

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 18, 2004

1:06 p.m.

MEMBERS PRESENT

Representative Beverly Masek, Co-Chair
Representative Cheryll Heinze, Vice Chair
Representative Carl Gatto
Representative Bob Lynn
Representative Nick Stepovich
Representative Kelly Wolf
Representative Beth Kerttula
Representative David Guttenberg

MEMBERS ABSENT

Representative Nancy Dahlstrom, Co-Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 409

"An Act relating to the maximum length of salmon seine vessels;
and providing for an effective date."

- MOVED CSHB 409(FSH) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 409

SHORT TITLE: SEINE VESSEL LENGTH

REPRESENTATIVE(S): WILLIAMS BY REQUEST OF SALMON INDUSTRY TASK
FORCE

01/28/04	(H)	READ THE FIRST TIME - REFERRALS
01/28/04	(H)	FSH, RES
02/09/04	(H)	FSH AT 9:00 AM CAPITOL 124
02/09/04	(H)	Heard & Held
02/09/04	(H)	MINUTE(FSH)
02/16/04	(H)	FSH AT 9:00 AM CAPITOL 124
02/16/04	(H)	Moved CSHB 409(FSH) Out of Committee
02/16/04	(H)	MINUTE(FSH)
02/18/04	(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

TIM BARRY, Staff
to Representative William Williams
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented CSHB 409(FSH) on behalf of Representative Williams, sponsor by request of the Salmon Industry Task Force.

HERMAN M. MEINERS, JR.
Juneau, Alaska

POSITION STATEMENT: During the discussion of CSHB 409(FSH), testified in support of changing the 58-foot length limit so that there can be larger vessels and thus allow processing to occur [on the vessel].

ACTION NARRATIVE

TAPE 04-5, SIDE A
Number 0001

CO-CHAIR BEVERLY MASEK called the House Resources Standing Committee meeting to order at 1:06 p.m. Representatives Masek, Gatto, Lynn, Stepovich, Wolf, and Guttenberg were present at the call to order. Representative Kerttula arrived as the meeting was in progress.

HB 409-SEINE VESSEL LENGTH

CO-CHAIR MASEK announced that the only order of business would be HOUSE BILL NO. 409, "An Act relating to the maximum length of salmon seine vessels; and providing for an effective date." She informed the committee that CSHB 409(FSH) was before the committee.

Number 0136

TIM BARRY, Staff to Representative William Williams, Alaska State Legislature, presented CSHB 409(FSH) on behalf of Representative Williams, sponsor by request of the Joint Legislative Salmon Industry Task Force. This legislation was put forward by the Joint Legislative Salmon Industry Task Force because it would provide the Board of Fisheries and Alaska's fishermen an additional tool that should allow them to diversify and increase the value of their fish. The legislation doesn't remove from statute the 58-foot length limit on salmon seiners rather it provides the Board of Fisheries the discretion to change that limit after going through the normal public process.

Furthermore, this legislation will place these boats in the same regulatory regime as all other fishing boat size limits. The 58-foot length limit is only one of two that are in statute.

CO-CHAIR MASEK highlighted that the [committee members should have] documents regarding purse seiners as well as the total number of people with permits.

Number 0381

REPRESENTATIVE LYNN inquired as to the reasoning for limiting the length of the vessels.

MR. BARRY related his understanding that this is a statute or rule that predates statehood. He related that in the 1950s there was a large fleet of large boats from Puget Sound and those in the territory were concerned that the fleet would come up and dominate the fishery. However, to date no one has related why the length of 58 feet was chosen.

REPRESENTATIVE LYNN asked if the same problem could occur now.

MR. BARRY said that those in the industry specify that the industry has changed tremendously since the 1950s. In fact, now there is a much larger Alaskan fleet than there is in the Puget Sound fleet. Therefore, he surmised that the concern is not nearly the same.

Number 0547

REPRESENTATIVE GATTO expressed concern with Alaska's inability to sell pink salmon and receive a good enough price to prop up the market. However, a larger boat results in the investment of even more capital. He surmised that [this legislation] essentially forces someone to compete with someone else and take a larger risk, which is more likely to push someone to the brink of bankruptcy. Therefore, he asked if it is more appropriate to use a shorter length limit rather than longer.

MR. BARRY reiterated that the length limit isn't eliminated with the passage of this legislation, which merely allows the Board of Fisheries to determine [the length]. Mr. Barry pointed out that the Board of Fisheries has to consider the issues raised by Representative Gatto. Furthermore, this legislation doesn't change any of the other rules regarding gear. There are other tools in place that control the amount of fish caught by any one boat, he pointed out.

REPRESENTATIVE GATTO discussed the need to be aware of unintended consequences. He related his belief that the problem is [a combination of] the lack of dollars for pink salmon, the number of salmon caught, and the ability to market them rather than the length of the seine. Changing the rules impacts who comes and stays, he said. Representative Gatto concluded by expressing the need for hard evidence supporting the need [for this legislation]; he asked if such information is available.

MR. BARRY responded that he didn't have that information. However, he reiterated that the Board of Fisheries has the authority to regulate the size of every other commercial fishing boat in the state and this is the only [one of two] regulations enshrined in statute. This legislation, per the request of many fishermen in the state, allows the Board of Fisheries, through its wisdom, to make available some options to fishermen. "If they share your concerns, they're not going to do it. And if they hear from a lot of people around the state ... who also share your concerns, they won't do it," he related.

REPRESENTATIVE GATTO pointed out that the current statute merely limits the length to 58 feet and thus there can be boats that are shorter.

MR. BARRY agreed.

Number 0940

CO-CHAIR MASEK highlighted that this legislation doesn't remove the 58-foot length limit; rather it provides the Board of Fisheries the authority to go through the normal process to consider a change in the length limit. She pointed out that the committee packet contains a letter from Scott McAllister, an Alaska purse seiner. In his letter, Mr. McAllister specifies that this legislation would improve the quality of fresh and frozen salmon products. The aforementioned is fairly valuable to fishermen.

REPRESENTATIVE WOLF noted that he shares Representative Gatto's concerns. Furthermore, Representative Wolf expressed concern with regard to trusting the Board of Fisheries and thus he wanted to research this issue a bit more.

REPRESENTATIVE GUTTENBERG surmised that the reason for this is to allow more on-board processing and product enhancements.

MR. BARRY said he believes that to be the main impetus for the legislation. He recalled Mr. McAllister's testimony in the House Special Committee on Fisheries which related that with an extra 10 to 15 feet he would do on-board processing and add value to his product.

REPRESENTATIVE GUTTENBERG related his understanding that the Department of Environmental Conservation (DEC) has a 65-foot length limit for food processing regulations, which he characterized as large processor type regulations. Those vessels under 65 feet have minimal regulations. Therefore, he questioned whether this legislation is doing more than allowing the boat length limit to increase by seven feet or will changes in DEC regulations be sought.

MR. BARRY assumed that such a discussion would occur with the Board of Fisheries when there is a request to change the length limit.

Number 1202

REPRESENTATIVE STEPOVICH noted his observation that there are more resident permits than nonresident permits. He inquired as to who brought these concerns to Representative Williams.

MR. BARRY explained that this legislation came through the process of the Joint Legislative Salmon Industry Task Force. He noted that the issue has been around a while and it's primarily being pushed by Alaskan fishermen. In further response to Representative Stepovich, Mr. Barry explained that the Joint Legislative Salmon Industry Task Force was set up a couple of years ago by the legislature. It was a cooperative venture with folks in the industry in order to develop innovative ways to help Alaska's salmon fisheries.

REPRESENTATIVE STEPOVICH surmised then that the Joint Legislative Salmon Industry Task Force was established to enhance the capabilities "for the state to have a better ... gross on the fishing." However, it doesn't mean that there will be more fish [caught] rather it means that "they" will do a better job.

MR. BARRY noted his agreement.

Number 1334

REPRESENTATIVE HEINZE commented that since this is a request from the Joint Legislative Salmon Industry Task Force, it carries a lot of weight. She recalled that when this legislation was heard in the House Special Committee on Fisheries it was clear that the extra feet would provide room for processing, which she viewed as at the heart of this legislation. Therefore, it's important to keep focused on the aforementioned, the processing on board.

MR. BARRY replied yes.

Number 1427

HERMAN M. MEINERS, JR., purse seiner, informed the committee that he has been fishing in Alaska since 1967. Mr. Meiners said that he supports changing the 58-foot length limit so that there can be larger vessels and thus processing could be added to the equation. The length change would provide a tool by which the [fishermen] could work toward making more money. Currently, it's difficult to do one single fishery and make a living. He noted that this would help his operation because it would help sell the old boats, expand the markets, and probably help "things get rolling." Mr. Meiners mentioned that he provided lengthy testimony in the [House Special Committee on Fisheries] meeting. However, he highlighted that no matter the size of the boat, the gear limitations don't change. "Every area is restricted by its gear," he said. In response to Co-Chair Masek, Mr. Meiners said that he has an S01K. In further response to Co-Chair Masek, Mr. Meiners said that an S01K2 could be the set net permit. He noted that he also has a gillnet permit in Southeast Alaska.

Number 1613

REPRESENTATIVE KERTTULA asked if this legislation would potentially help in managing [fish processing] better.

MR. MEINERS replied yes, noting that with the volume fisheries, such as the humpies, there could be an increase in price. The whole idea is quality. Mr. Meiners explained that what will occur is one will cut down the volume of fish caught because it will take a long time to process the fish. However, the end result could be more money.

REPRESENTATIVE HEINZE recalled Mr. Meiners' testimony from the [House Special Committee on Fisheries] meeting in which he

mentioned the smallness of the boat and that as permit holders age, the cramped quarters are becoming more difficult.

MR. MEINERS agreed.

Number 1716

REPRESENTATIVE STEPOVICH commented that the price of permits is in the state's interest, noting that the price of permits has declined. Therefore, he asked if [this legislation] could result in increasing the price of permits.

MR. MEINERS replied yes.

CO-CHAIR MASEK, upon determining no one else wished to testify, closed public testimony.

Number 1807

REPRESENTATIVE HEINZE moved to report CSHB 409(FSH) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:31 p.m.