

March 14, 2021

House Finance Committee
Rep. Neal Foster, Co-Chair
Rep. Kelly Merrick, Co-Chair

RE: HB 79, Guided Fisheries

Dear House Finance Co-Chairs & Committee Members:

We are two family owned businesses located in Southeast Alaska and both owners are full time Alaska residents. We have discussed House Bill 79 and offer the following comments:

- Other than the revenue provisions in Section 1, the other provisions presently exist in form of regulations written by the Department, (ADF&G).
- HB 79 does not address the license fee inequity between resident and non-resident owners.
- There exists a glaring omission in addressing “bare boat” charters, also referred to as unguided fishermen.
- The penalty for a 2nd violation within a 3 year period on page 5 of the bill is excessive,

HB 79 should include revisions to the last three items so that we do not have to re-visit this in the future.

License Fee Inequity

Presently, a higher percentage of sport fishing businesses, (lodges & charter operations), are owned by non-residents. Based on personal observations these operations tend to be larger in numbers of charter boats and housing. HB 79 requires a \$400 dollar saltwater sport fishing license from non-resident and resident owners. A “mom & pop” charter operation handling 2-6 clients per day pay the same as a business handling 8 to 80 clients per day.

What is needed? The commercial fishery allows for a distinction between non-resident and resident fees; the commercial sport fishery should do the same. A simple residency test is “do you qualify for a permanent fund dividend?”

“Bare Boat Charters”; aka “Unguided Fishermen”

In our area the sport fishing charter business began to expand in the 1990’s. As the numbers increased both the State and Federal government issued new regulations to protect the resource and the safety of participants. In the past few years we have seen 18’ open skiffs rented by 2 or 3 fishermen plying the coastal areas of the Gulf of Alaska. There are existing operations with 20 or more boats for rent.

Why have these operations grown so rapidly? Simple, they do not require the services of a licensed guide, a rented skiff is less expensive to maintain than a larger charter boat, the "bare boat" owner does not have to keep an ADF&G logbook for the catch by each fishermen, the owner does not have to possess Sport Charter Halibut Permit, and the fishermen do not have to meet the halibut size and catch limit imposed on the charter client. In HB 79 on page 2 the saltwater fishing service operators have a liability insurance requirement; this is not required of the "bare boat" business owners. It is ludicrous the renter of the "bare boat" is not required to be covered by insurance, this person is likely to be from out of state and does not carry a USCG license. The charter boat has a skipper licensed by the USCG and carries insurance. Interestingly the fee to rent a "bare boat" is based upon the number of fishermen in the boat; the same fee determination as on a licensed charter boat.

What is needed? Minimally, the bare boat/unguided fishermen operations need to be registered and number of boats counted. These would be boats that are rented and carrying sport fishing gear. We believe the smaller outlying communities are attractive to these businesses as there is less opportunity for inspection of catch and accountability. We have heard concerns of residents in these communities reference competition for traditional subsistence and sport fish resources. The potential for over capitalization of the "bare boat/unguided fishermen" businesses is very real and some instances may have already occurred.

Penalty Revision

Sec. 16.40.292 (c) refers to the failure of filing a report in a timely manner. The first offense in a 3 year period is a violation and a second or subsequent offense in a 3 year period is a class B misdemeanor. The court may revoke the guide license on conviction. This penalty seems extreme for the nature of the offense. It appears a first violation does not go away after the 3 year period; say 6 years later a report is late within the 3 years it was due; is this the 2nd offense or has it re-set to a 1st offense? From personal experience, working in a remote location with access to a post office can be challenging. The same can be said for internet availability out in a remote setting.

What is needed? Define the term "3 year period" and revocation should not be a possibility on the 2nd offense.

Sincerely,

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