

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON FISHERIES**

May 2, 2003  
8:35 a.m.

**MEMBERS PRESENT**

Representative Paul Seaton, Chair  
Representative Peggy Wilson, Vice Chair  
Representative Dan Ogg  
Representative Ralph Samuels  
Representative David Guttenberg

**MEMBERS ABSENT**

Representative Cheryll Heinze  
Representative Ethan Berkowitz

**COMMITTEE CALENDAR**

HOUSE BILL NO. 281

"An Act relating to a moratorium on entry of vessels into the Southeast Alaska sport fish charter fishery; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS ACTION**

BILL: HB 281

SHORT TITLE: MORATORIUM ON CHARTER VESSEL LICENSES

SPONSOR(S): REPRESENTATIVE(S) WEYHRAUCH

Jrn-Date	Jrn-Page		Action
04/23/03	1071	(H)	READ THE FIRST TIME - REFERRALS
04/23/03	1071	(H)	FSH, RES
04/23/03	1071	(H)	REFERRED TO FISHERIES
04/30/03		(H)	FSH AT 8:30 AM CAPITOL 124
04/30/03		(H)	Heard & Held MINUTE(FSH)
05/02/03		(H)	FSH AT 8:30 AM CAPITOL 124
05/02/03		(H)	Heard & Held

**WITNESS REGISTER**

DON BREMNER

Central Council  
Tlingit and Haida Indian Tribes of Alaska  
Juneau, Alaska  
POSITION STATEMENT: Testified in opposition to HB 281.

THOMAS SUSS  
Point Sophia Development Company  
Juneau, Alaska  
POSITION STATEMENT: Testified that restoration of the Hoonah cannery would make it a destination site for tourists.

BLAINE HOLLIS, Assistant Attorney General  
Natural Resources Section  
Civil Division  
Department of Law (DOL)  
Juneau, Alaska  
POSITION STATEMENT: Testified on the difficulties involved with including the definition of charter sport within that of commercial fishery.

GORDON JACKSON, Chairman of the Board  
Kake Tribal Corporation;  
Director, Business and Economic Development,  
Central Council  
Tlingit and Haida Indian Tribes of Alaska  
Juneau, Alaska  
POSITION STATEMENT: Testified in opposition to HB 281.

JIM PRESTON, Owner and operator  
Big Jim's Charters  
Auke Bay, Alaska  
POSITION STATEMENT: Testified in support of HB 281.

KAREN POLLY, Charter boat operator;  
Campus Director  
University of Alaska Southeast  
Ketchikan, Alaska  
POSITION STATEMENT: Testified in strong opposition to HB 281.

ED STAHL, Charter boat operator  
Ketchikan, Alaska  
POSITION STATEMENT: Testified in opposition to HB 281, saying that it denies access to the resource.

CARLA SZITAS  
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 281 on behalf of herself and other single boat operators.

DONALD WESTLUND

Ketchikan, Alaska

POSITION STATEMENT: Testified in opposition to HB 281.

ERIC LEE, Fisherman

Petersburg, Alaska

POSITION STATEMENT: Testified in opposition to HB 281.

KEN DOLE, Partner

Waterfall Resort

Prince of Wales, Alaska

POSITION STATEMENT: Testified in support of HB 281.

DALE KELLY, Executive Director

Alaska Trollers Association;

Executive Board Member

United Fishermen of Alaska

Juneau, Alaska

POSITION STATEMENT: Testified on HB 281, expressing support of implementing a limited entry program.

#### **ACTION NARRATIVE**

#### **TAPE 03-28, SIDE A**

Number 0001

**CHAIR PAUL SEATON** called the House Special Committee on Fisheries meeting to order at 8:35 a.m. Representatives Seaton, Ogg, Samuels, and Guttenberg were present at the call to order. Representative Wilson arrived as the meeting was in progress.

#### HB 281-MORATORIUM ON CHARTER VESSEL LICENSES

CHAIR SEATON announced that the only order of business would be HOUSE BILL NO. 281, "An Act relating to a moratorium on entry of vessels into the Southeast Alaska sport fish charter fishery; and providing for an effective date."

Number 0170

CHAIR SEATON informed the committee that at this time the intent was not to move HB 281 out of committee, but to hear additional public testimony and then to determine how best to proceed.

Number 0350

DON BREMNER, Central Council, Tlingit and Haida Indian Tribes of Alaska, expressed opposition to HB 281 for a number of reasons, one being the negative socio-economic effects to rural villages similar to those resulting from the 1973 Alaska Limited Entry law. He recommended that prior to passing HB 281, socio-economic impact studies be conducted to indicate the effects on communities and the already-declining commercial salmon industry. Mr. Bremner paraphrased from his written testimony and provided the following:

We believe that HB 281 flies in the face of the Alaska State Constitution, Article 8, Section 15, and we want to point out the section that we believe that any bill like this has to meet. I'll read this: "[... the power of the State] to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them." We don't see any evidence in our research of [Alaska Department of Fish and Game (ADF&G)] and sport fish material where this needs has to be addressed - of a biological need or a resource in distress to call for this type of limited entry into this fishery.

Number 0570

MR. BREMNER continued:

We believe that the state has been given the responsibility of managing and recommending these types of actions ... and we believe that the state has done a pretty good job over the years. I have here for you as a reminder, the [ADF&G] mission statement, and their guiding principles that they use. This is what the public, I believe, looks at in measuring and monitoring what to expect as far as the management of the state fishery. If you look at the first two guiding principles, I think those really bring it home for the public: provide for the greatest long-term opportunities for the people of Alaska; improve public accessibility.

We believe that this bill is an allocation of access to the resource and the opportunity to get into the fishery in this manner (indisc.) as a reminder that

the [ADF&G] really should be the group or the organization to make these type of recommendations based on biological and scientific reasons, and the Board of [Fisheries] is also up there in the process that should be the group to make these recommendations.

We have reviewed all of the state's [ADF&G] sport fishing updates and we didn't read anything in there that indicates declining numbers of any of the targeted species that are being sought after by these charter vessels.

Number 0665

MR. BREMNER continued:

If you look at a national survey that we have, a 2001 survey, sport fishing contributes money and jobs to Alaska in the amount of approximately \$537 million. This is money and jobs that we are now going to allocate to a yet unknown group of owners. We don't know if they're residents or not, and it doesn't seem like a logical approach at this time. What we had hoped would be that the Board of [Fisheries] and [ADF&G] would have the opportunity to recommend the types [of] systems, that the system be allowed to work, that it seems to have worked really well in the past ... there's other management schemes out there that could be looked at and used before we ever get to this level.

Number 0791

CHAIR SEATON asked if there was a problem with there being too many charter vessels operating in the villages.

MR. BREMNER said no, and explained that a funding summit on economic opportunities in rural Alaska, scheduled for October, will provide an educational opportunity for local folks to learn more about six-pack licenses as a means to supplement commercial fishing incomes in the villages. He said that even in Yakutat where there is a lot of sport fishing and hunting, it's not a saturated business. He told the committee that a lot of other questions need to be answered such as those pertaining to resources, the 200-mile zone, the three-mile limit, and so forth.

CHAIR SEATON requested that the committee be notified if local problems [regarding this legislation] are identified in the villages.

MR. BREMNER said that Angoon had indicated that there wouldn't be time to educate the rural residents on the opportunity being presented and that perhaps quotas should be developed for this type of license.

Number 1022

REPRESENTATIVE WILSON reflected on the expressed concern that there would be an increased number of boats, and asked if Mr. Bremner was suggesting that this should be dealt with in a different manner.

MR. BREMNER responded that he didn't know if this necessarily meant that there'd be a lot more boats in the water, but thought that the villages in rural Alaska still need to have a "right of access" before the "door is shut." He said this is an allocation issue, a limited entry issue, and there hasn't been enough time to educate rural Alaskans about this opportunity.

CHAIR SEATON reiterated that the bill isn't currently in a workable form. He indicated that this bill isn't "a fast train moving."

Number 1164

THOMAS SUSS, Point Sophia Development Company, testified that the company was in the process of restoring the Hoonah cannery as a destination site for the growing number of tourists. The project will be completed in about two years, he related.

CHAIR SEATON asked if charter boats were currently working in Hoonah.

MR. SUSS responded that there are currently about a half dozen; he mentioned that he is also a charter boat captain.

CHAIR SEATON asked if there was economic distress due to there being too many vessels operating out of Hoonah.

MR. SUSS said no, not at this time, and that there was plenty of opportunity for growth.

Number 1300

BLAINE HOLLIS, Assistant Attorney General, Natural Resources Section, Civil Division, Department of Law (DOL), referred to a previous question from Representative Ogg [raised at the 4/30/03 meeting] regarding whether a definitional approach would be helpful. He said he understood the question to address the possibility that limiting entry into the charter sport fisheries could be managed by the Commercial Fisheries Entry Commission (CFEC) in a similar fashion as CFEC manages limiting entry into the commercial fisheries. One way to give CFEC this authority would be to include "charter sport" within the term "commercial fishery." He said he looked at the Limited Entry Act and in his opinion this approach wouldn't work because the Limited Entry Act is tailored very closely to fit the commercial fisheries; it focuses on units of gear, gear operators, and has a variety of provisions that wouldn't fit the charter fishery - such as requiring that people have limited entry permits from 1974.

MR. HOLLIS suggested that what was required was more than just a definitional change; some fairly extensive amending of the Limited Entry Act would be necessary to make it fit both types of fisheries. An alternate approach would be to include a separate section or article in [Title 16], Chapter 43, where the limited entry statutes are located, to deal with limiting entry into the charter sport fishery.

Number 1426

MR. HOLLIS told the committee that this would be similar to what was done last year with regard to the two fisheries for which vessel-based systems are currently permitted. The legislature could craft an article that contains provisions specifically tailored to meet the needs and circumstances of the charter fleet and that would provide a framework that the legislature considers to be appropriate for allowing the CFEC to do for the charter sport fishery what it currently does for [the commercial fishery].

REPRESENTATIVE OGG thanked Mr. Hollis for his researching efforts. He noted that going down that road was now truncated and that perhaps the inclusion of a separate [section or article] might be "a viable way to go."

Number 1538

GORDON JACKSON, Chairman of the Board, Kake Tribal Corporation and also the Director, Business and Economic Development for Central Council, Tlingit and Haida Indian Tribes of Alaska, which, he said, serves 26,000 members throughout the Pacific Northwest, provided the following testimony:

One of our many activities over the past year with the Central Council has been the hosting of economic conferences in Hoonah, Angoon, Kake, and Prince of Wales Island. One of the big items that has been identified as an economic-type activity has been charter boat activity. Mainly because over the last several years, logging has come to an end and the processors have been leaving these smaller communities in droves because it wasn't cost effective. The economy, as a result, has been dropping like a rock. Many of these folks are now invested in this kind of business, taking six-pack licenses, investing in boats and things like that.

Number 1622

MR. JACKSON continued:

All of these communities which I mentioned, once had proud fishing fleets over the last three or four decades. Today, these fleets are a fraction of what they used to be. Let me give you some examples. When limited entry fishing law was first introduced and passed, for the purse seine industry, the community of Angoon had 27 limited entry permits; today they have one active permit. In the community of Hoonah, they once had over 50 fishing in the Icy Straits area; they now have four active permits. In Kake, they began with 27; they now have only eight active permits. Add the loss of logging jobs and you should not be surprised to find a very bad economy in these smaller communities.

Many of us remember in the past, cut-off dates or moratoriums before a major policy was developed like limited entry. This one you are proposing goes to the extreme by not allowing the CFEC to issue vessel licenses for recreational charter boats for 2004 unless the vessel was licensed in 2002 or before the bill passed, and also [that it] recorded charter operations in a state-required logbook in Southeast

waters in 2002 or 2003. I can tell you this provision will close the door on any smaller community entrepreneur who wants to get into this business. Add on the logbooks, additional hoops to jump over, and the loss of equal access and you are looking at no charter boats in rural Southeast Alaska. This concept of equal access is one you folks use to stop [the] subsistence vote over the last decade. In this case, I think you should be consistent and do the same thing.

Number 1710

MR. JACKSON testified:

We at Kake Tribal Corporation have just finished our land selections under the Alaska Native Claims Settlement Act and selected a beautiful spot on the Keku Islands outside of Kake. It was our plan to build a fishing lodge there and diversify our holdings in commercial fishing. With this moratorium, it will be impossible to build without a charter boat license. No bank will touch us. Our dream will have vanished.

Hoonah Totem just gave testimony that they're building and working to build a cannery and that portion will require charter boats. I believe this bill needs work. I understand your concern. Too many boats taking too much fish and crowding us out. I have run through these fellas, cussed them out, and seen the boxes and boxes leaving the airports all over Southeast Alaska. There are a lot of them. However, the numbers only occur in the so-called urban areas around Juneau, Sitka, and Ketchikan. You need to address the economics of how you will secure employment opportunities for Southeast. You need to address the semantics used in this bill.

After I read the bill, I came to only one conclusion: it is a limited entry bill and no group of words said after this would convince me otherwise. You need to address the equity question. As many of you say - it is in the constitution; it should not be ignored. If you don't address these items, I suggest you go [and] do what the Southeast villages do for something like this. Take it down the beach and bury it!

CHAIR SEATON acknowledged Kake's donations of fish to the Fish Caucus [meetings]. He said the committee recognizes the need for differences between urban and rural areas in Southeast to be addressed [in this legislation].

Number 1874

JIM PRESTON, Owner and operator, Big Jim's Charters, a single boat charter operation, testified that he supports some sort of moratorium on charter operations, saying that a serious problem has occurred in the past and will occur in the future. He said that currently there is relative stability and a high abundance of fish, indicated by this year's king salmon allocation as being one of the highest that's occurred in recent memory. However, he said that the North Pacific [Fishery Management] Council has recently passed the charter boat IFQ [individual fishery quota] program and it will probably be implemented during the next few years. When that happens, there will be pressure on other species of fish occurring throughout the state, but particularly in Southeast.

Number 1918

MR. PRESTON continued that king salmon is one of two species of fish that are highly regulated, and suggested that the problem is really an allocation issue pertaining to king salmon. He said that although abundance is currently high, in 2000, when that was not the case, the state implemented management measures mid-season which resulted in a lawsuit by charter operators against the state; this lawsuit ultimately ended in reverting to the original plan.

MR. PRESTON addressed concerns from the smaller communities which, he said, "hearken to what happened with the halibut IFQ program." He said there was a "set-aside" in that particular program for rural Alaskans. He added that there would not be a problem in having a set-aside program for developing communities like Hoonah where a lot of money is being invested into a lodge operation, for example.

Number 2100

REPRESENTATIVE OGG asked what Mr. Preston thought of this issue being addressed by the Limited Entry Commission.

MR. PRESTON replied that legislation is needed to allow for regulatory entities to act; otherwise the message is that "we

can't do this because it's against the law, it's against the constitution." He told the committee that regarding the suggestion of changing the definition, it would be nearly unanimous that charter boat operators would be against re-defining a charter operation as a commercial fishery.

REPRESENTATIVE OGG said that testimony had already been heard indicating that changing the definition "probably wasn't a road that would work," and thought that either the legislature could go with the moratorium or authority could be given to the Limited Entry [Commission].

MR. PRESTON replied, "Whichever route would come up with a solution." He said in talking with Ms. McDowell, he didn't know if the [sport fish charter fishery] could be managed as the commercial fishery is managed; that is, focusing on a particular area such as Sitka or Prince of Wales, for example, if that area experiences a problem such as an overcapacity of king salmon.

CHAIR SEATON asked about the Division of Occupational Licensing's involvement with the identification of participants in this fishery.

Number 2250

MR. PRESTON responded that this referred to [former] Representative Austerman's bill and said that everything in that bill, except for the fee structure and the requirement for insurance, is being implemented administratively even though the bill didn't pass. He said that registration is required - one has to show one's card - in order to get the logbook for the vessel.

Number 2308

CHAIR SEATON commented that because HB 281 refers to Southeast, it doesn't include all charter operators. He asked if registration was necessary for freshwater charter operators even though logbooks aren't required.

MR. PRESTON replied yes, he believed that all operators need to be registered.

CHAIR SEATON asked if registration included records of participation.

MR. PRESTON said that the only official record of participation, for the state of Alaska was the logbook, which began in 1998. He said the logbook includes the number of clients taken out for a particular trip, the number of hours that were fished, the area fished, and the harvest of certain species.

CHAIR SEATON asked whether the logbook could be signed by the owner of the vessel or the operator.

Number 2385

MR. PRESTON replied that it's supposed to be signed by the "owner or agent of the owner."

CHAIR SEATON asked if Mr. Preston would have a problem with tightening up regulations so that operators would be required to sign the logbooks.

MR. PRESTON responded that no, he didn't have a problem with that, saying that he supports having additional data so that better decisions could be made.

Number 2440

KAREN POLLY, charter boat operator; Campus Director, University of Alaska Southeast, said she trains charter boat operators for the University of Alaska Southeast. She testified that she strongly opposes HB 281 because it denies people the right to make a living and even closes the door on that right. She said there is currently a glut of salmon in the world market and that the value and contribution of the charter boat industry to the economics of Alaskan communities should not be underestimated. She stated that the charter-caught fish, as a single fish, contributes more economic value than a single fish caught in any other manner.

MS. POLLY related that the University of Alaska Southeast, Ketchikan campus, is the only licensed trainer of the United States Coast Guard for 100-ton and 6-pack [licenses]. Three years ago, eight candidates completed the coursework for the 100-ton license and this year there were 42 students. Given the low prices of salmon, people in the industry such as divers and commercial fishermen have a right to look for other avenues to supplement their incomes. She told the committee that courses have been taught in Sitka, Ketchikan, and Juneau and the demand is growing; courses will probably be taught in Kotzebue and Fairbanks later this year. She mentioned that the charter boat

industry is currently the most viable economic means of supplemental income for fishermen and retirees.

MS. POLLY concluded by telling the committee that after the death of her husband she became a charter boat operator and because of that supplemental income she was able to pay for the expenses of her boat. Since that time she's become a university administrator and fully supports the development of the charter boat industry.

CHAIR SEATON asked if the number of charter vessels was causing economic distress in Ketchikan.

MS. POLLY responded that this was not the case and added that her charter fishing operation was based out of Pelican, not Ketchikan. She reported that there are about 10 charter operators in Pelican, several of whom have been commercial fishermen. She emphasized the importance of the economics involved with 700,000 tourists visiting annually, which totals more than the state's citizenry. She mentioned that Icy Straits, Cross Sound and the outer coast is a huge area and that while many of the charter boat operators serve the cruise ship tourist industry, there is an equally large number [of operators] who work out of lodges.

Number 2687

ED STAHL, charter boat operator, informed the committee that after fishing in the 1970s as a hand-troller, he decided that the future was in the charter boat industry, and therefore he has been in that business for about 19 years. He explained that there was a constant battle with the power trollers and that he had stood alone in favor of limited entry. He told the committee that he now has a 12-year old boy and his feelings have changed; he sees the progression of young 14-year old boys who enjoy working on the docks, who then work as deckhands and eventually when they're older, want to buy and operate their own charter boats. He said that there have been historical runs of fish in recent years and that HB 281 denies access to the resource.

CHAIR SEATON asked if king salmon are a problem.

MR. STAHL said, "That's the only problem." The lodges and power trollers out in the West Coast are fighting over thousands of fish, while the numbers of the other species were in the millions.

CHAIR SEATON asked if the issue should be restricted to king salmon.

MR. STAHL said this was correct and added that the issue of king salmon has already been addressed; nonresidents can only catch three fish. He asked, "How is a young man going to get a license? Who's going to want to give away their license? You don't even have a value on the license. Why in the heck would somebody give their charter boat license to somebody when there was no incentive?"

CHAIR SEATON indicated that these concerns were part of the discussion.

Number 2922

CARLA SZITAS said she was representing herself and a few other single boat operators and testified in support of HB 281, although, "not as it stands." She told the committee that this legislation should have occurred years ago to avoid the influx of operators. She said she was not referring to the number of fish but was referring to the number of businesses and clients. She expressed her concern that "soon we're not going to have a business, we'll be looking for other jobs because we can't make it with our income." She said she would like the bill to say "2002 and 2003." She stated that she supports limited entry for charter fishermen according to the registered vessel permits. She mentioned that the permits can be transferable, and that at some point she would like to be able to retire. [Tape ends.]

**TAPE 03-28, SIDE B**

MS. SZITAS said that a glut cannot continue to occur in the same business area.

Number 2987

DONALD WESTLUND testified that the U.S. - Canada Pacific Salmon Treaty has not been addressed, which is probably why HB 281 doesn't go in the direction of limited entry; under the treaty a new fishery cannot be created. He said that ADF&G can manage according to bag and possession limits, which are very generous. One tool that ADF&G has not used yet, but should be used on the outside where more than 50 percent of the treaty fish are caught, is a time and area closure. He said that as a guided sport operator, his clients buy a sport fishing license. If his

clients are going to be limited to time and area closures, he should have a guided sport fishing license rather than a sport fishing license so that "you'll know who is going out and who is catching fish." He said that CFEC is correct in saying that "we're not a commercial fishery" because a commercial fisherman can sell his fish.

MR. WESTLUND predicted that with this legislation there would be an explosion of registration, similar to the one in the 1990s. The commercial fleet would recognize that now would be the time to register and similarly, any guide working for a boat owner, in response to this legislation, would go out and purchase his own boat. He concluded by saying that charter boats include sightseeing and do more than guide sport fishing.

Number 2791

ERIC LEE, Fisherman, said that he's fished for a long time and that his grandfather was a commercial fisherman as well. He pointed out that this debate was not about protecting king salmon because king salmon are managed on an annual quota system whereby only so many can be harvested by the charter and troll fleets, combined. The issue is that the charter and troll fleets stand to benefit greatly by limiting the number of charter operators because this legislation limits the number of boats catching fish, it doesn't limit the number of fish to be caught. He said another distinction to be made is that there are a lot of charter boats that do not do much fishing at all, and under this legislation those sightseeing charter operators would fall under limited entry while there is no basis for that limitation at all.

Number 2720

MR. LEE referred to Section 15 of Article 8 of the Alaska constitution, which has to do with natural resources, noting that his father worked on this when he was a constitutional delegate, and read the following: "No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State." He pointed out that with the moratorium, an exclusive right and special privilege of the fishery would be created because there would be no permits on the market to buy and no new licenses would be issued; he suggested that perhaps the state's legal council could help with this legal issue. He said that as a boat owner, he did not benefit from the IFQ program for halibut and black cod. Furthermore, this legislation would be closing the door on an

important way to supplement income for those who know that "it's not easy these days."

Number 2571

KEN DOLE, Partner, Waterfall Resort, said the business was the largest remote saltwater fishing resort in the state as it operates 25 charter boats, accommodates up to 84 guests per day, and has been in business for 21 years. He reported that the size of the charter boat fleet, coupled with the limited allocation of king salmon had already created the need for [ADF&G] to implement daily closures.

MR. DOLE said that the current king salmon management plan continues to have daily closures built into the plan and that it's likely that there will be daily closures even without an increase in the charter boat fleet. He explained that this segment of the industry cannot survive without the ability to allow guests to harvest fish and that a moratorium is needed so that a plan can begin to be crafted to solve the problem for the long term. Currently the only mechanism for help is through the Board of [Fisheries].

MR. DOLE continued that the Board of [Fisheries] has done a good job in developing the current management plan; however, to give the needed increase in king salmon allocation to the sport fishery to avoid daily closures, fish would have to be taken from the trollers and obviously the trollers are already in financial difficulty so it's unlikely that this will happen. Consequently, any growth in the charter boat fleet could be devastating to the overnight lodge segment of the industry. He pointed out that the lodge segment of the industry brings in the highest return to the state for the resource harvested. At Waterfall Resort, guests are charged between \$750 and \$1,000 per day to stay at the facility. During May and June the targeted fishery is king salmon. Nonresidents are limited to one king salmon, with a maximum of three for the year. Therefore, calculations reveal that guests pay up to \$1,000 per fish and most of that money stays in the state.

Number 2520

MR. DOLE continued that data necessary to solve this problem is available since the logbooks and mandated guide registration have been implemented. He restated that obtaining an increased allocation from the Board of [Fisheries] has not been successful and that the moratorium is needed so that the state will take an

active role in solving the long-term issues. He said he didn't want limited entry and would like for other avenues to be explored such as a sport fish funded troll permit buy back program or possibly an IFQ program for king salmon in Southeast. He suggested a well-thought out solution that would benefit both the commercial and sport industries.

MR. DOLE concluded that a moratorium on charter boats is the necessary first step in this process and that the discussion needs to be focused on king salmon. He said that a set-aside for rural areas needs to be looked into, as "we certainly don't want to stop any potential growth in those areas." He concluded by saying that a real problem exists today and it exists with the current size of the fleet.

Number 2423

DALE KELLY, Executive Director, Alaska Trollers Association, and Executive Board Member, United Fishermen of Alaska, said that both organizations strongly support efforts to limit the numbers in the guided sport fishing industry, but after hearing testimony, it's questionable whether HB 281 is the perfect tool. She said that something needs to be done and the need has existed for many years. She mentioned that the Alaska Trollers Association is directly affected by the growth of the guided sport fishing industry in this region, and wants to provide information that could be helpful to the discussion of limited entry.

Number 2354

MS. KELLY gave several reasons why it's important that limited entry programs be developed for the guided sport fishing industry. She said that management in their region has been confounded by the growth in the guided industry. She reported that there are approximately 650 active charter boat operators in Southeast, but there are over 1,200 licenses so there is potential with the growth of the tourist industry for those other permits to mobilize.

MS. KELLY said she wanted to clarify that as a past member of the northern panel of the Pacific Salmon Commission, which is the implementing body of the Pacific Salmon Treaty, there is a provision within the treaty which says, "no new or redirected fisheries". She said she does not believe that if the guided fishery was limited that it would be considered as a new fishery. She said, "It's an existing fishery in our region,

it's just that we would be managing it differently ... we couldn't go into the Gulf, for instance, right now, as a practical matter, without harming the treaty provisions."

Number 2256

MS. KELLY continued that it's possible to look at both the conservation and economic elements of limiting entry and find a fit in this fishery. King salmon is one area; obviously there is an allocation through the treaty. She said that in most years since the allocation of species between user groups, the sport fishery has gone over their allocated quota and more often than not, the overages have come from the troll fleet; this has created user conflicts. The concern is that with growth, management of the sport fishery will become more difficult.

Number 2218

MS. KELLY said that work has been done with the Board of Fisheries on the king salmon management plan for the sport fishery for a number of years; it's a work in progress and a lot of improvements have developed. There is still a need to have another tool in the toolbox, and that is a limited entry program for the fishery. She said that in addition to focusing on king salmon, some thought should be given to coho salmon, as there have been record-breaking circumstances in Southeast over the past decade, and with the cyclical nature of salmon, the numbers are bound to go down and there might be trouble among all the gear groups down the road.

Number 2162

MS. KELLY said that a lot of emphasis is heard about terminal area fisheries for the guided industry. She mentioned the consideration that most of the hatchery fish in Southeast are paid for by commercial fishermen. She said right now it's fine because there is a surplus of fish returning to the hatcheries and "somebody's got to catch them." However this is another potential area of trouble if there's expanded harvest and expanded effort by the guided industry. She said if growth isn't controlled, when abundance goes down "it's just gonna be a nightmare" and by instituting a program, it's possible to get ahead of that conservation curve. In terms of the economic aspects, although limited entry has been in place for years for the commercial fleet, it's a new concept for the guided industry. She suggested that the fisheries not be considered as mutually exclusive, saying that if there's limited entry for one

fishery, the impact on other fisheries be considered, since there's a promise of stability built into a limited entry program.

Number 2099

MS. KELLY concluded that [former] Governor Egan, in his letter of transmittal, addressed the impact of the guided sport fishing industry on the commercial fleet. She said that pushing one fishery aside to benefit another does not make a lot of sense when "we're highly reliant on both."

CHAIR SEATON asked if economic distress was between the charter vessels' increase in usage having an impact on the commercial fishing vessels or if it was between the charter vessels themselves.

MS. KELLY said she believed it was both, explaining that abundance of fish wasn't uniform throughout the region and that there were different kinds of economic arguments to be made; one of which was an economic argument between the fleets.

Number 1996

CHAIR SEATON asked if there was anybody else wishing to testify. Upon hearing no response, he closed public testimony.

Number 1980

REPRESENTATIVE WILSON said that the problem needs to be addressed and the bill needs to be worked on, perhaps during the interim.

CHAIR SEATON said he shared the sentiment.

Number 1942

REPRESENTATIVE OGG said that having listened to testimony, participated in commercial fisheries, and watched what happens when the idea of a moratorium is raised with the resultant rush into the industry by non-participants wanting to ensure themselves a place at the table, he said he wasn't supportive of the bill as a moratorium. Perhaps it could be crafted differently according to testimony that had been heard, he suggested.

Number 1858

CHAIR SEATON said that HB 281 addresses a broad area and a broad topic and it seems that there are specific needs that need to be addressed. He said he could not support the idea of a charter limitation addressing the fresh water charter vessels and operators in Southeast since there have not been any comments indicating problems in the area of fly-fishing, for example. He said that he does not look favorably upon a limitation of all of Southeast; however, if there is a localized problem it should be dealt with but not in such a way as to impact the entire region. He said he agreed with Representative Ogg that he didn't want to send a wrong message to people in Southeast due to the issue being considered in committee.

CHAIR SEATON said he was willing to work with the sponsor to develop a committee substitute or a workgroup to address problems pertaining to different areas and different species.

REPRESENTATIVE WILSON suggested this was an opportunity for the stakeholders to work together on this issue.

Number 1611

CHAIR SEATON asked if the committee was supportive of a generalized Southeast moratorium on all charter vessels. Upon hearing no response, he restated that the committee is definitely not supportive of implementing a broad moratorium on charter vessels throughout all of Southeast.

REPRESENTATIVE OGG noted his support of adding a section including charter vessels to the Limited Entry law, thereby involving the Limited Entry Commission, since he doesn't consider this level of micromanagement to be within the legislature's purview.

CHAIR SEATON added that several ideas had been suggested as ways to make improvements, such as the collection of additional data through the [Division of] Occupational Licensing. [HB 281 was held over.]

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:50 a.m.