



Representative Alan Austerman

Alaska State Legislature

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SPONSOR STATEMENT

HOUSE JOINT RESOLUTION 21

House Joint Resolution 21 requests the North Pacific Fishery Management Council (NPFMC) to cease consideration of an amendment package that would require a Pacific cod endorsement for a license limitation program (LLP) license holder to participate in the Pacific cod fixed gear fisheries in the Gulf of Alaska. It also supports the continuation of the existing LLP program for groundfish in the Gulf of Alaska, and supports a policy of broad participation in the harvest of marine resources in the Gulf of Alaska.

The NPFMC is the federal regulatory body that oversees management of the federal fisheries off the coast of Alaska, in the area from 3 to 200 miles from shore. The NPFMC is currently considering regulatory action that would create and require Pacific cod “endorsements” on Gulf of Alaska fixed gear license limitation program (LLP) licenses in order to harvest the Pacific cod resource. (In this proposed action, “fixed gear” includes pot and longline gear types.) These endorsements would be placed on only those LLPs that have been used in a specific range of recent years. LLPs without Pacific cod endorsements could not be used to fish for Pacific cod. This action renders those LLPs functionally useless and valueless to their owners and increases the barriers for re-entry or new entrance into the Pacific cod fisheries. Of the LLPs that would be impacted by this action, more than 60% are estimated to be owned by Alaska residents.

Pacific cod is among the most important of the fishery resources harvested in federal waters in the Gulf of Alaska. Pacific cod is harvested by four different gear types, and on vessels ranging in size from very small (<30 feet) to relatively large (>100 feet). The greatest number of vessels harvesting Pacific cod in the Gulf of Alaska use pot, longline or jig gear, and the vast majority of these vessels are ≤60 feet in length. This is the core of the coastal Alaska resident fleet in the Gulf of Alaska. Pacific cod are also harvested using trawl gear.

The creation and requirement of Pacific cod endorsements for participation in federal Pacific cod fisheries in the Gulf of Alaska would create significant barriers for new entrants to Alaska’s commercial fisheries, and for re-entrance by fishermen who did not participate in a specific range of qualifying years. It would also impact a group of recent fishery entrants who made their fishery investments *after* the qualifying years. Impacted individuals would include young Alaskans and enterprising crewmen looking to advance into ownership positions in the industry.

~ Representing Alaska State House District 36 ~

Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

This action is also likely to lead to consolidation of the fishing fleet and concentration of LLP ownership in fewer hands. Expected results of this action would include consolidation of the Gulf of Alaska Pacific cod fixed gear fleet, fewer crew jobs, less demand for support sector services in Alaska's coastal communities, and increased costs of entry into Gulf of Alaska fisheries.

In absence of a biological concern for resource sustainability, it is important to maintain fisheries with relatively low entry barriers to encourage and allow the entrance of the next generation of fishermen into Alaska's fisheries. While HJR21 carries no legal force, it put the Alaska Legislature on record as supporting a policy of broad participation in Gulf of Alaska groundfish fisheries.

HOUSE JOINT RESOLUTION NO. 21

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES AUSTERMAN, Thomas, Ramras, Muñoz, Millett, Edgmon, Seaton, Wilson, Harris, Neuman, Johnson

Introduced: 2/27/09

Referred: House Special Committee on Fisheries, Resources

A RESOLUTION

1 **Requesting the North Pacific Fishery Management Council to cease consideration of an**
2 **amendment package that would require a Pacific cod endorsement for a license**
3 **limitation program license holder to participate in the Pacific cod fisheries in the Gulf of**
4 **Alaska.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **WHEREAS** the Alaska seafood industry is the largest private sector employer in the
7 state; and

8 **WHEREAS** the commercial fishing industry generates the most revenue of any
9 renewable resource industry in the state; and

10 **WHEREAS** there are more than 125 communities in Alaska that depend on
11 commercial fisheries for their economic well-being; and

12 **WHEREAS** there are numerous interior Alaska communities and regional hubs like
13 Anchorage, Juneau, and Fairbanks that indirectly depend on commercial fisheries for their
14 economic well-being; and

15 **WHEREAS** commercial fisheries provide tax revenue to the state and municipalities;

1 and

2 **WHEREAS** commercial fishing vessel owners, skippers, crewmembers, processing
3 workers, and their families are residents of Alaska; and

4 **WHEREAS** many Alaska businesses provide goods and services to the commercial
5 fishing industry and exist for the support of the industry; and

6 **WHEREAS** the fishery resource in both state waters and federal waters off of Alaska
7 is a public resource; and

8 **WHEREAS** broad participation in the harvest of this public resource by Alaskans
9 supports stronger local economies; and

10 **WHEREAS** the fishery management in 900,000 square miles of ocean off the coast of
11 Alaska is managed by the North Pacific Fishery Management Council; and

12 **WHEREAS** federal fishery management programs implemented by the North Pacific
13 Fishery Management Council increasingly favor the award of limited access privileges, in the
14 form of individual transferable quotas, to individuals and corporations without requiring their
15 active participation in Alaska's commercial fisheries; and

16 **WHEREAS** these limited access privilege programs are also known as fishery
17 rationalization; and

18 **WHEREAS** these rationalized fishery management programs have led to significant
19 job losses and fishing fleet consolidation in Alaska's fisheries and coastal communities; and

20 **WHEREAS** these fishery management programs have caused significant negative
21 effects on businesses in coastal Alaska communities and regional hubs; and

22 **WHEREAS** the same fishery management programs have enabled many owners to
23 stop active participation in Alaska's commercial fisheries, while continuing to extract
24 significant income from the fisheries; and

25 **WHEREAS** federal fishery rationalization programs have been largely responsible for
26 the 35 percent decline in the number of commercial fishermen in the state since 1990; and

27 **WHEREAS**, in rationalized and consolidated fisheries, the costs of access to fishing
28 permits and individual transferable quotas have increased substantially and created significant
29 barriers to entry for new entrants in commercial fisheries; and

30 **WHEREAS**, because of these increased economic barriers, the median age of
31 Alaska's commercial fishermen has increased to 47 years of age; and

1 **WHEREAS** the fixed gear groundfish fisheries are among the last significant fisheries
2 in the Gulf of Alaska not to have been limited through a fishery rationalization program; and

3 **WHEREAS** fixed gear groundfish fisheries are typically prosecuted by small-boat
4 fishermen; and

5 **WHEREAS** Pacific cod is the most important species for fixed gear fishermen in the
6 Gulf of Alaska groundfish fisheries; and

7 **WHEREAS** access to these fisheries requires possession of a groundfish limited
8 license program permit; and

9 **WHEREAS** the possession of a groundfish limited license permit allows fishermen to
10 harvest all groundfish species in the Gulf of Alaska identified under federal law, including
11 Pacific cod; and

12 **WHEREAS** the North Pacific Fishery Management Council is considering placing
13 Pacific cod endorsements, a form of license restriction, on only those licenses that are
14 currently being used; and

15 **WHEREAS** placement of cod endorsements on currently active fixed gear licenses
16 would have the effect of rendering all other Gulf of Alaska fixed gear licenses valueless to
17 their owners; and

18 **WHEREAS** placement of cod endorsements on currently active fixed gear licenses
19 would preclude license holders without the endorsement from using their licenses to
20 participate in the Pacific cod fishery; and

21 **WHEREAS** elimination of currently inactive limited license program licenses or
22 placement of cod endorsements on currently active licenses would have nearly identical
23 effects, namely rendering all other limited license program licenses worthless to their owners;
24 and

25 **WHEREAS** this action would hinder fishermen from entering or reentering the
26 commercial fisheries for Pacific cod; and

27 **WHEREAS** Alaskans own an estimated 75 percent of the Central Gulf limited license
28 program permits and 65 percent of the Western Gulf limited license program permits that
29 would be affected by those actions; and

30 **WHEREAS** Governor Palin requested a halt in the progress of rationalization of the
31 groundfish fisheries in the Gulf of Alaska because of the likely negative effects on Alaskans;

1 and

2 **WHEREAS** the reduction of the number of limited license program permits or the
3 placement of cod endorsements on permits is a step toward fishery rationalization; and

4 **WHEREAS** the reduction of the number of limited license program permits by more
5 than 60 percent will consolidate the vessels in the fishery, reduce the number of participants
6 in the fishery, eliminate crew jobs, diminish the demand for shore side support goods and
7 services, increase the costs of entry to the fishery, and serve as a step toward rationalization of
8 the fishery; and

9 **WHEREAS** consolidation of vessels, reduction of participants, elimination of crew
10 jobs, decreased demand for shore side support goods and services, and the increased costs of
11 entry will cause harm to Alaska's fishery dependent communities and reduce commercial
12 fishing related revenue to these communities and other regional hubs in Alaska; and

13 **WHEREAS** the Alaska State Legislature is a voice on behalf of its constituents, the
14 citizens of the State of Alaska;

15 **BE IT RESOLVED** that the Alaska State Legislature supports a policy of broad
16 participation in the harvest of marine resources in the Gulf of Alaska; and

17 **FURTHER RESOLVED** that the Alaska State Legislature supports the retention of
18 the current license limitation program so that Gulf of Alaska fixed gear license limitation
19 program license holders will be able to continue participation in all groundfish fisheries; and

20 **FURTHER RESOLVED** that the Alaska State Legislature requests the North Pacific
21 Fishery Management Council to cease consideration of an amendment package that would
22 require a Pacific cod endorsement for a license limitation program license holder to
23 participate in the Pacific cod fisheries in the Gulf of Alaska.

24 **COPIES** of this resolution shall be sent to the members of the North Pacific Fishery
25 Management Council; Robert D. Mecum, Acting Administrator, Alaska Region, National
26 Oceanic and Atmospheric Administration Fisheries; the Honorable Denby Lloyd,
27 Commissioner, Department of Fish and Game; and Cora Crome, Fisheries Policy Advisor,
28 Office of the Governor.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HJR 21
 (H) Publish Date: 3/12/2009

Identifier (file name): 26-LS0668\E
 Title: GROUND FISH FISHERIES LICENSES
 Sponsor: Representative Alan Austerman
 Requester: House Fisheries Committee
 Dept. Affected: RDU
 Component:
 Component Number:

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by: House Fisheries Committee Phone 907-465-4451
 Division: Date/Time 3/10/2009 10:00 a.m.
 Approved by: Representative Bryce Edgmon, Chair, House Fisheries Committee Date 3/10/2009

North Pacific Fishery Management Council, December 2008
C-2(a) Gulf of Alaska Fixed Gear Recency Motion

The Council directed staff to develop an analysis based upon the following purpose and need statement, components, and options for initial public review. Final action is scheduled for April 2009.

C-2(a) Gulf of Alaska Fixed Gear Recency

Western GOA and Central GOA Pacific cod fisheries are subject to intense competition, particularly during the A season, when fish are aggregated and of highest value. Competition among fixed gear participants in the Western GOA and Central GOA Pacific cod fisheries has increased for a variety of reasons, including increased market value of Pacific cod products, a declining ABC/TAC, increased participation by harvesters displaced from other fisheries and introduction of capital that has been accrued from participation in rationalized fisheries. Additionally, fishery policies have created incentives that encourage non-traditional efficiency improvements for the less than 60 ft LOA vessel class. The possible future entry of latent effort and disproportionate vessel efficiency would have detrimental effects on LLP holders that have exhibited participation in, and dependence on, the fixed gear Pacific cod fisheries. Many fixed gear vessel owners have made significant investments, have long catch histories, and are dependent on the Western GOA and Central GOA Pacific cod resources. These long-term participants need protection from those who have little or no recent history and who have the ability to increase their participation in the Pacific cod fisheries. At the same time, retaining Federal waters opportunities for small community quota eligible (CQE) communities dependent on access to a range of fishery resources and expanding opportunities in Federal waters for small capacity jig operations is valued to promote community protections at a level that imposes minimal impact on historic catch shares of recent participants.

The intent of the proposed amendment is to prevent the future entry or re-entry of latent fixed gear groundfish fishing capacity that has not been utilized in recent years into the Pacific cod fisheries, and to preserve the traditional vessel operational efficiencies within the fisheries. This requires prompt action to promote stability in the fixed gear sectors of the GOA Pacific cod fisheries, and is expected to be implemented concurrently with the division of GOA Pacific cod among sectors which is currently under consideration. However, this action cannot address continued growth in the waters managed by the State of Alaska.

ALTERNATIVE 1.

No Action. No changes would be made to the current License Limitation Program.

ALTERNATIVE 2.

Add non-severable gear-specific Pacific cod endorsements to fixed gear licenses. Pacific cod endorsements would limit entry into the directed Pacific cod fisheries in Federal waters in the Western and Central Gulf of Alaska.

Component 1— Areas included

Western Gulf

Central Gulf (current LLP endorsement includes West Yakutat)

- Different options may be applied to each management area.

Component 2— Identify and define sectors

The sector definitions for awarding Pacific cod endorsements may be different from those used for the GOA Pacific cod sector split action. The purpose of sector definitions in this action is to allow the Council to select different catch thresholds for the different gear types, operation types, and vessel lengths. Individual licenses may qualify for any combination of a jig, hook-and-line, and pot endorsement if the license meets the respective threshold(s) for the appropriate gear type, operation type, and vessel length.

- Hook-and-line CP
Option: Hook-and-line CP ≥ 125
Hook-and-line CP < 125
- Hook-and-line CV
Option: Hook-and-line ≥ 60
Hook-and-line < 60
- Pot CP
- Pot CV
Option: Pot CV ≥ 60
Pot CV < 60
- Jig
Exempt vessels using jig gear from the LLP requirement (including the Pacific cod endorsement requirement) that use a maximum of 5 jigging machines, 5 lines, and 30 hooks per line or one line of 150 hooks.

Option: Exempt vessels participating with fixed gear in the Western GOA B season directed Pacific cod fishery from the Pacific cod endorsement requirement.
Suboption: Exempt vessels using pot gear only.

Component 3 – Qualifying years

Option 1: 2000-2006

Option 2: 2002-2006

Option 3: Add the qualifying period January 1, 2007 through:

Suboption 1: June 4, 2008

Suboption 2: December 8, 2008

- Either of these suboptions will be selected in addition to one of the qualifying periods in Option 1 or Option 2.

Suboption 3: If an LLP license qualifies only when the supplemental range of years in Suboption 1 or Suboption 2 is included, any Pacific cod endorsements granted to licenses under these suboptions would be extinguished upon transfer of the LLP license to another vessel or owner.

- If a GOA hook-and-line catcher processor LLP license holder was a voluntary non-participant in the Freezer Longliner Coalition informal PSC co-op efforts of 2006, 2007, or 2008, and does not qualify under Component 3, Options 1, 2, or 3, the LLP would not be extinguished. If Pacific cod endorsements are a result of this action in the GOA hook-and-line CP sector, the LLP would receive a Pacific cod endorsement.

Component 4 – Catch thresholds

Thresholds shall be based on legally retained catch in the aggregate during all of the qualifying years in the Federal and parallel fisheries (excluding IFQ catch). Separate and distinct thresholds may be determined for each defined sector.

Option 1: All directed Pacific cod 1, 3, or 5 landings (resulting in a Pacific cod endorsement)

Option 2: All directed Pacific Cod 5, 10, 25, or 100 mt (resulting in a Pacific cod endorsement)

Option: Hardship provision. A GOA fixed gear LLP holder who had 5 or more Pacific cod landings in 1999, but had a vessel on which the LLP was used sink in 1999 or 2000, shall be credited with qualifying history so as to obtain a Pacific cod endorsement.

Directed Pacific cod catch is defined as landings made when the directed Pacific cod fisheries are open. For purposes of catch accounting, licenses are credited with deliveries or processing activity recorded up to 7 days after the directed season closes.

Component 5 – Stacked license provisions

Where there are multiple LLPs registered to a single vessel, also known as ‘stacking’ of LLPs, groundfish harvest history will be fully credited to all stacked licenses, each carrying its own qualifying endorsements and designations.

Component 6 – Capacity/efficiency limits to CV and CP fixed gear LLPs

Add a width restriction (efficiency restriction) on each CV and CP fixed gear LLP license that is eligible to access Pacific cod under this action. The width restriction would be 1 ft of width for each 3 ft of length, and is based on the LOA of the vessel assigned to the license on December 8, 2008. The licenses that are assigned to vessels on December 8, 2008 that exceed the width restriction will be grandfathered at their present LOA. For vessels under construction on December 8, 2008, the width restriction for the license shall be equal to the vessel width upon completion. Vessels would be required to report width measurements to RAM.

Option: Add a simple gross tonnage maximum to licenses.

Component 7 – CQE community resident exemption

CQE community residents currently holding latent, non-qualifying, LLP permits shall retain their LLP and area endorsement(s) and be exempt from the Pacific cod endorsement requirement. A hook-and-line or pot gear endorsement shall be made through (a) a one-time designation at the time the endorsement is issued or (b) designated at the time the first Pacific cod landing is made based on the gear type used. The CQE community resident’s LLP, shall not be leased, and can only be transferred to an individual who has lived continuously in the permit holder’s CQE community for 24 consecutive months prior to the transfer and who intends to remain a resident of the community. Residency shall be affirmed annually upon renewal. If a CQE community LLP holder with a restricted transfer LLP is no longer a resident of the CQE community or dies without a designated qualified LLP community beneficiary, the community CQE shall designate a qualified individual in the CQE community to hold the restricted transfer LLP.

Option: Restrict exemption to LLPs with a MLOA endorsement less than 60 feet.

Additional information requested

- Additional information on the number of identical stacked licenses that meet the catch thresholds (Component 5).
- Additional information on possible approaches to identifying a maximum length to width ratio or maximum simple gross tonnage for purposes of adding a capacity endorsement to licenses (Component 6).