

HB 188: **Regional Fisheries** **Trusts**

Presentation of draft CS to House Fisheries, January 25, 2018

Office of Rep. Kreiss-Tomkins

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Photos courtesy Berett Wilber

New year, new bill

We made it our mission during interim to address substantive concerns and suggestions brought forward through letters and outreach conversations.

Over the last eight months, we had conversations with countless fishermen, industry groups, and other stakeholders.

Version M is the product of this effort.





Review: What do fisheries trusts look like?

- Opt-in and self-determined: 2/3 of municipalities must petition to establish a fisheries trust
- Community and regionally governed
- Limited authorization: No more than three trusts can be established in the state without further legislative action
- Temporarily transfer permits to qualified fishermen as “stepping stones”: no more than 6 years before they have to buy their own permit
- The number of permits a trust can acquire has a hard cap (2.5%) to prevent distortion to market

CFEC Administrative Areas



Review:
Trust
regions
will be
based on
CFEC
salmon
admin
areas.

Review: Why should we care about fisheries trusts?

- Fisheries are the economic engine of coastal Alaska.
- Entering Alaska fisheries has become highly capital intensive.
 - Usually involves taking out large, often six-figure loans for permits and/or boats.
- It is well documented that access to commercial fisheries has decreased in much of Alaska (especially rural Alaska) since 1975.
- Fishermen (especially rural Alaskans) with limited access to capital are increasingly left on shore because of capital-related barriers to entry.
- Barriers to entry have had severe repercussions on rural coastal communities where there is little other economic opportunity outside commercial fishing.

Review: A couple questions, a couple answers.

Will this allow other entities or individuals the ability to temporarily transfer permits?

No. HB 188 gives trusts, and only trusts, the ability to temporarily transfer permits, under specific circumstances, to qualified individuals (individual can still make emergency transfers). Leasing permits remains prohibited.

Where will the money come from?

HB 188 authorizes the creation of trusts; it doesn't capitalize them. Regional fisheries trusts, and the communities that govern them, will need to find their own funding. Trusts can apply for grants, accept gifts of permits, or even get regular loans from a bank, if the terms pencil out.

The big change: Temporary Transfers

- Throughout 2017, we worked to align HB 188 with the language and structure of the Limited Entry Act.
- In version M, regional fisheries trusts temporarily transfer limited entry permits to fishermen, a process analogous to existing and widely used emergency medical transfers (EMTs). A fisheries trust will set terms on the temporary transfer and share those terms with CFEC.
- Just as with EMTs and permanent transfers, CFEC will review temporary transfers between a fisheries trust and a fisherman.

These changes harmonize the bill with existing CFEC practices and ensure the legal status of permits does not change.

A little bit more on temporary transfers

How long can a fisheries trust temporarily transfer a permit?

A fisheries trust can temporarily transfer a permit to the same fisherman for no more than six years, a **hard cap**.

Can temporary transfers be revoked?

Yes. A temporary transfer can be revoked if a transferee breaks fishing laws, fails to make agreed upon payments, or falsifies information.

The other big one: Temporary Transfer Criteria

- Due to constitutional concerns, HB 188 no longer has any kind of residency requirement for individuals seeking an entry permit from a fisheries trust.
 - This change ensures HB 188 passes Alaska and federal constitutional muster.
- At the same time, we reworked the bill's bid preference criteria to strengthen constitutionality. The new criteria are based on court- and agency-vetted standards used by other state programs, specifically:
 - Limited Entry Act initial allocation criteria
 - Tier II subsistence hunting regulations

What about other changes?



- Boards must have a diversity of experience, including at least two members with commercial fishing backgrounds
- RFTs can't acquire permits in small fisheries (<40 permits)
- Explicitly prohibits RFTs from holding federal quota share
- Clarifies that if an RFT fails, permits revert to CFEC for reissue
- Ensures fishermen with a temporarily transferred permit pay applicable fisheries fees and assessments
- Requires an RFT to receive fair market value for any permit it permanently transfers

**Fishermen don't just drive boats.
They drive Alaska's economy.**



**Fisheries trusts maximize Alaskans'
access to the economic opportunity commercial
fishing provides.**