fishing. Those entities will always win when it comes to generating the greatest amount of sport fish guiding effort involving the most number of sport fishing clients.

Suggested amendment #3 –

At page 5 line 2, append a new subparagraph (C) to the existing subparagraph (B) which details the kinds of regulations which the board may establish in order to promote economic stability, as follows

(C) additional programs designed to accommodate and encourage licensees to offer sport fishing guide services in combination with and adjunct to other diversified guiding services.

This amendment would support amendment #2 by providing specific guidance on how the board may promote diversification. Every provision in SB 79, as written, will tend to discourage the potential for job development. Amendment #3, however, would actually promote this potential within the charter industry. It acknowledges the reality that whenever there are growing numbers of competitors vying for access to limited resources, modest additional job development may still be achieved if incentives are put in place to encourage guides to find ways of 'doing more with less.' Obviously, not all sport fishing guides will be able to adopt new operating strategies, but those who are willing to diversify should be given every opportunity and incentive, since therein lies the potential for job development within this industry.

The Boat Company is unique in that we annually donate substantial amounts of money (generally around \$10,000/year) to either the Northern Southeast Regional Aquaculture Association or to the Sitka Sound Science Center salmon hatchery in support of fisheries enhancement efforts. We fully recognize the need for conservation of resources. With the recent decline of halibut abundance, we were one of the few guided sport fishing service providers to support the one fish daily bag limit for charter anglers. Guided sport fishing is an integral and important part of our business, and we fight hard to protect the resources that make it all possible. Without the ability to provide our clients with a diverse array of outdoor activities that includes opportunities for guided sportfishing, TBC would not survive.

We hope you will take these comments and suggested amendments into consideration as this bill proceeds through your committee.

Sincerely,



Captain Joel Hanson
The Boat Company

Cc; The Honorable Bert Stedman
 The Honorable Johnny Ellis
 The Honorable Peter Micciche
 The Honorable Donald Olson