

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

May 2, 2001
12:40 p.m.

MEMBERS PRESENT

Representative Gary Stevens, Co-Chair
Representative Peggy Wilson, Co-Chair
Representative Drew Scalzi
Representative Fred Dyson
Representative John Coghill
Representative Mary Kapsner
Representative Beth Kerttula

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE RESOLUTION NO. 6

Supporting the Cook Inlet Aquaculture Association's plan for enhancement and rehabilitation of Cook Inlet fisheries.

- MOVED HR 6 OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HR 6

SHORT TITLE: COOK INLET AQUACULTURE ASSOCIATION

SPONSOR(S): REPRESENTATIVE(S) CHENAULT

Jrn-Date	Jrn-Page		Action
05/01/01	1429	(H)	READ THE FIRST TIME - REFERRALS
05/01/01	1429	(H)	FSH
05/02/01		(H)	FSH AT 1:00 PM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE MIKE CHENAULT

Alaska State Legislature
Capitol Building, Room 432
Juneau, Alaska 99801

POSITION STATEMENT: Testified as the sponsor of HR 6.

JOEL MALATESTA, SR.
Cook Inlet Aquaculture Association (CIAA)
(No address provided)
POSITION STATEMENT: Testified on HR 6.

GARY FANDREI, Executive Director
Cook Inlet Aquaculture Association (CIAA)
(No address provided)
POSITION STATEMENT: Answered questions regarding HR 6 and CIAA.

DREW SPARLIN, Member
Cook Inlet Aquaculture Association Board
37020 Cannery Road
Kenai, Alaska 99611
POSITION STATEMENT: Encouraged the committee to pass HR 6 out
of committee.

BOB MERCHANT, President
United Cook Inlet Drift Association
PO Box 389
Kenai, Alaska 99611
POSITION STATEMENT: Testified in support of HR 6.

ACTION NARRATIVE

TAPE 01-21, SIDE A
Number 0001

CO-CHAIR PEGGY WILSON called the House Special Committee on Fisheries meeting to order at 12:40 p.m. Representatives Wilson, Stevens, Scalzi, Dyson, and Coghill were present at the call to order. Representatives Kapsner and Kerttula arrived as the meeting was in progress.

HR 6-COOK INLET AQUACULTURE ASSOCIATION

CO-CHAIR WILSON announced the only order of business before the committee would be HOUSE RESOLUTION NO. 6, Supporting the Cook Inlet Aquaculture Association's plan for enhancement and rehabilitation of Cook Inlet fisheries.

[Although there was a motion to adopt HR 6, Version A, as the working document before the committee, it was an unnecessary motion because the document was already before the committee.]

Number 0098

REPRESENTATIVE MIKE CHENAULT, Alaska State Legislature, testified as the sponsor of HR 6. This resolution expresses support for the Cook Inlet Aquaculture Association (CIAA), which is imperative to the strength and health of the fisheries in Southcentral Alaska. Cook Inlet Aquaculture Association has assisted the Cook Inlet fishermen for many years. Recently, the Cook Inlet fisheries dwindled to the point that an economic disaster was declared; furthermore, funding for CIAA has been cut. Therefore, other means of funding need to be explored. This resolution allows for the continuation of CIAA and support for funding at federal levels. Representative Chenault said, "It will also provide hope that all Cook Inlet fisheries have hope of recovery and a bright future for all fishermen in Alaska."

Number 0211

REPRESENTATIVE DYSON inquired as to how successful programs such as this have been with sockeye.

REPRESENTATIVE CHENAULT deferred to those online.

REPRESENTATIVE COGHILL clarified that this is a resolution that merely says [the legislature] agrees with what CIAA is doing. He understood that there are people online who can testify to the federal funding issue.

REPRESENTATIVE CHENAULT indicated agreement to both questions.

CO-CHAIR WILSON asked whether HR 6 is requesting anything for this area different from what is done in any other area in the state.

REPRESENTATIVE CHENAULT replied, "I don't believe so." He reiterated that HR 6 is merely a letter of support from the legislature.

Number 0610

JOEL MALATESTA, SR., testified via teleconference. He informed the committee that he is affiliated with the aquaculture association on the Kenai Peninsula. Mr. Malatesta pointed out that the aquaculture association has been established for many years on the Kenai Peninsula, and it serves those from the Matanuska-Susitna Borough to the Port Graham area. This

aquaculture association serves over 50 percent of the state's population.

MR. MALATESTA said that over the years, the CIAA program has been very successful, although there have been problems due to the lack of fish and tax dollars from the commercial fishermen, along with some regulatory closures. He informed the committee that the Kenai Peninsula Borough Assembly has placed [CIAA] on its federal wish list. The [CIAA] is attempting to obtain a five-year federal grant since it is one of the key aquaculture associations in Alaska. He pointed out that there are already resolutions from the cities of Anchorage, Homer, Soldotna, and Tyonek; the Kenai Resource Coalition Management Team; the Kenai Peninsula Fishermen's Association (KPFA); United Cook Inlet Drift Association (UCIDA); the United Fishermen's Association; and the Central Peninsula Fish and Game Advisory Committee. There also are pending resolutions in the cities of Kenai and Wasilla.

MR. MALATESTA said, "All we're asking is that you give us a resolution in support of our efforts to try to get some federal monies to keep this most valuable asset going." It is important to keep the [CIAA] hatcheries open, he added. However, [CIAA] is on the brink of bankruptcy; thus, without federal assistance, [CIAA] may be forced to close.

MR. MALATESTA addressed Representative Dyson's earlier question by saying that over CIAA's 20-year life it has produced all kinds of species of salmon. Much of the sport-caught salmon in the Seward area is produced by [CIAA]. Mr. Malatesta emphasized, "This association is so important to over 50 percent of the population because we [provide fish] for subsistence, recreational, personal use, and commercial."

REPRESENTATIVE DYSON restated his earlier question regarding the success of hatcheries in enhancing red salmon recoveries.

Number 0727

GARY FANDREI, Executive Director, Cook Inlet Aquaculture Association (CIAA), testified via teleconference. Mr. Fandrei informed the committee that CIAA has had a number of projects that have increased the production of [red salmon in] a number of systems such as Tustumena Lake, Hidden Lake, Big Lake, and systems in the lower peninsula.

REPRESENTATIVE DYSON asked if those projects were habitat enhancements or were eggs or fingerlings being put out.

MR. FANDREI explained that the lower Cook Inlet area lakes do not have fish in them. Fish are being placed in those systems and the returning adults are available to the fishery, which includes commercial and sport use. In some of the other lakes, the natural production is being supplemented through a hatchery program. Those systems that don't tend to have adequate spawning grounds are supplemented through hatchery programs. He agreed that he was speaking of reds.

REPRESENTATIVE DYSON asked if any of the introduced reds are spawning.

MR. FANDREI answered that in the systems where some of those fish are being supplemented, some of those fish are spawning. Those fish in the lower Cook Inlet lakes are not able to spawn because [those areas] are terminal harvest areas.

Number 0912

REPRESENTATIVE COGHILL asked, "Under what plan is the federal funding being sought?"

MR. MALATESTA explained that the plan is to only get funds from the federal government, although there may be some borough matching funds. He anticipated that the funds would be from various agencies such as NOAA (National Oceanic and Atmospheric Administration) or the Environmental Protection Agency (EPA). These funds will go to the Kenai Peninsula Borough, which will pass those funds through to CIAA. Mr. Malatesta stressed that there are grant monies available and the application has been produced in book form and presented in Washington, D.C.

Number 1015

DREW SPARLIN, Member, Cook Inlet Aquaculture Association Board, testified via teleconference. Mr. Sparlin encouraged the committee to pass HR 6 out of committee. He informed the committee that he has been a CIAA board member for over 20 years. Mr. Sparlin said, "We need assistance very severely. And we're hoping that we can get through the rough times, if you ... will help us by showing your support and maybe allow us to better our chances of getting some assistance from Washington, D.C."

REPRESENTATIVE SCALZI inquired as to the current tax assessment for CIAA.

MR. SPARLIN answered that the current tax is 2 percent of [CIAA's] gross income from salmon harvested by Cook Inlet permit holders. In further response to Representative Scalzi, Mr. Sparlin affirmed that it is for all salmon in all areas.

Number 1215

BOB MERCHANT, President, United Cook Inlet Drift Association (UCIDA), testified via teleconference, stating that UCIDA is in support of HR 6 and hopes that the committee passes it.

Number 1242

REPRESENTATIVE COGHILL moved to report HR 6 out of committee with individual recommendations and the accompanying fiscal note.

REPRESENTATIVE SCALZI noted that he supports the motion. However, he wanted to address some of the earlier questions. In regard to the fish stock, Representative Scalzi informed the committee that across from Cook Inlet there is Kirschner Lake, which is a terminal harvest area because there is a [waterfall] there that the fish cannot go up. There is also a terminal harvest area at Leisure Lake, which is shared by both sport and commercial fishermen. The Kasilof River is also enhanced.

REPRESENTATIVE SCALZI reiterated Mr. Sparlin's testimony that the 2 percent salmon tax is for all salmon in that area. Although it is paid for with the commercial dollar, there are multiple uses and benefits in those rivers and lakes. Some of the loss of revenue correlates with the raising of escapement goals in areas such as the Kenai River. Therefore, those fish aren't being caught in the commercial sector; thus there is a loss in revenue [for the aquaculture association]. In conclusion, Representative Scalzi informed the committee that he was a member of CIAA for several years as a representative of the borough.

Number 1390

CO-CHAIR WILSON asked if there was any objection to the motion to report HR 6 from committee. There being no objection, HR 6 was reported from the House Special Committee on Fisheries.

Number 1418

REPRESENTATIVE DYSON requested the ability to lay another issue before the committee. He informed the committee that he and Representative Kapsner have heard from fishermen in Bristol Bay that the [the Alaska Department of Fish & Game (ADF&G)] is now going to be demarking the boundaries with latitude and longitude rather than "Loran-C," which has been the boundary for the last 20 some years. Some from Bristol Bay feel that this is sudden. Furthermore, it will be difficult to reequip [the fleet] in order to accurately find the boundaries with a global positioning system (GPS). One of the suppliers predicted that there aren't enough GPS machines in Alaska or the Northwest to outfit the fleet within the six weeks before the season begins.

REPRESENTATIVE DYSON said he had spoken with [ADF&G's] assistant director, who said the Board of Fisheries discussed this in January and the local advisory boards recommended it. Representative Dyson explained that this is an enforcement issue in that enforcement people want to have more "repeatable" data that will stand up in court. Representative Dyson said he had spoken with the department about 30 minutes ago, and the department said it is probably too late to change [this decision].

REPRESENTATIVE KAPSNER, in response to Representative Dyson, said no one with the advisory boards was available during the lunch hour.

REPRESENTATIVE DYSON asked if it would be acceptable for him and Representative Kapsner to continue to explore this issue.

REPRESENTATIVE KAPSNER inquired as to the department's response to a two-year phase-in.

REPRESENTATIVE DYSON reiterated that the department said it is too late. Therefore, he suggested that the department enforce this next year. Representative Dyson said if he and Representative Kapsner determine that this is an issue that requires intervention, then he suspects that they would bring a letter for the committee members to sign or request that the committee convene to take action on the matter.

REPRESENTATIVE KAPSNER said she was agreeable to that.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 1:03 p.m.