

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

March 22, 2010

3:09 p.m.

**MEMBERS PRESENT**

Representative Bryce Edgmon, Chair  
Representative Wes Keller, Vice Chair  
Representative Cathy Engstrom Munoz  
Representative Robert L. "Bob" Buch  
Representative Scott Kawasaki

**MEMBERS ABSENT**

Representative Craig Johnson  
Representative Charisse Millett

**COMMITTEE CALENDAR**

HOUSE BILL NO. 389

"An Act relating to loans made to commercial fishermen under the Commercial Fishing Loan Act for energy efficiency upgrades; and providing for an effective date."

- MOVED CSHB 389(FSH) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 274(RES)

"An Act naming the new state fish hatchery on the Elmendorf Air Force Base the William Jack Hernandez Sport Fish Hatchery."

- MOVED CSSB 274(RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 389

SHORT TITLE: COMMERCIAL FISHING LOAN ACT

SPONSOR(S): REPRESENTATIVE(S) SEATON

02/23/10	(H)	READ THE FIRST TIME - REFERRALS
02/23/10	(H)	FSH, RES
03/16/10	(H)	FSH AT 10:15 AM BARNES 124
03/16/10	(H)	Heard & Held
03/16/10	(H)	MINUTE(FSH)
03/22/10	(H)	FSH AT 3:00 PM CAPITOL 106

BILL: SB 274

SHORT TITLE: WILLIAM JACK HERNANDEZ FISH HATCHERY  
SPONSOR(s): SENATOR(s) DYSON

02/10/10 (S) READ THE FIRST TIME - REFERRALS  
02/10/10 (S) RES  
03/01/10 (S) RES AT 3:30 PM BUTROVICH 205  
03/01/10 (S) Heard & Held  
03/01/10 (S) MINUTE(RES)  
03/08/10 (S) RES AT 3:30 PM BUTROVICH 205  
03/08/10 (S) Moved CSSB 274(RES) Out of Committee  
03/08/10 (S) MINUTE(RES)  
03/10/10 (S) RES RPT CS 5DP NEW TITLE  
03/10/10 (S) DP: MCGUIRE, WIELECHOWSKI, HUGGINS,  
STEVENS, FRENCH  
03/12/10 (S) TRANSMITTED TO (H)  
03/12/10 (S) VERSION: CSSB 274(RES)  
03/15/10 (H) READ THE FIRST TIME - REFERRALS  
03/15/10 (H) FSH, RES  
03/22/10 (H) FSH AT 3:00 PM CAPITOL 106

#### **WITNESS REGISTER**

KATIE KOESTER, Staff  
Representative Paul Seaton  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions on HB 389.

JERRY SCHOLLES, Owner  
Coastal Refrigeration  
Homer, Alaska

**POSITION STATEMENT:** Testified in favor of HB 389.

SENATOR FRED DYSON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented CSSB 274, as the prime sponsor.

#### **ACTION NARRATIVE**

[3:09:06 PM](#)

**CHAIR BRYCE EDGMON** called the House Special Committee on Fisheries meeting to order at 3:09 p.m. Representatives Edgmon, Munoz, Kawasaki, and Buch were present at the call to order. Representative Keller arrived as the meeting was in progress.

**HB 389-COMMERCIAL FISHING LOAN ACT**

[3:09:16 PM](#)

CHAIR EDGMON announced that the first order of business would be HOUSE BILL NO. 389, "An Act relating to loans made to commercial fishermen under the Commercial Fishing Loan Act for energy efficiency upgrades; and providing for an effective date."

[3:09:48 PM](#)

KATIE KOESTER, Staff to Representative Paul Seaton, Alaska State Legislature, informed the committee HB 389 allows the Division of Investments, Department of Commerce, Community, & Economic Development, to offer up to a two-point rate reduction to borrowers of the product quality improvement and engine fuel efficiency replacement loan programs, under the commercial fishing loan program, if the borrowers purchase a product that is manufactured in Alaska. In addition, at least 50 percent of the loan proceeds need to be spent on a product that is manufactured or produced in the state. In response to a question posed at a previous meeting, she stated that the definition of "produced or manufactured in Alaska," as written in the bill, is sufficient for the department to promulgate regulations. She noted that the division director advised there is sufficient authority because the department "pulled this language from procurement statutes and procurement has already, has a set of regulations that they have generated regarding Alaska manufacture." Ms. Koehler acknowledged that the regulations would be subject to public comment and the standard regulatory process. In response to a second question regarding what would be eligible as Alaskan manufacturing, she directed attention to the written response from the sponsor's office, dated 3/18/10, found in the committee packet. Ms. Koehler pointed out that the response includes two scenarios indicating how the department would determine whether a product was manufactured in Alaska, including the assembly of a kit.

[3:12:28 PM](#)

CHAIR EDGMON opened public testimony.

[3:12:46 PM](#)

JERRY SCHOLLES, Owner, Coastal Refrigeration, stated that he is a small manufacturer of seawater systems, and expressed his hope that the bill will generate more small business within the state

by a reduction in the interest rate for people who manufacture here.

[3:13:46 PM](#)

CHAIR EDGMON closed public testimony.

[3:13:57 PM](#)

REPRESENTATIVE MUNOZ moved to report CSHB 389, 26-LS1441\P, Kane, 3/1/10, out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, CSHB 389(FSH) was reported from the House Special Committee on Fisheries.

The committee took an at-ease from 3:13 p.m. to 3:15 p.m.

[3:15:50 PM](#)

**SB 274-WILLIAM JACK HERNANDEZ FISH HATCHERY**

[3:16:08 PM](#)

CHAIR EDGMON announced that the final order of business would be CS FOR SENATE BILL NO. 274(RES), "An Act naming the new state fish hatchery on the Elmendorf Air Force Base the William Jack Hernandez Sport Fish Hatchery."

[3:16:10 PM](#)

SENATOR FRED DYSON, Alaska State Legislature, explained that this bill names the new, replacement fish hatchery at Elmendorf Air Force Base the William Jack Hernandez Sport Fish Hatchery. Senator Dyson noted biologists from around the state have supported this action. He described Mr. Hernandez's notable civilian service during World War II, as well as his military service from 1947-1968, during which he was assigned to the fish hatchery at Fort Richardson. Senator Dyson said, "It is literally true that all of the fish hatcheries in Southcentral Alaska are the result of this man's work." Furthermore, Mr. Hernandez mentored an entire generation of marine biologists. Senator Dyson assured the committee there has been nothing but support for this legislation.

[3:18:36 PM](#)

REPRESENTATIVE BUCH offered his support for the bill.

[3:19:34 PM](#)

REPRESENTATIVE KELLER offered his support for the bill.

[3:19:47 PM](#)

CHAIR EDGMON opened public testimony, and hearing none, closed public testimony.

[3:20:07 PM](#)

REPRESENTATIVE KELLER moved to report CSSB 274 (RES), 26-LS1449\R, out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, CSSB 274(RES) was reported from the House Special Committee on Fisheries.

[3:20:26 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 3:20 p.m.