

**ALASKA STATE LEGISLATURE**  
**SENATE RESOURCES STANDING COMMITTEE**

April 5, 2006

3:38 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. 37(FIN) am  
"An Act relating to voluntary land trades and purchases to  
enhance public access to fishing streams."  
FAILED TO MOVE OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 218(FIN)  
"An Act relating to cost recovery fisheries for private  
nonprofit hatchery facilities."  
HEARD AND HELD

CS FOR HOUSE BILL NO. 380(FIN)(title am)  
"An Act relating to the powers and duties of the commissioner of  
environmental conservation regarding animals, animal products,  
agricultural products, and the transportation of animals and  
animal products; relating to the employment, appointment, and  
duties of a state veterinarian by the commissioner of  
environmental conservation; relating to the powers of the  
commissioner of natural resources regarding agricultural  
products; relating to animal rabies prevention and control; and  
providing for an effective date."  
MOVED SCS CSHB 380(RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 37  
SHORT TITLE: PUBLIC ACCESS TO FISHING STREAMS

SPONSOR(s): REPRESENTATIVE(s) GARA

01/10/05 (H) PREFILE RELEASED 12/30/04  
01/10/05 (H) READ THE FIRST TIME - REFERRALS  
01/10/05 (H) FSH, RES  
03/21/05 (H) FSH AT 8:30 AM CAPITOL 124  
03/21/05 (H) -- Meeting Canceled --  
03/23/05 (H) FSH AT 8:30 AM CAPITOL 124  
03/23/05 (H) Heard & Held  
03/23/05 (H) MINUTE(FSH)  
04/15/05 (H) FSH AT 8:30 AM CAPITOL 124  
04/15/05 (H) Moved CSHB 37(FSH) Out of Committee  
04/15/05 (H) MINUTE(FSH)  
04/18/05 (H) FSH RPT CS(FSH) NT 2DP 1DNP 2NR  
04/18/05 (H) DP: ELKINS, THOMAS;  
04/18/05 (H) DNP: SALMON;  
04/18/05 (H) NR: KAPSNER, LEDOUX  
04/18/05 (H) FIN REFERRAL ADDED AFTER RES  
04/22/05 (H) RES AT 1:00 PM CAPITOL 124  
04/22/05 (H) Moved CSHB 37(RES) Out of Committee  
04/22/05 (H) MINUTE(RES)  
04/25/05 (H) RES RPT CS(RES) NT 2DP 3NR  
04/25/05 (H) DP: ELKINS, CRAWFORD;  
04/25/05 (H) NR: OLSON, SAMUELS, LEDOUX  
05/07/05 (H) FIN AT 2:00 PM HOUSE FINANCE 519  
05/07/05 (H) Moved CSHB 37(FIN) Out of Committee  
05/07/05 (H) MINUTE(FIN)  
05/08/05 (H) FIN RPT CS(FIN) NT 3DP 6NR 1AM  
05/08/05 (H) DP: CROFT, FOSTER, MOSES;  
05/08/05 (H) NR: HAWKER, HOLM, STOLTZE, WEYHRAUCH,  
JOULE, MEYER;  
05/08/05 (H) AM: KELLY  
05/09/05 (H) TRANSMITTED TO (S)  
05/09/05 (H) VERSION: CSHB 37(FIN) AM  
05/10/05 (S) READ THE FIRST TIME - REFERRALS  
05/10/05 (S) RES, FIN  
02/06/06 (S) RES AT 3:30 PM BUTROVICH 205  
02/06/06 (S) Heard & Held  
02/06/06 (S) MINUTE(RES)  
02/13/06 (S) RES AT 3:30 PM BUTROVICH 205  
02/13/06 (S) Heard & Held  
02/13/06 (S) MINUTE(RES)  
04/05/06 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 218

SHORT TITLE: PRIVATE HATCHERY COST RECOVERY FISHERIES

SPONSOR(s): REPRESENTATIVE(s) THOMAS

03/15/05 (H) READ THE FIRST TIME - REFERRALS  
 03/15/05 (H) FSH, RES  
 03/16/05 (H) FSH AT 8:30 AM CAPITOL 124  
 03/16/05 (H) Heard & Held  
 03/16/05 (H) MINUTE(FSH)  
 04/15/05 (H) FSH AT 8:30 AM CAPITOL 124  
 04/15/05 (H) Moved CSHB 218(FSH) Out of Committee  
 04/15/05 (H) MINUTE(FSH)  
 04/18/05 (H) FSH RPT CS(FSH) 3DP 3NR  
 04/18/05 (H) DP: WILSON, ELKINS, THOMAS;  
 04/18/05 (H) NR: HARRIS, SALMON, LEDOUX  
 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 218(RES) Out of Committee  
 04/22/05 (H) MINUTE(RES)  
 04/25/05 (H) RES RPT CS(RES) 2DP 3NR  
 04/25/05 (H) DP: CRAWFORD, ELKINS;  
 04/25/05 (H) NR: LEDOUX, OLSON, SAMUELS  
 04/25/05 (H) FIN REFERRAL ADDED AFTER RES  
 04/27/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 04/27/05 (H) Heard & Held  
 04/27/05 (H) MINUTE(FIN)  
 04/28/05 (H) FIN RPT CS(FIN) 3DP 4NR  
 04/28/05 (H) DP: HAWKER, FOSTER, CHENAULT;  
 04/28/05 (H) NR: JOULE, MOSES, HOLM, KELLY  
 04/28/05 (H) FIN AT 8:30 AM HOUSE FINANCE 519  
 04/28/05 (H) Moved CSHB 218(FIN) Out of Committee  
 04/28/05 (H) MINUTE(FIN)  
 04/29/05 (H) TRANSMITTED TO (S)  
 04/29/05 (H) VERSION: CSHB 218(FIN)  
 05/01/05 (S) READ THE FIRST TIME - REFERRALS  
 05/01/05 (S) FIN  
 05/06/05 (S) RES REFERRAL ADDED BEFORE FIN  
 05/06/05 (S) FIN AT 4:30 PM SENATE FINANCE 532  
 05/06/05 (S) Heard & Held  
 05/06/05 (S) MINUTE(FIN)  
 04/05/06 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 380

SHORT TITLE: ANIMALS & ANIMAL OR AGRICULTURAL PRODUCTS  
 SPONSOR(S): REPRESENTATIVE(S) MEYER

01/18/06 (H) READ THE FIRST TIME - REFERRALS  
 01/18/06 (H) RES, FIN  
 02/06/06 (H) RES AT 1:00 PM CAPITOL 124

02/06/06 (H) Moved CSHB 380(RES) Out of Committee  
02/06/06 (H) MINUTE(RES)  
02/08/06 (H) RES RPT CS(RES) NT 7DP  
02/08/06 (H) DP: GATTO, OLSON, ELKINS, LEDOUX,  
CRAWFORD, SAMUELS, RAMRAS  
02/28/06 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
02/28/06 (H) Moved CSHB 380(FIN) Out of Committee  
02/28/06 (H) MINUTE(FIN)  
03/01/06 (H) FIN RPT CS(FIN) NT 2DP 7NR  
03/01/06 (H) DP: FOSTER, MEYER;  
03/01/06 (H) NR: KERTTULA, STOLTZE, HAWKER, KELLY,  
WEYHRAUCH, MOSES, CHENAULT  
03/20/06 (H) TRANSMITTED TO (S)  
03/20/06 (H) VERSION: CSHB 380(FIN)(TITLE AM)  
03/22/06 (S) READ THE FIRST TIME - REFERRALS  
03/22/06 (S) RES, FIN  
04/05/06 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

REPRESENTATIVE LES GARA

Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Sponsor of HB 37.

DICK MYLIUS, Director  
Division of Mining, Land, and Water  
Department of Natural Resources  
400 Willoughby Ave.  
Juneau, AK 99801-1724

**POSITION STATEMENT:** Supported HB 37.

IAN FISK, Staff  
Representative Bill Thomas  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Introduced HB 218 for the sponsor

KEVIN MCDOUGALL, President  
Board of Directors  
Northern Southeast Regional Aquaculture Association (NSRAA)  
Juneau, AK

**POSITION STATEMENT:** Expressed doubts about HB 218.

DIANE PLATT  
Cordova District Fishermen United (CDFU)  
Cordova, AK

**POSITION STATEMENT:** Supported HB 218.

ERIC JORDAN,  
Commercial Fisherman  
Sitka, AK

**POSITION STATEMENT:** HB 218 needs further work but he applauds the bill direction.

DEBRA LYONS, Secretary/Treasurer,  
Board of Directors  
Northern Southeast Regional Aquaculture Association (NSRAA)

**POSITION STATEMENT:** Asked the committee to hold HB 218 for additional work.

DAN CASTLE, President,  
Southeast Alaska Seiners Association (SEAS)  
Ketchikan, AK

**POSITION STATEMENT:** Supported HB 218.

BRUCE WALLACE  
Commercial Fisherman  
Ketchikan, AK

**POSITION STATEMENT:** Supported SB 218.

JERRY McCUNE  
United Fishermen of Alaska  
Juneau, AK

**POSITION STATEMENT:** Supported HB 218.

BOB THORSTENSON, Executive Director  
Southeast Alaska Seiners Association (SEAS)  
Juneau, AK

**POSITION STATEMENT:** Supported HB 218

MITCH EIDE, Board Member  
Southeast Alaska Seiners Association (SEAS)  
Petersburg, AK

**POSITION STATEMENT:** Asked the committee to support HB 218.

MICHAEL PAWLOWSKI, Staff  
Representative Kevin Meyer

**POSITION STATEMENT:** Introduced HB 380 on behalf of the sponsor.

DR. GERLACH, State Veterinarian  
Department of Environmental Conservation  
410 Willoughby  
Juneau, AK 99801-1795

**POSITION STATEMENT:** Said HB 380 is important for controlling the spread of infectious disease.

DR. LOUISA CASTRODALE  
Division of Public Health  
Department of Health and Social Services

**POSITION STATEMENT:** Expressed full support for HB 380

**ACTION NARRATIVE**

**CHAIR THOMAS WAGONER** called the Senate Resources Standing Committee meeting to order at [3:38:20 PM](#). Present at call to order were Senators Ben Stevens, Stedman, Seekins, Dyson, Elton and Chair Wagoner. Senator Kookesh arrived shortly.

**CSHB 37(FIN) AM-PUBLIC ACCESS TO FISHING STREAMS**

CHAIR THOMAS WAGONER announced CSHB 37(FIN) AM to be up for consideration.

REPRESENTATIVE LES GARA, sponsor of HB 37, explained that the bill asks the Department of Natural Resources (DNR) to create a list of areas where public access to fishing streams might be lost when the land is developed. He mentioned Montana Creek in the Mat-Su Valley, the Anchor River on the Kenai, and Deep Creek on the Kenai as examples and said people have been fishing in these areas for years and nobody has cared that the access is across private land. That might not be the case in the future so HB 37 is a proactive step to negotiate for continued public access before the lands are developed and become too expensive to return to the public domain.

[3:40:27 PM](#)

SENATOR DYSON asked if DNR or the administration approve of the bill.

DICK MYLIUS, Director, Division of Mining, Land, and Water, Department of Natural Resources, replied DNR believes it is a good idea to identify access points, but it recognizes that there is an associated cost. The bill simply sets up a process whereby the Alaska Department of Fish and Game (ADF&G) would identify where access is needed and DNR would determine the options and costs for the acquisitions. It would then be up to the legislature to fund the acquisitions or not.

SENATOR STEDMAN expressed concern with the long-term effects of creating a list because the language in the bill is a lot more aggressive than what is implied.

CHAIR WAGONER noted the proposed amendments that change the language.

[3:42:57 PM](#)

SENATOR BEN STEVENS asked where the bill says that the list comes back to the legislature for authorization.

MR. MYLIUS replied it is on page 3, line 10.

CHAIR WAGONER noted that the bill says that before February of each year the commissioner of fish and game shall submit a plan to acquire public access to fish and wildlife, but it doesn't say it goes back to the legislature.

SENATOR BEN STEVENS asked Mr. Mylius if that is where he is saying the plan has to go to the legislature for approval of the appropriation to execute the plan the following fiscal year.

MR. MYLIUS acknowledged it doesn't say it exactly, but when the fiscal notes were prepared DNR assumed there would not be money in the bill for acquisitions. The assumption was that the department would have to return to the legislature with a subsequent request. For a purchase the request would be for an appropriation for a specific purpose and for a land exchange the request would ask for financing to fund the exchange.

SENATOR BEN STEVENS asked if the assumption was that the department would ask the legislature for approval of the authorization to expend the funds, but not approval to select the land.

MR. MYLIUS replied that is correct.

SENATOR BEN STEVENS recalled that the original bill mentioned the acquisition of only two miles, but according to subsection (c) two miles would be acquired each year.

REPRESENTATIVE GARA replied there is an amendment to address that issue, but the intention was for the list to include a set number of miles. There ought to be minimum number of miles for DNR to identify each year but the state probably won't purchase everything on the list each year. In fact, it probably won't purchase through the list in a decade. "It's not like you'll

have a new 2 or 3 or 4 miles every year. It'll just be as it's purchased through." The list will probably look the same until the legislature decides to buy.

[3:47:23 PM](#)

SENATOR KOOKESH joined the meeting.

[3:47:33 PM](#)

CHAIR WAGONER mentioned that the amendment says 2 to 5 miles per year.

REPRESENTATIVE GARA said it's the committee's discretion so long as the top number isn't too high.

CHAIR WAGONER closed the public hearing. He noted the three amendments and asked for a motion.

[3:48:39 PM](#)

SENATOR FRED DYSON moved CSHB 37(FIN) AM, Version X.A for consideration.

SENATOR BERT STEDMAN objected.

SENATOR KIM ELTON moved to adopt Amendment 1, labeled X.A.3.

24-LS0284\XA.3  
Bullock  
9/25/06

**A M E N D M E N T 1**

OFFERED IN THE SENATE  
TO: CSHB 37(FIN) am

Page 3, line 13, following "two":  
Insert "and not more than a total of five"

SENATOR DYSON called a point of order saying there was an objection to moving the bill.

CHAIR WAGONER clarified that the objection was for discussion purposes so the bill is before the committee.

SENATOR ELTON restated his motion.



SENATOR BEN STEVENS objected.

SENATOR ELTON said the sponsor took note when Senator Stedman identified the open-ended language, which required "a minimum access to not less than a total of two meander miles..." The proposed amendment tightens the language by inserting "not more than a total of five meander miles". Therefore, over time there would be no additions to the plan until the list dropped below two miles.

SENATOR STEDMAN responded the language is still problematic because there would be an action every year and in his view the more land that is kept in private hands, the better it is for the state.

SENATOR ELTON explained that the amendment caps the plan, but it doesn't change other restricting components in the bill. Nothing compels an easement or a sale; it specifically says that the right of eminent domain may not be exercised to acquire land or interest in land.

CHAIR WAGONER asked Senator Stevens if he maintained his objection.

SENATOR STEVENS asked where it says it will cap the plan because he interpreted the language differently.

[3:54:20 PM](#)

SENATOR ELTON explained that the departments will proffer one plan and it may have not less than 2 miles and not more than 5. He looked to the sponsor and said he didn't believe anything would preclude the departments from having a new plan the next year that may not include or identify the same stream access points. However, if the departments submit a new plan it would be restricted, just as the old plan was, to not less than 2 meander miles and more not more than 5. The cap applies to the meander miles; it doesn't preclude the department from changing or identifying other meander miles.

[3:55:42 PM](#)

SENATOR BEN STEVENS countered his reading is that there shall be 2 to 5 miles acquired every year and there is no cap on the number of miles acquired in the plan. Hypothetically, he said, 50 meander miles of riverbank could be acquired in 10 years. He asked if his interpretation was incorrect.

SENATOR ELTON replied no, but you would only get to that position if the legislature authorized access to all meander miles in the plan. You could only add miles if access has been provided to all the areas in the plan. At that point the department could add meander miles in a subsequent plan. That would only occur after the legislature has made a decision to appropriate funds to acquire the access.

[3:57:18 PM](#)

REPRESENTATIVE GARA said Senator Elton explained the intention of the bill, but Senator Stevens raised a good point. The state probably won't purchase access to all the land that is on the list each year so the departments should not be required to keep submitting a new list each year even if it's the same one. He suggested inserting language to clarify that an annual plan isn't required as long as at least 2 miles remain on the list for future acquisition.

He offered to work with the committee on a conceptual amendment.

[3:58:02 PM](#)

SENATOR BEN STEVENS said he wasn't prepared to work on a conceptual amendment; he had additional concerns. For instance, Section 2, subsection (b)(2), gives the commissioner of DNR the authority to trade state land for private land with no legislative approval or fiscal note transaction. There is no understanding that an assessment would be done, that the land trade would be at fair market value and that it would be a transaction of equal value. The commissioner could trade 5 miles each year and although it wouldn't cost anything, the legislature wouldn't have any authority to prevent it.

MR. MYLIUS replied while the bill doesn't specifically require DNR to go back to the legislature, the only way a purchase could occur is through the budget process. He agreed that the department could exchange land without legislative approval, but there's already a process for that. However, the statute for land exchange requires an exchange at fair market appraised value or, in its absence, it requires legislative approval.

CHAIR WAGONER said the question before the committee is adoption of Amendment X.A.3.

[4:02:06 PM](#)

SENATOR ELTON argued in favor of the amendment because it is controlling and precludes a large land trade by placing a top-end cap.

SENATOR DYSON called a question on the amendment.

A roll call vote was taken. The motion to adopt Amendment X.A.3 passed with 4 yeas and 3 nays. Senator Dyson, Senator Elton, Senator Kookesh and Senator Wagoner voted in favor and Senator Stedman, Senator Ben Stevens, and Senator Seekins voted against.

CHAIR WAGONER said he would hold his amendments because he could see the direction the bill was going. He noted Senator Stedman's objection to the bill and asked for a roll call.

A roll call vote was taken and Senator Elton, Senator Kookesh and Senator Dyson voted yea and Senator Stedman, Senator Ben Stevens, Senator Seekins and Senator Wagoner voted nay.

CSHB 37(FIN) AM failed to move from committee.

**CSHB(FIN) 218-PRIVATE HATCHERY COST RECOVERY FISHERIES**

CHAIR WAGONER announced HB 218 to be up for consideration.

IAN FISK, staff to Representative Bill Thomas, presented the bill on behalf of the sponsor and clarified that the committee was working from Version R that passed the House. He explained that HB 218 addresses the way hatcheries recover costs. Under the current system a hatchery takes bids from processors for recovery of the anticipated return and allocates a certain percentage of the harvest as cost recovery. The percentage varies from hatchery to hatchery.

The intent of the bill is to maximize the benefit to the user groups and so HB 218 creates a system whereby the hatchery operator has the option of collecting the cost recovery through a fishery that is open to all fishermen who hold permits to harvest fish in the hatchery area.

MR. FISK explained that for a hatchery to be able to recover its costs through a common property fishery there would have to be an assessment on the fish that are harvested specifically in the cost recovery area. That terminal harvest area is typically located directly in front of a hatchery or remote release site. The Board of Fisheries or the commissioner of Alaska Department of Fish and Game (ADF&G) sets the boundaries.

The language in the bill establishes an assessment between 1 and 40 percent of the value of the fish. The proceeds would be

recovered in a manner similar to the salmon enhancement tax. The hatcheries would not collect the tax.

MR. FISK emphasized that this is optional and the sponsor would not support making it mandatory. He has worked with hatchery operators to reach a comfort zone and is willing to continue doing so.

[4:11:39 PM](#)

CHAIR WAGONER stated he intended to hold the bill until Friday.

[4:12:18 PM](#)

SENATOR STEDMAN said he had a meeting on the bill earlier today and the version that was discussed wasn't Version R. He appreciated the additional time to consider the bill because that alone has created confusion.

CHAIR WAGONER said a suggested CS came out of the sponsor's office, but there would be a Senate Resource Committee CS presented on Friday.

MR. FISK commented, "The version that we've been working on reflects a lot of the changes that have been worked on in the Interim... We've just tried to address some of the hatcheries' concerns." There is nothing in it that is drastically different. He noted that he had a list of the changes that have been made as the bill moved through the process to accommodate concerns and the idea is to work with the hatcheries to keep it optional.

SENATOR BEN STEVENS asked if Version B is the work draft.

MR. FISK said Version B is a work draft that reflects changes made in response to hatchery concerns. Those changes are not in Version R.

CHAIR WAGONER clarified that Version B was discussed in the meeting Senator Stedman mentioned.

CHAIR WAGONER opened public testimony.

[4:15:23 PM](#)

KEVIN MCDOUGALL, President, Northern Southeast Regional Aquaculture Association (NSRAA) Board of Directors, said cost recovery is a difficult issue but HB 218 is a knee-jerk reaction to low returns. The NSRAA Board is open to ways to deal with this issue and has decided it will not oppose the bill but the fact remains that it does have reservations about it. He urged

the committee to review the documents that NSRAA has submitted before making a decision on the legislation. [Abbreviated testimony due to audio difficulties.]

[4:20:05 PM](#)

DIANE PLATT, Cordova District Fishermen United (CDFU), stated support for HB 218. CDFU believes that many fishermen support the effort to get away from existing processor practices and this is a good starting point.

[4:20:51 PM](#)

ERIC JORDAN, Sitka commercial fisherman, said HB 218 needs further consideration, but he applauds the direction because there is a problem with the current cost recovery. There was a fundamental error when cost recovery was established because there was no intention to pay for it through the common property fishery. He said that HB 218 is going in the right direction, but the details require work. He suggested a change on page 2, lines 7-10 and said it would be a good idea to appoint a task force to look at the problem of cost recovery not going to a common property fishery.

[4:26:40 PM](#)

SENATOR ELTON explained that component of the bill is telling the Board of Fisheries it can adopt regulations regarding a fisheries management plan that includes allocation plans, but doesn't preclude anything else. He said it might make sense to use the language that's there and do it through the Board of Fisheries process rather than micromanaging the regulations in statute. He asked Mr. Jordan to respond.

MR. JORDAN said he agreed with concept, but the more specific guidance the legislature provides as to intent the better. This is a big issue, he said, and we need to rethink the terminal harvest or special harvest areas if we're going to conduct these types of fisheries for all gear groups.

[4:28:43 PM](#)

DEBRA LYONS, Secretary/Treasurer, NSRAA Board of Directors, asked the committee not to not pass HB 219 until more work is done. She noted that the fiscal notes state zero and the Department of Revenue fiscal note comments say the bill doesn't authorize it to enforce assessments. She asked when the enforcement would occur if nothing is budgeted to enforce the language in the bill. A further comment states that a successful program needs regular staffing yet nothing is budgeted for that.

As a member of the NSRAA board, she is interested in preserving flexibility to respond to changes during the season. If this were to pass, she understands that NSRAA would be bound to a common property fishery at the assessment established for the year regardless of the strength of the return. This would be particularly problematic in years in which the anticipated return was stronger than what materialized. The bill has further inflexibility in that it would bind NSRAA's ability to fund operating reserves to 100 percent and it doesn't allow the board flexibility in setting financial policies and in making financial decisions.

A further concern relates to risk. A worst-case scenario is that the NSRAA Board and the fishermen agree, in good faith, to participate in the common property fishery, but when the season comes along the fishermen choose not to participate. NSRAA would have no fish taken for cost recovery and would have nothing in place with buyers to conduct a tradition cost recovery fishery on such short notice.

MS. LYONS referenced subsection (d) on page 2 and suggested changing the wording to, "The Department of Revenue will set the assessment based on the recommendation of the board of directors of the affected hatchery." She said she didn't understand the difference between this assessment and a tax and why it can be adopted without a vote of the fishermen.

MS. LYONS said there is little understanding of NSRAA's strategic plans to diversify their cost recovery fishery over time to allow more Chinook and Coho to be harvested and reduce the burden on the Chum fishery. She suggested that other alternatives could be explored. Perhaps the sport fishery could contribute something toward NSRAA's operation and the aquaculture tax could be increased a little. That combined with relying on other species for revenue would be a preferred solution to HB 218. She reiterated her request to hold the bill.

[4:36:19 PM](#)

DAN CASTLE, President, Southeast Alaska Seiners Association (SEAS), said a vast majority of the SEAS membership accepts the idea of doing something different with cost recovery in Southeast Alaska. Cost recovery programs have evolved and are required to take an increasing amount of hatchery return and the benefit is spreading to the fishermen. SEAS would like to see the returns pass through the fish holds of the fishermen that are making a living from fishing. This would strengthen the relationship that individual fishermen have with processors.

MR. CASTLE emphasized that the language in the bill is permissive and reiterated supported for HB 218.

[4:39:03 PM](#)

BRUCE WALLACE, commercial fisherman from Ketchikan, said SB 218 is just a tool. The cost recovery program is not working and change needs to occur. He agreed with Senator Elton that micromanaging cost recovery through statute probably isn't the answer and the decisions are probably better left to the Board of Fisheries. Since the language is permissive and doesn't mandate that NSRAA or any non-profit use the tool, he suggested it is an appropriate vehicle to expand the toolkit. He urged the committee to support HB 218.

[4:41:21 PM](#)

JERRY McCUNE, United Fishermen of Alaska, stated support for HB 218. He thanked the sponsor for accommodating the hatcheries' concerns.

Referencing page 2, line 10, he noted that the Board of Fisheries already has the authority to review allocation plans among user groups of hatchery stocks and to close a fishery if a run is weak and isn't sufficient for cost recovery or to get the brood stock. All this bill does is let fishermen come to an agreement with a hatchery to be able to take fish under common property and sell them to the processor so the fishermen have access and aren't sitting around waiting for the hatchery to do the common property harvest.

With regard to subsection (b) he said the attorney general advised that it has to be in the bill; it is part of existing statute.

[4:44:49 PM](#)

BOB THORSTENSON, Executive Director, Southeast Alaska Seiners Association (SEAS), referenced Ms. Lyons' concern regarding an assessment fishery without a vote of the fishermen and reminded her that the current cost recovery is without a vote of the fishermen. He said if SEAS members were polled, they would overwhelmingly vote to eliminate cost recovery. Furthermore, he said, SEAS fishermen are willing to pay to cover the cost recovery goals in Southeast, but they don't want to put those costs on the back of other gear groups. Regarding the suggestion for a task force, he said that approach has been tried for many years and HB 218 is partially the result of a task force.

Under this legislation the people who catch the fish would pay the tax. "We're willing to pay the tax so we can have our boats working and not have just a few people catching all the fish and one processor processing all the fish," he said. SEAS believes it has to be in statute and that paying the tax is the responsible thing to do.

[4:47:46 PM](#)

MITCH EIDE, Petersburg, Board Member, Southeast Alaska Seiners Association, asked the committee to support HB 218 because it will give fishermen access to more fish through the common property fishery.

CHAIR WAGONER closed public hearing and held HB 218 in committee to allow time to prepare a committee substitute.

**CSHB 380)(FIN)(Title am)-ANIMALS & ANIMAL OR AGRICULTURAL PRODUCTS**

CHAIR WAGONER announced CSHB 380(FIN)(title am) to be up for consideration.

[4:51:37 PM](#)

MICHAEL PAWLOWSKI, staff to Representative Kevin Meyer, said HB 380 addresses the state's ability to respond to emerging diseases. The dilemma arises because the statute was written prior to statehood when animals were limited to livestock or poultry. Thus the state veterinarian and the state don't have the authority to inspect, quarantine, or deal with animals that fall outside the definition of livestock.

HB 380 repeals and reenacts the powers relating to the state veterinarian, updates the powers and defines animals and animal products. It will enable the state to respond in the event that Avian Influenza or another disease comes into Alaska in the animal population.

[4:54:03 PM](#)

DR. GERLACH, State Veterinarian, Department of Environmental Conservation (DEC), said HB 380 is important for controlling the spread of infectious disease because it's recognized that 70 percent of new diseases affecting human health come from animals. Such diseases affect animal health, food production, and human health as well as local and national economies so the impact can be widespread.



Currently the State Veterinarian's authority is limited to control of certain types of diseases, but there is no single agency in Alaska that has authority to manage the different categories of animals that are capable of carrying diseases into the state that can severely threaten the state's animal resources as well as public health.

[4:57:32 PM](#)

DR. LOUISA CASTRODALE, Division of Public Health, Department of Health and Social Services testified on behalf of the director, Dr. Richard Mandsager in full support of HB 380.

CHAIR WAGONER closed the public hearing and asked the committee if there were questions or discussion.

[4:58:10 PM](#)

SENATOR SEEKINS moved to adopt Amendment 1, labeled IA.1.

24-LS1469\IA.1  
Bannister  
9/25/06

### A M E N D M E N T 1

OFFERED IN THE SENATE

TO: CSHB 380(FIN)(title am)

Page 2, line 28:

Delete "and"

Insert new paragraphs to read:

(3) enter into agreements with the federal government for controlling disease among animals and match federal payments for animals destroyed under those agreements from any appropriation available for this purpose;

(4) pay an owner of an animal destroyed under this section an amount from any appropriation available for this purpose; and"

Renumber the following paragraph accordingly.

Page 7, line 23, following "03.45.060":

Insert ", 03.45.070, 03.45.080"

BEN STEVENS objected for discussion purposes.

SENATOR SEEKINS explained that the amendment would enable DEC to work with the legislature and the federal government in the event of an emergency to ensure that the agricultural industry isn't decimated by a disease outbreak. It would also provide an updated vehicle for compensation to an owner of an animal that was destroyed to control the spread of disease if funds are made available for that purpose. Finally it inserts AS 03.45.070 and AS 03.45.080 in the repealer section.

[5:01:50 PM](#)

SENATOR KIM ELTON asked if DEC suggested the amendment.

SENATOR SEEKINS replied people in the farming industry in the Delta area who have dairy and beef cattle suggested the amendment. He believes the Farm Bureau and DEC support it.

[5:02:36 PM](#)

SENATOR ELTON asked if this gives DEC and the legislature the authority to elect to indemnify an owner if the federal government orders an animal to be destroyed.

SENATOR SEEKINS replied yes. The legislature would need to appropriate the money, but it would allow a federal funds match if the legislature so elected. It also broadens the scope and increases the flexibility in ways to use federal funds and work with new parameters as they may develop. Current statutes allow just dairy cattle.

SENATOR STEVENS removed his objection.

CHAIR WAGONER announced that without objection Amendment 1, labeled IA.1, was adopted.

[5:04:52 PM](#)

SENATOR SEEKINS moved to report SCS CSHB 380(RES) from committee with individual recommendations and attached fiscal note(s). There was no objection and it was so ordered. There being no further business to come before the committee, Chair Wagoner adjourned the meeting at [5:05:56 PM](#).