

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

January 25, 2006

3:34 p.m.

MEMBERS PRESENT

Senator Thomas Wagoner, Chair
Senator Ralph Seekins, Vice Chair
Senator Ben Stevens
Senator Fred Dyson
Senator Bert Stedman
Senator Kim Elton
Senator Albert Kookesh

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 251(RES)

"An Act authorizing the Board of Fisheries to adopt regulations regarding fishing by a person who holds two entry permits for a salmon fishery."

HEARD AND HELD

CS FOR HOUSE JOINT RESOLUTION NO. 17(RES)

Opposing the Federal Lands Recreation Enhancement Act.

MOVED SCS CSHJR 17(RES) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 251

SHORT TITLE: COMMERCIAL FISHING MULTIPLE PERMIT HOLDER

SPONSOR(S): REPRESENTATIVE(S) SAMUELS

04/05/05	(H)	READ THE FIRST TIME - REFERRALS
04/05/05	(H)	FSH, RES
04/11/05	(H)	FSH RPT 3DP 1NR
04/11/05	(H)	DP: WILSON, HARRIS, ELKINS;
04/11/05	(H)	NR: THOMAS
04/11/05	(H)	FSH AT 8:30 AM CAPITOL 124
04/11/05	(H)	Moved Out of Committee
04/11/05	(H)	MINUTE(FSH)
04/11/05	(H)	RES AT 1:00 PM CAPITOL 124
04/11/05	(H)	Scheduled But Not Heard

04/20/05 (H) RES AT 1:00 PM CAPITOL 124
04/20/05 (H) -- Meeting Canceled --
04/22/05 (H) RES AT 1:00 PM CAPITOL 124
04/22/05 (H) Moved CSHB 251(RES) Out of Committee
04/22/05 (H) MINUTE(RES)
04/25/05 (H) RES RPT CS(RES) 4DP 2NR
04/25/05 (H) DP: ELKINS, LEDOUX, RAMRAS, SAMUELS;
04/25/05 (H) NR: OLSON, CRAWFORD
04/29/05 (H) TRANSMITTED TO (S)
04/29/05 (H) VERSION: CSHB 251(RES)
05/01/05 (S) READ THE FIRST TIME - REFERRALS
05/01/05 (S) RES
01/25/06 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HJR 17

SHORT TITLE: FEDERAL LANDS RECREATION ENHANCEMENT ACT
SPONSOR(S): REPRESENTATIVE(S) ELKINS

04/05/05 (H) READ THE FIRST TIME - REFERRALS
04/05/05 (H) RES
05/02/05 (H) RES AT 1:00 PM CAPITOL 124
05/02/05 (H) Moved CSHJR 17(RES) Out of Committee
05/02/05 (H) MINUTE(RES)
05/03/05 (H) RES RPT CS(RES) 2DP 1DNP 5NR
05/03/05 (H) DP: ELKINS, CRAWFORD;
05/03/05 (H) DNP: SEATON;
05/03/05 (H) NR: OLSON, GATTO, LEDOUX, SAMUELS,
RAMRAS
05/07/05 (H) TRANSMITTED TO (S)
05/07/05 (H) VERSION: CSHJR 17(RES)
05/08/05 (S) READ THE FIRST TIME - REFERRALS
05/08/05 (S) RES
01/25/06 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE RALPH SAMUELS
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 251.

PETER THOMPSON
Kodiak AK

POSITION STATEMENT: Supported HB 251.

ROBIN SAMUELSON

Dillingham AK
POSITION STATEMENT: Opposed HB 251.

ANDY GOLIA
Dillingham AK
POSITION STATEMENT: Opposed HB 251.

PETER ANDREW
Dillingham AK
POSITION STATEMENT: Opposed HB 251.

MARK EDENS
Homer AK
POSITION STATEMENT: Commented on the market for fish issue.

STEVE TUTT
Homer AK
POSITION STATEMENT: Opposed HB 251.

KONRAD SCHAAD
Homer AK
POSITION STATEMENT: Supported HB 251.

KURT KVERNVIK
Petersburg AK
POSITION STATEMENT: Supported HB 251.

RICK WILLIAMS
Petersburg AK
POSITION STATEMENT: Supported HB 251.

FRANK HOHMAN, Commissioner
Commercial Fisheries Entry Commission
Alaska Department of Fish and Game
8800 Glacier Highway, Suite 109
Juneau AK 99801
POSITION STATEMENT: Supported HB 251.

STOSH ANDERSON
Kodiak AK
POSITION STATEMENT: Supported HB 251.

JENNIFER BAXTER
Staff to Representative Elkins
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HJR 17 for the sponsor.

ACTION NARRATIVE

CHAIR THOMAS WAGONER called the Senate Resources Standing Committee meeting to order at [3:34:22 PM](#). Present were Senators Kim Elton, Al Kookesh, Bert Stedman, Fred Dyson and Chair Thomas Wagoner.

CSHB 251(RES)-COMMERCIAL FISHING MULTIPLE PERMIT HOLDER

CHAIR WAGONER announced CSHB 251(RES) to be up for consideration.

REPRESENTATIVE RALPH SAMUELS, sponsor of HB 251, said it would allow the Board to assign additional fishing privileges to those who hold two permits in a commercial salmon fishery. The point is to let the debate take place at the Board of Fisheries where all the interested groups can have their input.

REPRESENTATIVE SAMUELS gave an example of how owning another permit would work in a fishery where someone is already allowed to fish two shackles of gear. The Board might say that he can fish three permits since he already is taking gear out of the water and increasing the efficiency of the entire fleet. "The goal is to try to make more efficient use of some of the permits that are not being used right now." This measure is supported by the Commercial Fisheries Entry Commission (CFEC) and others.

[3:36:44 PM](#)

SENATOR RALPH SEEKINS arrived.

SENATOR BERT STEDMAN asked if this concept would allow someone to own multiple seine permits in multiple areas.

REPRESENTATIVE SAMUELS replied that the Board of Fisheries could debate that issue if it chose to.

[3:37:19 PM](#)

CHAIR WAGONER explained that they are basically considering stacking permits in one fishery, not all of them.

REPRESENTATIVE SAMUELS also pointed out that line 5 says the Board may allow a person who holds two entry permits for "a" salmon fishery to engage in the fishery.

SENATOR FRED DYSON asked if it would allow two different individuals who held a gear license to fish on a single boat with three shackles of gear.

CHAIR WAGONER answered no, they are restricted to the number of set shackles per single boat. You can't fish two permits on one boat.

[3:39:00 PM](#)

SENATOR DYSON said it seemed to him that allowing two permit holders to fish on one boat would attain the same goal if one bought or transferred the permit to the other, as long as the boat is limited to some additional increment of gear, but not twice as much.

REPRESENTATIVE SAMUELS agreed that the end result would be the same.

[3:40:13 PM](#)

CHAIR WAGONER asked if the Board of Fisheries could grant that option if this bill passes.

REPRESENTATIVE SAMUELS replied that he didn't have a problem with inserting that amendment.

[3:41:00 PM](#)

SENATOR BEN STEVENS arrived.

PETER THOMPSON, Kodiak fisherman, said he held a Bristol Bay salmon permit for 19 years and supported HB 251. He related that the salmon industry has been in an economic disaster for the last five or so years and everything that can make it more economically viable should be tried and consolidation is a concept whose time has come. He explained that Bristol Bay has 1,857 drift permits, which allows 5,571 shackles of gear. If only one-third of the permit holders stacked a permit either with another permit holder or one individual with two permits on a single vessel, it would take 1,240 shackles out of the water reducing the net by 22 percent. That would be equal to eliminating about 70.5 miles of drift gillnet in Bristol Bay.

MR. THOMPSON said he had a petition signed by 31 Alaskan Limited Entry permit holders in support of this tool.

[3:44:54 PM](#)

SENATOR SEEKINS asked if the signatures had residences in Kodiak or just a mailbox.

MR. THOMPSON replied Kodiak residences.

[3:45:49 PM](#)

ROBIN SAMUELSON, Dillingham, opposed HB 251 and said its scope needed to be narrowed. Bristol Bay has lost 50 percent of resident permits since 1973. He thought that the current system of allowing permits to be owned by one person was good enough. "What you're hearing here, Mr. Chairman, is those with the most money are going to survive in this fishery. It's a way of life out here - our fishery." He said the buy-back program is dead because of the permit stacking is allowed.

CHAIR WAGONER asked if he thought the diminishing number of permits owned by residents was due to taxes or sales to other sources.

MR. SAMUELSON replied that it was probably a combination of both. The cost of participating in the fishery is also rising. It all has a cumulative effect.

[3:51:40 PM](#)

SENATOR DYSON asked if there are times during early and fall fishing when two guys could fish more gear off one boat that would be helpful to local folks.

MR. SAMUELSON replied no, because most of the processors are full enough running for hatchery King Salmon either in Prince William Sound or Southeast and the fall fishery has all but dried up. However, they are trying to institute village co-ops with small processing plants to help keep the economy going.

SENATOR DYSON asked if the processors were there in the fall, would that make it more economical for the local fishermen to fish two permits with two people in one boat.

MR. SAMUELSON replied possibly, but processors are gone by around July 25. Last year, one buyer stayed after that and bought coho from all the river systems. They were processed in Naknek.

[3:53:55 PM](#)

ANDY GOLIA, Dillingham, opposed HB 251 saying that permits are already leaving the region and this measure would result in more non-residents using more gear.

[3:57:34 PM](#)

PETER ANDREW, Dillingham, said he had been fishing in Bristol Bay for over 25 years and opposed HB 251. Fishermen are already faced with lack of processing capacity. Most limits were 8,000 lbs., but the guys who were stacking got 10,000 lbs. "I've been in the village and I don't think this is working for our local folks."

CHAIR WAGONER asked if permits were being stacked last year.

MR. ANDREW answered that this was the second year stacking was used, but it's not working favorably for the local people.

[4:00:01 PM](#)

MARK EDENS, Homer, said he had fished commercially there for 30 years, but both he and his son would love to fish in Bristol Bay. He already has a boat and would buy a permit, but he cannot secure a market and he viewed that as the main problem with that fishery.

STEVE TUTT, Homer, said he is a Bristol Bay fisherman and has seen the dramatic positive effects of this "fishermen-funded buyback" in Bristol Bay. Although he understood the local fishermen's point of view in that they don't want to lose anymore permit holders, he supported existing permit statutes and regulations governing this issue and didn't think adding to them was in the best interests of the local fishermen. He opposed HB 251.

[4:04:10 PM](#)

KONRAD SCHAAD, Homer, said he has been fishing in Bristol Bay since the mid-80s. He supported HB 251 because it eliminates permits and makes the fishery more profitable for the people who remain in it.

[4:07:30 PM](#)

KURT KVERNVIK, Petersburg, said he has fished in Bristol Bay since 1985 and supported HB 251, because he thought it would benefit the fleet up there. Over the last five years, he could have bought a permit for \$20,000 and now they are up to \$80,000. The price isn't being driven by people stacking their permits over the last couple of years. It is happening because of larger runs and higher prices. He sympathized with the Dillingham area residents losing permits, but didn't think that the measure in HB 251 would affect that.

RICK WILLIAMS, Petersburg, said he is a Bristol Bay fisherman and supported HB 251. He thought having less gear in the water

is important and it's better to have four shackles on one boat than two boats with three shackles each.

[4:12:24 PM](#)

FRANK HOHMAN, Commercial Fishery Entry Commission (CFEC), clarified how the two permits concept evolved. He said the Commission supported HB 251 because it gives the Board another tool to assist in fleet consolidation. He related how four years ago, in the discussion about fleet consolidation in Bristol Bay because too many boats and people weren't able to make a living and the price of salmon was down for a lot of other reasons, the board looked for a way to make operations more economical. The Legislature granted the board the authority to allow one permit holder to hold two permits, but the second one couldn't be fished. The object of that was to remove one permit from the fishery using the funds of its participants. Additional state or federal funds would not be used. This way worked for a couple of years although only a few people took advantage of it.

Two or three years ago, the Board of Fisheries adopted a regulation that further allowed two permits on one vessel to fish an extra increment of gear, but this required two people each with a permit to be on board. The incentive for doing that was to be able to fish a little extra gear. This was another attempt to consolidate the fleet and reduce fishing power. Taken to its extreme, it would reduce it by about two-thirds, because the second permit could only fish one-third of the gear.

HB 251 is a further refinement of this concept and allows one person on a vessel to fish an extra amount of gear. It accomplishes the same thing as Senator Dyson mentioned of removing a permit from the fishery.

He emphasized that the Board of Fisheries would have to receive a proposal from the affected fishermen and have extensive public hearings before adopting it. This bill doesn't cause that to happen in itself.

[4:17:13 PM](#)

SENATOR ALBERT KOOKESH said that Bristol Bay fishermen use shackles, but Southeast Alaska seiners use one net and he asked how that two-permit holder concept would work on a seine boat.

MR. HOHMAN answered if the same fishery in Southeast felt this tool would be beneficial to them, those fishermen could take the proposal to the Board of Fisheries for a hearing and that's where the gear issues would be discussed.

[4:19:43 PM](#)

SENATOR KOOKESH asked how many people are on the commission and if they formally vote on bills.

MR. HOHMAN replied that CFEC has three commissioners and they didn't vote on bills. They had just finished the two-year Bristol Bay Optimum Study that helped them realize this would be a useful tool. The study indicated that the range of permits should be at 900 - 1,500 from approximately 1,850 permits.

[4:23:13 PM](#)

CHAIR WAGONER asked if this bill would apply to all fisheries.

MR. HOHMAN replied that it could apply to any salmon fishery.

[4:23:32 PM](#)

SENATOR BEN STEVENS asked if the board adopted regulations that allowed two individuals on one vessel to have extra gear allocation or was that authority given by the legislature.

MR. HOHMAN replied that the board was able to adopt that regulation, because it had to do with the amount of gear that could be used.

SENATOR BEN STEVENS asked if the board already had the authority to adopt this regulation now since it had already given a vessel the authority to increase its gear amount.

MR. HOHMAN replied that while the board has the authority to allow two persons on one vessel to fish extra gear, it doesn't have the authority to pass a regulation allowing one person to have two permits and HB 251 allows one person to have two permits.

SENATOR BEN STEVENS asked if the legislature approved the authority for an individual to hold two permits without increased gear allocations.

MR. HOHMAN answered yes.

SENATOR BEN STEVENS asked further if the Board of Fisheries wrote regulations saying if two permit-holders are on a single vessel, that vessel has increased gear allocation.

MR. HOHMAN indicated that was correct.

SENATOR BEN STEVENS summed up question asking, "The question is does the board have the authority to do it for one person or one vessel or is it two persons and one vessel?"

MR. HOHMAN replied, "The board does not have the authority for one person and two permits.... That's what this legislation would do."

SENATOR BEN STEVENS countered, "But it was interpreted that the board did have the authority to give one vessel two permits with increased gear?"

MR. HOHMAN responded, "Because it was a gear allocation - is my understanding."

SENATOR BEN STEVENS said he thought the board might already have authority to do this since it has already authorized an increased gear allocation to a single vessel.

[4:27:23 PM](#)

CHAIR WAGONER said that inquiry would be made and asked if stacking permits was an action taken by the board or the legislature.

MR. HOHMAN replied that it was an action by the board.

[4:28:51 PM](#)

SENATOR BEN STEVENS asked how many vessels have two permit-holders on board.

MR. HOHMAN replied that CFEC didn't have good information on who participated in that way in the last year. He explained that a fisherman can hold two permits, but the second one can't be fished.

[4:31:02 PM](#)

SENATOR BEN STEVENS commented that realistically the only group that would be affected would be the 26 individuals who own two permits in Bristol Bay. So, that would be the group that would petition the board for additional time or areas, which it hadn't done. He wondered why the following items in HB 251 on page 1 were inserted:

(2)at additional times or in additional areas; or

(3)under other conditions as the board considers appropriate for the conservation, development, and utilization of salmon fishery resources."

CHAIR WAGONER responded that that inquiry would be made.

[4:31:56 PM](#)

SENATOR BEN STEVENS cautioned the committee that this measure would create separate times for individuals who have stacked gear versus regular gear versus set net gear and might be presenting the opportunity for "a real snake fight to start here."

CHAIR WAGONER assured the committee that the bill wouldn't move today.

[4:32:20 PM](#)

SENATOR SEEKINS said it appears to him that AS 16.43.140(c)(5), which is referenced on line 5, would override the proposed bill. It says: "A person may hold not more than two entry permits for a salmon fishery under this paragraph. The person who holds two entry permits for a salmon fishery may not engage in fishing under the second entry permit."

MR. HOHMAN agreed and added that's why the "notwithstanding" phrase was in there - because there is a prohibition.

SENATOR SEEKINS said he couldn't see any prohibition for two permits to fish off the same boat. He asked Mr. Hohman if he knew of one.

MR. HOHMAN replied, "Not to my knowledge except for what you just mentioned."

[4:34:45 PM](#)

SENATOR ELTON said he sees this as adding a tool for the Board of Fisheries to use, but the legislature always hears concerns from coastal economies about migration of permits out of the region. He asked Mr. Hohman in his judgment, what would the net effect of the concept in HB 251 be on the migration of permits.

MR. HOHMAN replied that it's a hard call. He presented a little more background on limited entry permits saying that the legislature created them to be freely transferred. To encourage Alaskans to retain their permits and to provide them with incentive to purchase permits, the state, because a limited entry permit cannot be used as collateral with any lending

institution, created a loan program that allows individual Alaskan residents to borrow money at a favorable rate. The Division of Investments has loan programs and arrangements with regional groups to try to help keep permits in the regions by providing assurances and loan guarantees. This tool will allow the board to have the ability to put conditions on a permit that would allow consolidation of the fleet and, in theory, should increase the average earnings for the individuals still fishing.

The safeguard is that any proposal to do this must come before the board that would have to analyze the fishery to determine whether it would allow the consolidation and have to take extensive public testimony. Coupled with the state's programs to assist residents, he thought this would be a positive measure in fleet consolidation.

[4:41:53 PM](#)

SENATOR ELTON asked what kind of deference the board gives to the socio-economic consequences of the changes they allow to fisheries.

MR. HOHMAN replied that conservation is a key element, but the socio-economic aspect is important also.

[4:43:07 PM](#)

SENATOR BEN STEVENS asked how many entry permits are in the salmon industry in the state.

MR. HOHMAN replied 10,000.

SENATOR BEN STEVENS pointed out that there is participation in this particular instance by only 44 individuals.

[4:45:03 PM](#)

MR. HOHMAN explained that CFEC does an annual study of permit movement by fishery he offered to get that study for the committee.

[4:46:03 PM](#)

STOSH ANDERSON, Kodiak, supported HB 251. He pointed out that it wouldn't change the allocation between the drift fleet and the set net fleet. Adding this authority to the Board of Fisheries' tools would help it achieve the optimum number of permits for the benefit of people who participate in the fishery. Economics would help determine the level of participation rather than an arbitrary decision.

CHAIR WAGONER announced that he would hold this bill for further discussion.

CSHJR 17(RES)-FEDERAL LANDS RECREATION ENHANCEMENT ACT

CHAIR THOMAS WAGONER announced CSHJR 17(RES) to be up for consideration.

JENNIFER BAXTER, staff to Representative Jim Elkins, sponsor of HJR 17, presented the sponsor statement. She explained that this resolution opposed the Federal Lands Recreation Enhancement Act, which allows the Forest Service, the Bureau of Land Management, Fish and Wildlife Service, National Park Service and Bureau of Reclamation to charge fees for recreational use of federally managed land by the general public. Once enacted, these fees will be required in order to enter onto certain lands. Failure to pay the fees can result in fines and criminal penalties.

She said the federal government owns two-thirds of the state's total acreage and 80 million acres include national parks, wildlife refuges and national forests that have been set aside for public use. The proposed fees would place an undue burden on the people living in rural areas surrounded by these federal lands. The Montana, Oregon and Colorado state legislatures have already passed resolutions demanding that the U.S. Congress repeal this act.

[4:49:46 PM](#)

SENATOR FRED DYSON remarked that Chugach National Forest controls his beach and he may have a conflict of interest.

SENATOR RALPH SEEKINS asked if the charge for access is just a small portion of the act.

MS. BAXTER replied that this is a small portion of the act that was slipped in.

[4:51:09 PM](#)

SENATOR BERT STEDMAN said that tour businesses are required to have permits to go on Forest Service lands and he thought this tax was applicable to non-commercial uses of federal lands. At one time, he said, the federal government encouraged cabins to be built in the Tongass National Forest, but now the trend is have them removed and to encourage private access. He supported this resolution because Alaskan residents should be free to come and go and recreate on their public lands.

[4:54:23 PM](#)

CHAIR WAGONER commented that the state already charges fees in a lot of its park areas.

SENATOR KIM ELTON agreed with Senator Stedman saying he didn't mind paying for using a shelter at a picnic area, but this goes far beyond that and leads to a situation where people may be taxed for nebulous purposes just because they are using public land. He also recommended that the committee consider on page 1, line 15, to delete "of the state", because the land belongs to the people of the state and is land where every person is granted access.

He suggested another change on page 2, line 31, to say "majority leader" and not "Tom DeLay" since no one knows whom it will be.

[4:56:20 PM](#)

MS. BAXTER replied that the sponsor had no problem with those changes.

[4:56:32 PM](#)

SENATOR SEEKINS said he understood the concept of federal and state lands being held in trust for all the citizens of the United States, but he abhorred permits and taxes for public use areas because the intent is to hold them in trust for the public in the first place.

[4:59:38 PM](#)

SENATOR ELTON moved Amendment 1 on page 1, line 15, to delete "of the state" and asked for unanimous consent. There were no objections and Amendment 1 was adopted.

SENATOR ELTON moved Amendment 2 on page 2, line 31, to delete "the honorable Tom Delay," so the resolution would be sent to whomever the majority leader will be. There were no objections and Amendment 2 was adopted.

[5:00:41 PM](#)

SENATOR SEEKINS moved to pass SCS CSHJR 17(RES) and the attached fiscal note from committee and with individual recommendations. There were no objections and it was so ordered.

CHAIR WAGONER adjourned the meeting at [5:01:43 PM](#).