

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

February 23, 2010

10:19 a.m.

**MEMBERS PRESENT**

Representative Bryce Edgmon, Chair  
Representative Wes Keller, Vice Chair  
Representative Craig Johnson  
Representative Charisse Millett  
Representative Cathy Engstrom Munoz  
Representative Robert L. "Bob" Buch

**MEMBERS ABSENT**

Representative Scott Kawasaki

**OTHER MEMBERS PRESENT**

Representative Tammy Wilson

**COMMITTEE CALENDAR**

HOUSE BILL NO. 344

"An Act relating to the salmon product development tax credit; and providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

- MOVED CSHB 344(FSH) OUT OF COMMITTEE

OVERVIEW: INTERIM REPORT OF THE INTERAGENCY OCEAN POLICY TASK FORCE WITH FOCUS ON THE INTERIM FRAMEWORK FOR EFFECTIVE COASTAL AND MARINE SPATIAL PLANNING.

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 344

SHORT TITLE: SALMON PRODUCT DEVELOP. TAX CREDIT

SPONSOR(S): REPRESENTATIVE(S) THOMAS

02/12/10	(H)	READ THE FIRST TIME - REFERRALS
02/12/10	(H)	FSH, FIN
02/18/10	(H)	FSH AT 10:15 AM BARNES 124

02/18/10 (H) Heard & Held  
02/18/10 (H) MINUTE(FSH)  
02/23/10 (H) FSH AT 10:15 AM BARNES 124

#### **WITNESS REGISTER**

TIM CLARK, Staff  
Representative Bryce Edgmon  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As staff to the House Special Committee on Fisheries, presented the changes for the CSHB 344, Version R.

PETER ECKLUND, Staff  
Representative William "Bill" Thomas, Jr.  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions, during the hearing on CSHB 344.

DOUGLAS DeMASTER, Ph.D.  
Science and Research Director  
Regional Team Leader  
National Oceanic and Atmospheric Administration (NOAA)  
Seattle, Washington

**POSITION STATEMENT:** Participated in the presentation of the interim report of the Interagency Ocean Policy Task Force (OPTF).

ARNE FUGLVOG, Legislative Assistant  
Fisheries, Transportation, and Natural Resources  
Office of U.S. Senator Lisa Murkowski  
Washington, D.C.

**POSITION STATEMENT:** Participated in the presentation of the interim report of the Interagency Ocean Policy Task Force (OPTF).

#### **ACTION NARRATIVE**

[10:19:41 AM](#)

**CHAIR BRYCE EDGMON** called the House Special Committee on Fisheries meeting to order at 10:19 a.m. Representatives Edgmon, Keller, Munoz, Johnson, and Buch were present at the call to order. Representative Millett arrived as the meeting was in progress.

**HB 344-SALMON PRODUCT DEVELOP. TAX CREDIT**

[10:21:12 AM](#)

CHAIR EDGMON announced that the first order of business would be HOUSE BILL NO. 344, "An Act relating to the salmon product development tax credit; and providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

[10:21:28 AM](#)

REPRESENTATIVE KELLER moved to adopt CSHB 344, 26-LS1473\R, Kane 2/22/10, as the working document.

CHAIR EDGMON, hearing no objection, announced Version R was before the committee.

[10:22:11 AM](#)

TIM CLARK, Staff, Representative Bryce Edgmon, Alaska State Legislature, explained that CSHB 344, Version R, includes ice making equipment as a major means to accomplish value-added processing; page 2, line 7, sub-subparagraph (i). He said the value-added processes that have most increased the worth of salmon catches depend on high quality harvest. With a greater proportion of high quality fish, more can be directed to the value-added processes. Ice is essential to significantly increasing the percentage of number 1 grade fish from the harvest. Adding ice making equipment to the list of qualified investments under the products development tax credit would result in a significantly larger quantity of quality salmon and increase the proportion of value-added processing.

[10:23:40 AM](#)

PETER ECKLUND, Staff, Representative William "Bill" Thomas, Jr., Alaska State Legislature, stated sponsor support for Version R.

[10:23:59 AM](#)

REPRESENTATIVE JOHNSON asked if the only change to the bill is the inclusion of ice making equipment.

CHAIR EDGMON said yes.

[10:24:40 AM](#)

REPRESENTATIVE MUNOZ moved to report CSHB 344, Version 26-LS1473\R, Kane, 2/22/10, out of committee with individual recommendations and the accompanying fiscal notes. Hearing no objection, CSHB 344(FSH) moved out of the House Special Committee on Fisheries.

[10:25:34 AM](#)

The committee recessed to a call of the chair.

**OVERVIEW: Interim Report of the Interagency Ocean Policy Task Force With Focus on the Interim Framework for Effective Coastal and Marine Spatial Planning.**

[12:25:19 PM](#)

CHAIR EDGMON reconvened the House Special Committee on Fisheries and announced that the final order of business would be a presentation of the Interim Report of the Interagency Ocean Policy Task Force with focus on the Interim Framework for Effective Coastal and Marine Spatial Planning.

[12:25:59 PM](#)

DOUGLAS DeMASTER, Ph.D., Science and Research Director, Regional Team Leader, National Oceanic and Atmospheric Administration (NOAA), provided a PowerPoint presentation on the Ocean Policy Task Force (OPTF), which is a panel comprised of senior, policy-level officials from throughout the federal government, with representatives from 24 agencies and departments. Formation of the task force came about via a request from the head of the National Oceanic and Atmospheric Administration (NOAA) and via a directive for policy from President Obama to ensure appropriate stewardship of the nation's coastlines. The task force, which is a means to incorporate the Great Lakes under coastal management, is led by the White House Council on Environmental Quality (CEQ), and the Office of Science, Technology, and Policy. The newly formed group is the National Ocean Council (NOC), to which regionally formed boards will report. The task force has established nine priority objectives, including ecosystem based management and coastal and marine spatial planning (CMSP), which is today's topic. Referring to slide 7, he reviewed the definition of CMSP and the associated process, which read [original punctuation provided]:

Definition of CMSP:

A comprehensive, adaptive, integrated, ecosystem based, and transparent spatial planning process, based on sound science, for analyzing current and anticipated uses of ocean, coastal, and Great Lakes areas.

The CMSP Process:

Identifies areas most suitable for various types or classes of activities in order to reduce conflicts among uses, reduce environmental impacts, facilitate compatible uses, and preserve critical ecosystem services to meet economic, environmental, security, and social objectives.

[12:29:00 PM](#)

DR. DeMASTER said this is the framework to be used by the regional planning body (RPB) task forces, which will be formed. Seven national goals have been established, and he named three: promoting compatibility among uses and reducing user conflicts; streamlining and improving the rigor and consistency of decision making and regulatory processes; and increasing certainty and predictability in planning. Additionally, there are 12 guiding principles that are to be followed under CMSP, which include: ecosystem-based management; stakeholder and public engagement; best available science; precautionary approach; flexibility to accommodate changing conditions (environment, science, policy, technology). He directed attention to a map to indicate how the U.S. regions are divided and pointed out that the Alaska coastline comprises a single complex region.

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DR. DeMASTER reported that a legal team has been formed to establish authority. Thus far, the planning legalities have been addressed and the go-ahead given to begin the process. Adherence and compliance will be handled via a memorandum of understanding (MOU) between the various agencies. Although there are various organizations that do not fit easily into the following rubric, the three groups of agencies are federal, state, and tribal organizations.

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DR. DeMASTER said the process calls for engaging the stakeholders, creating a draft plan for review by the NOC, and once approved, having the plan adopted. The plan is to be science based, and given the federal and state agencies involved, compliance with the science mandate should not be a problem, he opined. It is expected to take one year to identify teams, and one to two years to implement regional plans. He reported that \$20 million will be available in FY 11 for this project, on a competition basis. An additional \$6 million has been requested by NOAA to support CMSP. February 12 was the public comment deadline and a report will be provided to President Obama in March of 2010.

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ARNE FUGLVOG, Legislative Assistant, Fisheries, Transportation, and Natural Resources, Office of U.S. Senator Lisa Murkowski, said the CEQ is the action agency working directly with President Obama on this project. Marine spatial plans exist internationally as well as in some coastal states in the U.S., and many of the models work well. Part of the impetus for this project is to have federal coordination with the existing state plans. He relayed concerns that have arisen within Alaska as well as those expressed in Congress. One is the size of the Alaska coastline and the need for 3 to 5 comprehensive plans versus the one indicated on the previously viewed map. Clearly, with the Alaska region shoreline being the size of the other eight regions combined, the funding will fall short. A major concern exists for how the CMSP will interact with existing law. An executive order (EO) will be signed by the president, either as a mandate or recommendation. A mandate could require that a plan and framework be developed to interface with, or alter existing law. However, the question of how an EO will be upheld in court and whether it supersedes or pre-empts what exists remains in question. Also, agencies are concerned with receiving an underfunded mandate. He suggested that a mandate is being discouraged, and a directive for voluntary programs to serve areas may be a means to defray costs. There does not appear to be a demonstrated need in Alaska for this type of federal oversight.

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REPRESENTATIVE BUCH expressed concerns for how this program will work with the United Nations Convention on the Law of the Sea (UNCLOS) treaty, as well as the Homeland Security Act, which provides the Coast Guard pre-emptive authority.

MR. FUGLVOG said that the Coast Guard, and other agencies, are part of the OPTF, and the idea is to integrate all the facets into a seamless process. Typically, management has been handled sector-to-sector and law-by-law, with the hope that everything coordinates. The UNCLOS is awaiting ratification by the U.S. Senate. The framework stipulates that the U.S. will conform to international and domestic laws and treaties. The involved agencies will all be represented at the table in the CMSP process.

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REPRESENTATIVE BUCH pointed out that for the first time freight can be moved through the Northwest Passage. He maintained that without ratification, and being part of the UNCLOS, the U.S. is not at the table. He then asked about the stance of Alaska's congressional delegation.

MR. FUGLVOG reported that U.S. Senator Lisa Murkowski is in support of ratification. Additionally, a resolution of support passed the Alaska Legislature, and he assured the committee that lack of agency support is not the impediment.

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CHAIR EDGMON referred to the five states that have independent marine spatial plans, and asked whether tidal and wave power, or other energy issues, are the driving factor behind the existing plans.

MR. FUGLVOG reported that energy is a factor in Oregon as well as in Massachusetts. Massachusetts exempted the commercial fisheries from the CMSP to eliminate dealing with that industry. California established three regions; the northern region is currently focusing on sanctuaries. He said it would be informative to track California's progress and results. Pilot projects may be the best vehicle, he said, as there are no existing domestic models.

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CHAIR EDGMON indicated that it is hard to imagine how CMSP will take place in Alaska, given the complexity of state and federal fisheries management schemes.

MR. FUGLVOG said a burden will be placed on the existing agencies, state and federal, with NOAA potentially taking the lead. He sympathized with how difficult it will be for Alaska to comply, should the requirement for regional plans be presented as a federal mandate.

DR. DeMASTER interjected that in the text of the framework it is specified that this is not intended to be a top-down mandate. However, depending on how the EO is written, the implementation could include a top-down aspect.

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REPRESENTATIVE MILLETT observed that the south Atlantic and Gulf of Mexico areas appear to have similar concerns as Alaska regarding fisheries and oil/gas development. She asked whether these regions are working to create a coalition with commerce industries, which may be affected by the CMSP.

MR. FUGLVOG offered that the Gulf of Mexico has a history of sustained oil and gas drilling and working together with the fishing and shrimp industries. Alaska has been highlighted in the OPTF since it does not have the same multiple uses, interactions, or conflicts as the other continental regions. In the northeast, concerns for off-shore wind and wave energy, as well as shipping, fishing, and the ESA (Endangered Species Act) around the Right Whales exists. It is expected that the plans for Alaska will be less complicated due to fewer user groups. Other than in Cook Inlet, Alaska's oil and gas industry does not interact with the fishing industry. He reported that many states are anticipating the benefit of having a CMSP to assist in managing the multiple uses beyond any existing inter-state agreements.

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CHAIR EDGMON mentioned that Cook Inlet may be named a critical habitat for the Beluga Whale. He then asked what might transpire, if that is established, in relation to a mandated CMSP.

DR. DeMASTER acknowledged that Cook Inlet and the North Slope are both areas that could be impacted by conflicts between the ESA and industry. If the proposal to name Cook Inlet as critical habitat for Beluga Whale is adopted, it would require Section 7 consultation. He opined that having a CMSP in place would lessen the burden of the consultation.

MR. FUGLVOG pointed out that the interim framework has the intended goal to better coordinate activity, regulate ocean zoning, and streamline the process by having all of the agencies at the table. The streamline aspect has yet to be demonstrated, but with the number of agencies commonly communicating, collaborating, and cooperating, and the level of overlapping laws, regulations, and statutes, it is clearly an intended outcome, although not the highest priority.

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REPRESENTATIVE BUCH reiterated the importance for ratification of the UNCLOS in order to deal with the international aspects prior to beginning the state process. The international issues are primary and are occurring now, and he opined that August may be too late to enter the arena.

MR. FUGLVOG assured the committee that ratification is a high priority in Washington, D.C.

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REPRESENTATIVE MILLETT asked if there is a means to encourage the prioritization of streamlining the multi agency permitting process.

MR. FUGLVOG indicated hope that since Alaska is one independent region, Alaska will be involved in developing the appropriate framework for the state RPB. He expressed his further hope that Alaska could specify the goal of streamlining the permitting process. As long as the authority remains within the RPB and the stakeholder process is in place, Alaska will be involved.

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CHAIR EDGMON thanked the presenters.

[1:00:42 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 1:01 p.m.