

## Trever M. Fulton

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**From:** Nate Berga <Nateb@eefoods.com>  
**Sent:** Monday, April 22, 2019 11:25 AM  
**To:** Senate Resources  
**Cc:** Sen. Peter Micciche  
**Subject:** SB 90

Senate Resource Committee

April 22, 2019

The Alaska Salmon Alliance (ASA) formed in 2011 as a 501 C (6), a nonprofit. Comprised of seafood processors and commercial fishermen our mission is to ***advocate for the salmon economy***. The Alaska Salmon Alliance is an organization focused on public education, promoting the value of a healthy salmon resource and create predictable harvests for all salmon users in the Cook Inlet region.

Regarding SB 90, we have consulted with our legal team and have concerns and questions as to how this bill will impact the remaining fishery and industry should it pass and be out into law. We encourage legislators to carefully weigh the intended and potentially unintended consequences of this bill by seeking answers to the following questions. We appreciate your consideration.

### **Five Questions About Senate Bill 90** Senate Resources April 22, 2019

**1. EXPANDED POWERS OF THE CFEC:** Section 3 of the bill goes into effect regardless of the buy-back election, and seems to expand the powers of the CFEC significantly by allowing the commission to sub-divide administrative areas beyond Cook Inlet.

Is it the intent of the bill to allow the CFEC to divide existing areas into two or more administrative areas “when necessary and consistent with the purposes of this chapter” *anywhere in the state*, thereby potentially impacting commercial fisheries statewide?

**2. PERMANENT CLOSURE/IMPACT OF SECTION 4:** The new AS 16.43.200(d) enacted by sec. 4 appears to permanently close the ESSN to commercial set net fishing as of December 31, 2019.

Is the intent of the bill to permanently close the ESSN to commercial set net fishing forever—even for permit holders—*as of 12/31/19, regardless of enactment of the buy-back program through sec. 8 or any permit reassignment under sec. 7?*

**3. INTERPLAY BETWEEN SECTIONS 4 AND 7:** Related to the above, uncodified sec. 7 appears to automatically “reassign” ESSN permits to the Cook Inlet Central District unless the ESSN permit holders “prove” to the CFEC that they participated in the ESSN prior to 12/31/19. If so, they will be reassigned a permit for the “new administrative area” created by AS 16.43.200(c).

*However*, the new AS 16.43.200(d) appears to close that area forever as of December 31, 2019. So does the reassignment/subsequent “proof” to the CFEC under sec. 7 simply give ESSN permit holders “standing” to sell their permits but not actually fish that area anymore?

4. **LEASES AND PERMITS:** As sec. 5 of the bill acknowledges, many ESSN permit-holders also hold leases connected to the permits. The bill is very unclear with respect to the relationship between these leases and permits.

If a permit is canceled and replaced by a new permit type, what happens to the old lease? Does it transfer to the new permit? Does the fishery closure apply to DNR's management of state land? Will DNR be required to maintain shore fish land lease closures indefinitely? Will DNR be allowed to continue to issue shore fish land leases to those with a commercial shore set net entry permit in the future? Can the CFEC reissue permits—and DNR issue leases--in the "closed waters" after June 30, 2026 when the buy-back program sunsets? Or are those waters permanently closed to commercial set net fishing?

5. **APPROPRIATIONS (UNFUNDED MANDATE):** The buy-back program anticipates the purchase of 200 permits at \$260,000 apiece. That is \$52M. The bill also states that the buy-back program is "subject to appropriation."

Is the legislature really going to appropriate \$52M to this program? What happens if the permit-holders vote for the buy-back, the program process gets underway, and the legislature refuses to fund it—a seemingly realistic prospect during times of fiscal uncertainty? Isn't the entire buy-back program essentially a \$52M unfunded mandate?

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