

Thank you for the opportunity to speak on the proposed legislation for Derelict vessels. My name is John Murgas, I am the owner of Island Ventures LLC , a large vessel boat yard in Petersburg. We use hydraulic trailers to haul out and bring vessels into our yard. (Picture?) Despite our best precautions, we average getting stuck with one abandoned/derelict vessel in our yard per year. In the current statute, Section 30.30.110, titled "Disposition of Vessels by Persons in Vessel Repair Business" is important to us. It's a well thought out, clear, simple, and fair path to dispose of a derelict vessel without having to hire an attorney and file civil suits. The new proposed legislation eliminates that section in its entirety. I am disappointed the new legislation minimizes the importance of private industry to reduce abandoned and derelict vessels in our state. Boat yards should be key players, even partners. Disposing of a vessel in a boat yard is a small fraction of the cost of disposition in the water or on the beach or sunk. And without environmental harm. Please retain 30.30.110 Disposition of Vessels by Persons in Vessel Repair Business in its entirety.

I am also concerned about the insurance requirement. I'm guessing the authors of the proposed legislation assume insurance is readily available for all vessels. It is not. Allow me to read a portion of an e-mail from an Aalskan insurance business I received last week. *FROM A LOCAL INSURANCE AGENCY:*

I had a call from someone yesterday looking for coverage for a 1952 71' wooden commercial boat valued at \$40,000 wanting to be hauled out in Kodiak for re-fitting but needed liability insurance before they would haul him. Nope, no way. The insurance companies look at the risk and when you get to the derelict stage there is not a company willing to front the \$100,000 or whatever the minimum required is."

Petersburg has about 600 commercial vessels home ported here. I estimate about 40% , or about 240 vessels, <sup>ALL</sup> ~~are~~ of which are actively fishing and supporting the state's economy, would not be eligible for insurance.

*THESE ARE COMPLEX ISSUES THAT SHOULD BE RESOLVED BEFORE PASSAGE OF THE BILL.*

*THANK YOU,  
JOHN MURGAS*