

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 5, 2004

1:19 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 David Guttenberg

MEMBERS ABSENT

Representative Nancy Dahlstrom, Co-Chair
Representative Beth Kerttula

COMMITTEE CALENDAR

HOUSE BILL NO. 419

"An Act relating to regional seafood development associations and to regional seafood development taxes."

- MOVED CSHB 419(RES) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 36

Requesting the National Park Service to mitigate the adverse economic effects of commercial fishing closures and restrictions in Glacier Bay National Park and Preserve.

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 419

SHORT TITLE: REGIONAL SEAFOOD DEVELOPMENT ASS'NS./TAX

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

02/02/04	(H)	READ THE FIRST TIME - REFERRALS
02/02/04	(H)	EDT, RES, FIN
02/10/04	(H)	EDT AT 10:00 AM CAPITOL 120
02/10/04	(H)	Heard & Held
02/10/04	(H)	MINUTE(EDT)

02/24/04 (H) EDT AT 5:15 PM CAPITOL 120
02/24/04 (H) Moved CSHB 419(EDT) Out of Committee
02/24/04 (H) MINUTE(EDT)
02/26/04 (H) EDT RPT CS(EDT) 2DP 2NR 1AM
02/26/04 (H) DP: CRAWFORD, HEINZE; NR: DAHLSTROM,
02/26/04 (H) CISSNA; AM: KOHRING
03/05/04 (H) RES AT 1:00 PM CAPITOL 124

BILL: HJR 36

SHORT TITLE: MITIGATING GLACIER BAY FISHING CLOSURES
SPONSOR(S): REPRESENTATIVE(S) WEYHRAUCH

02/05/04 (H) READ THE FIRST TIME - REFERRALS
02/05/04 (H) FSH, RES
02/11/04 (H) FSH AT 8:30 AM CAPITOL 124
02/11/04 (H) -- Meeting Canceled --
02/25/04 (H) FSH AT 8:30 AM CAPITOL 124
02/25/04 (H) Moved Out of Committee
02/25/04 (H) MINUTE(FSH)
02/26/04 (H) FSH RPT 5DP
02/26/04 (H) DP: OGG, SAMUELS, GUTTENBERG, WILSON,
02/26/04 (H) SEATON
03/05/04 (H) RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE DAN OGG
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 419 as sponsor by request of
the Joint Legislative Salmon Industry Task Force.

GERALD McCUNE, Lobbyist
for United Fishermen of Alaska (UFA)
Cordova, Alaska

POSITION STATEMENT: Testified in support of HB 419.

LINDA SYLVESTER, Staff
to Representative Bruce Weyhrauch
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HJR 36 on behalf of
Representative Weyhrauch, sponsor.

ACTION NARRATIVE

TAPE 04-12, SIDE A

Number 0001

CO-CHAIR BEVERLY MASEK called the House Resources Standing Committee meeting to order at 1:19 p.m. Representatives Masek, Gatto, Heinze, Lynn, Stepovich, and Wolf were present at the call to order. Representative Guttenberg arrived as the meeting was in progress.

HB 419-REGIONAL SEAFOOD DEVELOPMENT ASS'NS./TAX

CO-CHAIR MASEK announced that the first order of business would be HOUSE BILL NO. 419, "An Act relating to regional seafood development associations and to regional seafood development taxes." [Before the committee was CSHB 419(EDT).]

Number 0060

REPRESENTATIVE HEINZE moved to adopt the proposed committee substitute (CS), Version 23-LS1418\U, Utermohle, 3/3/04, as the work draft. There being no objection, Version U was before the committee.

Number 0110

REPRESENTATIVE DAN OGG, Alaska State Legislature, sponsor of HB 419 by request of the Joint Legislative Salmon Industry Task Force ("Task Force"), told members this bill is an outcome of discussions held in a Task Force finance subcommittee that he chaired. He said:

Folks that had come to our subcommittee indicated that they would like to have the ability to utilize a mechanism that would allow them to regionally market their seafoods. They had a bunch of ingredients that they felt would help them further their industries on a local basis. ... The subcommittee listened to that; we crafted this particular bill in response to that.

What this bill does, in response to their ... requests, it creates 12 regions in the state where a development association could be initiated and created. The power to ... authorize that creation lies ... with the commissioner ... [of the Department of Community & Economic Development (DCED)], but it is a voluntary organization.

The fishermen in each of those regions would need to approach the commissioner and ask to become the organization that represents that region. It's the first-in organization that gets to be the regional one, and then they would have to take a vote, which the commissioner would conduct, of their gear type [or] their fishery.

It allows those types of definitions. If they get 51 percent of - if it's a gear type or if it's a fishery - then they have an organization. They also, at that time, designate what the tax is that they would like to collect from their membership, and then they're able to utilize those taxes for the development of their fishery resources in that region.

Number 0340

REPRESENTATIVE OGG indicated changes made in Version U are in response to public testimony. Turning to page 9, line 2, he explained that "may" was changed to "shall" because of some discomfort by members of the fishing industry who wanted to have a little more force with the commissioner and wanted these things to happen. He indicated another change was made to this sentence to clarify that the first qualified organization to apply will be designated the regional seafood development association; otherwise, it could result in competition between two or more fishing groups.

REPRESENTATIVE OGG indicated that a change on page 10, line 2, removed the phrase "including seafood processors" in response to testimony by members of the fishing industry. He said the change doesn't mean that [seafood processors] can't be included, but "they don't have to provide that if they don't want to." He reported that there was some feeling, depending upon the complexity of the regional organization and the powers adopted, that there may a conflicting situation with a seafood processor in relation to federal law. In order to avoid that, the language was removed; he remarked, "We have no objections." He said there was virtually no opposition to this [bill version].

Number 0579

REPRESENTATIVE WOLF asked if this would promote the [state's] regional seafood development programs such as the "Kenai Wild" branding program. He also asked if this bill would reduce the size or influence of Alaska Seafood Marketing Institute (ASMI).

REPRESENTATIVE OGG replied that this bill is separate from any ASMI bill that will be coming through the legislature. He added that whatever happens to ASMI really has no impact on this bill, and the bill has no impact on ASMI, except that it enhances Alaskan seafood.

Number 0669

REPRESENTATIVE STEPOVICH asked which organizations are in support of the bill.

REPRESENTATIVE OGG explained that during the initial Task Force hearings there had been questions from fishermen's organizations; those whom the Task Force has contacted are supportive of this bill. It is a voluntary operation, he added, and fishermen's organizations that really want this bill want it so they can get on with their business.

REPRESENTATIVE WOLF asked if fishery taxes would be made available to the regional programs with passage of the bill.

REPRESENTATIVE OGG replied no. He said this bill sets up a separate category of taxes for this particular purpose; for participating fishing groups, this will be a new tax that they'll voluntarily adopt. He said this doesn't affect any other fishery taxes that the state presently has.

REPRESENTATIVE WOLF asked if this is going to be a tax above the existing "raw fish tax" that the state has.

REPRESENTATIVE OGG said yes.

Number 0829

REPRESENTATIVE GUTTENBERG directed attention to page 10 and asked whether an association on an Interior river that wanted to form a development association would be qualified under this bill.

REPRESENTATIVE OGG related his understanding that it would qualify; it was one of the questions that came up during the process. He explained that people from the Alaska Peninsula and the Yukon-Kuskokwim area had said it would be unwieldy to have one organization represent 900 miles of Yukon-Kuskokwim river system, and had requested that it be broken down into three separate, distinct regions, which was accomplished early on.

They were pleased with that, he said, and it covers every region of the state where there are fishery resources.

Number 0946

GERALD McCUNE, Lobbyist for United Fishermen of Alaska (UFA), informed the committee that UFA had voted to support this bill wholeheartedly. He added that the sponsor had explained the bill pretty well.

Number 0990

REPRESENTATIVE HEINZE moved to report CSHB 419 [Version 23-LS1418\U, Utermohle, 3/3/04] out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 419(RES) was reported from the House Resources Standing Committee.

HJR 36-MITIGATING GLACIER BAY FISHING CLOSURES

CO-CHAIR MASEK announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 36, Requesting the National Park Service to mitigate the adverse economic effects of commercial fishing closures and restrictions in Glacier Bay National Park and Preserve.

The committee took an at-ease from 1:30 p.m. to 1:34 p.m.

Number 1081

LINDA SYLVESTER, Staff to Representative Bruce Weyhrauch, Alaska State Legislature, presented HJR 36 on behalf of Representative Weyhrauch, sponsor. She explained that the [federal government has determined] that Glacier Bay National Park and Preserve would be better off as a pristine area subject to extreme protection because the area is considered to be a national treasure. She said over time, commercial fishermen there are being precluded and have been satisfied [monetarily] in terms of their phase-out.

MS. SYLVESTER explained that the purpose of the resolution is to request that the National Park Service (NPS) obtain [goods, materials, or vessels that they need, use, purchase, or lease] for various reasons including research, tours, maintenance, or law enforcement from the fishermen who once relied on Glacier Bay National Park and Preserve for their livelihood. She explained that the resolution doesn't attempt to dictate to NPS

how its procurement process should be carried out, but requests that it consider the people who have been impacted in Gustavus, Hoonah, and other outlying areas.

Number 1221

REPRESENTATIVE STEPOVICH asked how NPS would [determine which individuals have been negatively impacted].

MS. SYLVESTER explained that the resolution doesn't discuss that. It is a broad, open-ended request to NPS to consider [economic associations with people who were negatively impacted] in the area, rather than obtaining services and goods outside of the state.

Number 1257

REPRESENTATIVE WOLF asked whether this resolution requests that the federal government spend money in Alaska.

MS. SYLVESTER affirmed that. She said it's specifically in the smaller communities outside of Glacier Bay National Park and Preserve, if possible.

REPRESENTATIVE WOLF asked Ms. Sylvester if she thought the federal government would listen to the request.

MS. SYLVESTER responded that it can't hurt to ask.

Number 1298

REPRESENTATIVE GATTO asked if the reference to those who have been adversely affected by the closures and restrictions could cover anybody. He indicated the language is broad and could possibly apply to individuals who are somehow adversely affected by the closure, such as recreational fishermen.

MS. SYLVESTER said the resolution speaks to individuals who once operated in Glacier Bay National Park and Preserve and were negotiated with. She suggested the resolution is narrow in this regard; it is speaking to a small group of people and the communities they were a part of, which have been negatively impacted because there is no fishery in Glacier Bay National Park and Preserve.

Number 1404

REPRESENTATIVE HEINZE asked how many people are being compensated.

MS. SYLVESTER said she didn't know. She said this resolution includes not only captains and vessel owners, but also crewmembers and shop owners, and would apply to the communities surrounding Glacier Bay National Park and Preserve.

CO-CHAIR MASEK announced that HJR 36 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:40 p.m.