

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

April 21, 2004

8:36 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Peggy Wilson, Vice Chair
Representative Cheryll Heinze
Representative Dan Ogg
Representative Ralph Samuels
Representative Les Gara

MEMBERS ABSENT

Representative David Guttenberg

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 347(RES)

"An Act relating to moratoria on entry of new participants or vessels into a commercial fishery; relating to vessel permits for, and the establishment of a moratorium on entry of new vessels into, state Gulf of Alaska groundfish fisheries; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 347

SHORT TITLE: COMM. FISHING MORATORIA, INCL. AK GULF

SPONSOR(S): SENATOR(S) STEVENS B BY REQUEST

02/16/04	(S)	READ THE FIRST TIME - REFERRALS
02/16/04	(S)	RES
03/03/04	(S)	RES AT 3:30 PM BUTROVICH 205
03/03/04	(S)	Heard & Held
03/03/04	(S)	MINUTE(RES)
03/05/04	(S)	RES AT 3:30 PM BUTROVICH 205
03/05/04	(S)	Moved CSSB 347(RES) Out of Committee
03/05/04	(S)	MINUTE(RES)
03/08/04	(S)	RES RPT CS 3DP 2NR NEW TITLE
03/08/04	(S)	NR: OGAN, LINCOLN; DP: WAGONER,
03/08/04	(S)	STEVENS B, ELTON
03/08/04	(S)	FIN REFERRAL ADDED

03/09/04 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/09/04 (S) Moved CSSB 347(RES) Out of Committee
 03/09/04 (S) MINUTE(FIN)
 03/10/04 (S) FIN RPT CS(RES) 3DP 4NR
 03/10/04 (S) DP: WILKEN, BUNDE, STEVENS B;
 03/10/04 (S) NR: GREEN, HOFFMAN, OLSON, DYSON
 03/22/04 (S) TRANSMITTED TO (H)
 03/22/04 (S) VERSION: CSSB 347(RES)
 03/24/04 (H) READ THE FIRST TIME - REFERRALS
 03/24/04 (H) FSH, RES, FIN
 03/29/04 (H) FSH AT 9:00 AM CAPITOL 124
 03/29/04 (H) Heard & Held
 03/29/04 (H) MINUTE(FSH)
 04/05/04 (H) FSH AT 9:00 AM CAPITOL 124
 04/05/04 (H) Heard & Held
 04/05/04 (H) MINUTE(FSH)
 04/14/04 (H) FSH AT 8:30 AM CAPITOL 124
 04/14/04 (H) Heard & Held <PUBLIC TESTIMONY>
 04/14/04 (H) MINUTE(FSH)
 04/19/04 (H) FSH AT 9:00 AM CAPITOL 124
 04/19/04 (H) Heard & Held
 04/19/04 (H) MINUTE(FSH)
 04/20/04 (H) FSH AT 0:00 AM CAPITOL 124
 04/20/04 (H) <Bill Held Over From 4/19/04>
 04/21/04 (H) FSH AT 8:30 AM CAPITOL 124

WITNESS REGISTER

ACTION NARRATIVE

TAPE 04-24, SIDE A

Number 0001

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting back to order at 8:36 a.m. This is a continuation of the April 19, 2004, meeting that was recessed to the call of the chair. Representatives Seaton, Wilson, Heinze, Ogg, Samuels, and Gara were present at the call to order.

SB 347-COMM. FISHING MORATORIA, INCL. AK GULF

CHAIR SEATON announced that the only order of business would be CS FOR SENATE BILL NO. 347(RES), "An Act relating to moratoria on entry of new participants or vessels into a commercial fishery; relating to vessel permits for, and the establishment of a moratorium on entry of new vessels into, state Gulf of

Alaska groundfish fisheries; and providing for an effective date."

CHAIR SEATON informed the committee that [the committee packet] includes two versions of this legislation and amendments, which the committee will review. The intent is to incorporate the amendments such that the committee will have legislation that it can review [at the next hearing]. He announced that neither version of SB 347 would be reported from committee today.

Number 0106

CHAIR SEATON withdrew his objection to Version X [23-LS1677\X, Utermohle, 4/16/04], which was left pending at the prior hearing. Therefore, Version X was before the committee.

CHAIR SEATON explained that Version X includes both the interim-use permit system and the new vessel permit system with moratorium vessel rights. Version U [23-LS1677\U, Utermohle, 4/2/04] utilizes the current interim-use limited entry system while it streamlines the current authority of the Commercial Fisheries Entry Commission (CFEC) to have a moratorium on interim-use permits, and places it in statute.

Number 0342

REPRESENTATIVE OGG presented the following amendments to Version X. Conceptual Amendment 1A read as follows:

Page 11, Delete lines 2-4.

Conceptual Amendment 1B read as follows [with a handwritten correction]:

Page 8, line 6 delete 1998, insert 2000
Page 8, lie 23 delete 1998, insert 2000

Conceptual Amendment 1C read as follows:

Page 3 line 5
Add new paragraph (d)

(d) It is the intent of the legislature that the following principles shall be utilized by CFEC and ADF&G in the development of a long rang plan and determining any limited entry fishery subsequently created in any Gulf of Alaska ground fishery:

- (1) The greatest number of vessels and participants economically viable shall be included;
- (2) Protection of stable and growing healthy coastal community economies;
- (3) Ensuring the health of coastal community fish processing;
- (4) Protection of stable and growing cannery workers employment;
- (5) Limited entry permits are issued to individuals and not business organizations;
- (6) The State is not limiting entry just because of federal limitations;
- (7) Permitted participation by participants and vessels in ground fisheries during the moratorium shall not be considered for eligibility in any subsequent Limited Entry GOA ground fishery; and
- (8) That state policies and not federal policies govern any resulting limited entry program for state GOA ground fisheries.

REPRESENTATIVE OGG explained that Amendment 1A deletes the section that leaves the door open on the issue of participation. Therefore, moratorium years won't be counted.

CHAIR SEATON clarified that the amendments will be presented today to allow the committee to discuss them; and therefore the committee won't vote on the amendments at this time.

Number 0792

REPRESENTATIVE HEINZE expressed concern that this legislation has two more committees of referral. She asked if the committee is ever going to move it out of this committee.

CHAIR SEATON said that there will be a meeting on Monday.

REPRESENTATIVE OGG turned to Amendment 1B and reminded the committee that the sponsor said he didn't object to changing the qualifying years from 1998 to 2000, which would delete 200 vessels and 300 interim-use permit (IUP) holders.

Number 0969

REPRESENTATIVE WILSON commented, "We don't want any longer period of time than we have to." Therefore, she inquired as to the possibility of tightening the window further.

REPRESENTATIVE OGG said that he believes there is a four-year minimum.

CHAIR SEATON opined that statutorily any window can be put in place.

REPRESENTATIVE OGG interjected that [Amendment 1B] reflects the recommendation of the sponsor.

REPRESENTATIVE WILSON suggested changing the year to 2001, then [the legislature] would have more options.

Number 1045

CHAIR SEATON explained that there was a recommendation from the Board of Fisheries workgroup "based on some years and getting a handle around the fishery." He said that the committee will want to obtain some public testimony with regard to the change of date because it changes the basic concept of the original legislation.

REPRESENTATIVE OGG reiterated that he brought forth the change encompassed in Amendment 1B because the sponsor was amendable to it.

REPRESENTATIVE OGG turned to Amendment 1C, which is intent language. Although some may point out that these principles are already in the statute or constitution, these are things that need to happen when moving forward in state water fisheries. He acknowledged that there is some concern that federal fisheries drive state fisheries rather than the reverse.

CHAIR SEATON [reinstated] his objection [to the adoption of Version X].

Number 1271

REPRESENTATIVE GARA pointed out that a number of policies already direct and guide CFEC, and added that he didn't want to interfere with those policies or mandates. Furthermore, he said that he wouldn't want the court to look at these specific principles and interpret them to have been viewed as more important than existing principles or even trumping them.

Therefore, he suggested that the maker of the amendment may not want to include the language "in addition to any existing statutory policies and mandates these shall also be considered."

Number 1393

REPRESENTATIVE WILSON removed her objection to Version U, which was left pending at the prior hearing. Therefore, Version U was before the committee.

CHAIR SEATON turned attention to Conceptual Amendment 1, which read:

Page 3, line 21;

Delete "four years" and insert "one year".

Page 3, line 22;

Delete "two years" and insert "one year".

Page 7, line 3;

Delete "2008" and insert "2005".

Page 7, line 15;

Delete subsection (f).

CHAIR SEATON, in response to Representative Wilson, explained the reasoning behind the change on page 3, line 21 in Amendment 1. When there is a long moratorium, say for six years, there may be a requirement to count the participation and deliveries during that four- to six-year period. The aforementioned creates a race for the fish among those who are moratorium qualified. Chair Seaton emphasized that the purpose of this is to provide a window in which the Board of Fisheries can create a system to work in conjunction with the North Pacific Fishery Management Council (NPFMC). It has been related that the federal system will be implemented by 2006 or 2007. Therefore, there is no reason to have a long timeframe during which the fish deliveries would count and create a race for fish among the moratorium participants.

Number 1604

REPRESENTATIVE WILSON related her understanding that the department needed some time to review, which is why the moratorium was implemented.

CHAIR SEATON said that's partially true. However, the main thrust behind this is for the state to develop a coordinated structure with the federal government. If the federal government has its system in place in 2006 or 2007, then a six-year moratorium on participants in state waters doesn't make sense. Again, such a long window would create a race for the fish because of the knowledge that legally the fish delivered during the moratorium would count.

REPRESENTATIVE WILSON stated that a race for the fish wouldn't happen if it's clearly stated that fish delivered during the moratorium won't count.

CHAIR SEATON replied:

It may or may not If it goes for six years and we're having to give the fishery rights to people, as CFEC testified, that participated 10 years ago and our requirement that we have people that are reliant on the fishery ..., it's hard to justify giving fishery rights to people 10 years ago instead of the people that are current participants. And so, ... we'll come back to the legislature and we will pass a law that says, "Oh, well this is totally unfair it's been six years so the people that are actually fishing in the last six years, ... those will count." And that's the quandary.

CHAIR SEATON turned to the change in Amendment 1 to page 3, line 22, which would create a one-year extension. The change on page 7, line 15, deletes subsection (f), which is similar to Representative Ogg's [Amendment 1A].

REPRESENTATIVE WILSON reinstated her objection to the adoption of Version U.

[SB 347 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:02 a.m.