

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

February 28, 2012

5:05 p.m.

**MEMBERS PRESENT**

Representative Steve Thompson, Chair  
Representative Alan Austerman  
Representative Bob Herron  
Representative Lance Pruitt  
Representative Bob Miller

**MEMBERS ABSENT**

Representative Craig Johnson, Vice Chair  
Representative Scott Kawasaki

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S):

Fishermen's Fund Advisory & Appeals Council

Jim Herbert - Seward  
Clay Bezenek - Ketchikan

- CONFIRMATION(S) ADVANCED

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JIM HERBERT, Appointee  
Fishermen's Fund Advisory & Appeals Council  
Seward, Alaska

**POSITION STATEMENT:** Spoke as an appointee to the Fishermen's Fund Advisory and Appeals Council.

JERRY MCCUNE, Lobbyist  
Cordova District Fisherman United  
Cordova, Alaska

**POSITION STATEMENT:** Testified in support of the reappointment of both Mr. Herbert and Mr. Bezenek.

CLAY BEZENEK, Appointee  
Fishermen's Fund Advisory & Appeals Council  
Ketchikan, Alaska

**POSITION STATEMENT:** Spoke as an appointee to the Fishermen's Fund Advisory and Appeals Council.

**ACTION NARRATIVE**

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**CHAIR STEVE THOMPSON** called the House Special Committee on Fisheries meeting to order at 5:05 p.m. Representatives Austerman, Herron, Pruitt, Miller, and Thompson were present at the call to order.

**CONFIRMATION HEARING(S): Fishermen's Fund Advisory & Appeals Council**

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CHAIR THOMPSON announced that the only order of business would be consideration of the appointees to the Fishermen's Fund Advisory & Appeals Council. He explained that the fund was established in the Division of Workers' Compensation in 1951 and provides for the treatment and care of Alaska licensed commercial fishermen who have been injured onshore or offshore. The fund is financed from revenue received from resident and nonresident commercial fishermen licenses and permit fees. The commissioner of the Department of Labor & Workforce Development (DLWD) oversees administration of the program with assistance of the Fishermen's Fund Advisory and Appeals Council. The Fishermen's Fund Advisory and Appeals Council is composed of the DLWD commissioner or his/her designee who serves as chairman and five members appointed by the governor. When the fund administration can't immediately approve an application for benefit, it may go before the Fishermen's Fund Advisory and Appeals Council for review.

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JIM HERBERT, Appointee, Fishermen's Fund Advisory & Appeals Council, informed the committee that he has been in the designated seat representing District 3 on the Fishermen's Fund Advisory and Appeals Council for more than 12 years. He noted that he was first appointed by Governor Knowles and specified that District 3 extends from Yakutat down below King Cove. Mr.

Herbert then turned to his personal background, and informed the committee that he came to Alaska in 1971 and began fishing out of Homer. While the bulk of his fishing time has been located in Kodiak and Cook Inlet, he said he has fished from Southeast to Bristol Bay as well as some communities further north more recently. In terms of his role on the council, Mr. Herbert expressed his belief in the importance of his knowledge of the fisheries and the waters. The aforementioned knowledge, he opined, helps weed out some who are perhaps trying to pull the wool over the bureaucratic eye. He opined that over the years the Fishermen's Fund Advisory and Appeals Council has done well serving its clients. In regard to the recent increase up to \$10,000 in the total amount of funds that fishermen can receive per standard claim, he pointed out that the Fishermen's Fund Advisory and Appeals Council has always had the ability to give extra funds in extraordinary circumstances, that is for those who have suffered injuries and have no other recourse. Mr. Herbert then related that he has always believed the Fishermen's Fund Advisory and Appeals Council's fiduciary responsibility is important. As mentioned earlier, approximately 39 percent of fishermen's deck licenses and an equivalent amount from fishing permits established the fund. Over the years, the balance has grown and remained fairly stable for a number of years. The [fishermen and council] are anxious to observe what happens with this new higher limit in terms of the total corpus of the fund, which is currently \$11-\$12 million, and the potential decrease it will experience. He suggested that the committee may wish to put the aforementioned on the committee's radar.

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MR. HERBERT then reminded the committee that a number of years ago, a seven-day fishermen's license was put in effect with the idea that there might be tourists who were willing to go out on fishermen's boats for the experience of it. However, he opined that the seven-day license has deteriorated into a loophole that allows out-of-state people to pay the same rate as in-state people and purchase several long-term licenses in succession to escape fees that one would be required to pay for a standard deck license. This license may also impact the funds going into the Fishermen's Fund. However, more importantly, he opined that the intent of the license isn't being honored. Mr. Herbert then informed the committee at the next Fishermen's Fund Advisory and Appeals Council meeting he hopes to find efficiencies that address the high administrative costs of each claim. Since a number of the committee members are from the Fairbanks area, Mr. Herbert highlighted the fact that for three to four years the

Fishermen's Fund Advisory and Appeals Council has been unable to fill the seat for District 5, which is north of Bristol Bay and sort of the AYK area. The concern is that the fishermen in District 5 aren't receiving real representation. Therefore, he encouraged passing on the name of anyone interested in that seat.

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REPRESENTATIVE HERRON said that he will include a notice regarding this vacancy in his newsletter.

MR. HERBERT said he would appreciate that.

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CHAIR THOMPSON, drawing from his experience sitting on the Workers' Compensation Board, related that at the end of the construction season the board would experience an increase in the number of claims. He asked if that was the case with fisheries.

MR. HERBERT answered, "Not necessarily." He told the committee that until a year-and-a-half ago, the standard limit was \$2,500 and it's only paid to the provider, not the individual. Typically, the individual has to file the claim within 60 days of the injury otherwise there are more difficulties and appeals that arise with filing the claim. Mr. Herbert said that the claims seem to be a function of the busyness of the season, and therefore since most of the salmon fisheries occur in the summer that's when most of the claims occur.

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REPRESENTATIVE AUSTERMAN inquired as to the number of meetings the Fishermen's Fund Advisory and Appeals Council holds.

MR. HERBERT responded that the council holds two meetings per year, one of which is usually held in Juneau and the other in Anchorage. He did recall a year when the council held a meeting in Kodiak. Although these meetings have virtually no audience, last spring a meeting was held in Dillingham in order to reach out to other fishermen in other communities.

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REPRESENTATIVE AUSTERMAN then inquired as to whether all the claimants have to appear before the council for their claims.

MR. HERBERT replied no, adding that there are various forms for claimants appealing a late filing or seeking more funds or time for treatment. If the claimant feels he/she could be better served by appearing in person, he/she may do so. He noted that appearing telephonically has always been an option.

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REPRESENTATIVE AUSTERMAN further inquired as to the administrative costs per percentage of claims or the amount of the claims.

MR. HERBERT responded that he does to a certain extent. Without specific documentation, he estimated that it's about \$300 per claim for approximately 700 claims per year. Currently, there are two clerks in Juneau who perform most of the paperwork in Juneau and a part-time administrator. For this upcoming meeting, from the administrator he had requested a break out of the job descriptions of the various staff and how the funds are allocated. Although he understood that there has to be a sharing of certain costs, such as for the electricity, the Xerox machine, and supplies, it seems too much money is being spent on administration when the average claim is less than \$1,000.

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CHAIR THOMPSON invited public testimony.

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JERRY MCCUNE, Lobbyist, Cordova District Fisherman United, related support for the reappointment of Mr. Herbert, who has lots of institutional knowledge and can help newer members to the Fishermen's Fund Advisory and Appeals Council. With regard to Mr. Bezenek, he related his understanding that he has fished all over the state and is knowledgeable of the issues that would be on the vessels. Mr. McCune related support for the reappointment of both nominees.

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CLAY BEZENEK, Appointee, Fishermen's Fund Advisory & Appeals Council, informed the committee that he has been on the Fishermen's Fund Advisory and Appeals Council one full term. He

further informed the committee that the Fishermen's Fund Advisory and Appeals Council helped his family personally when he had a bad accident in 2002 while geoduck diving in Craig. Therefore, when he was offered the opportunity to serve on the council, he didn't hesitate to give back to the industry that has supported him for the last 25 years. Mr. Bezenek said he enjoys being on the board, which has a lot of good folks, particularly Mr. Herbert, to show him the way even when on opposing sides of an issue. Mr. Bezenek said the Fishermen's Fund Advisory and Appeals Council is really a great fund that has helped a lot of people.

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CHAIR THOMPSON, upon determining no one else wished to testify, closed public testimony.

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CHAIR THOMPSON announced that without objection, the House Special Committee on Fisheries, having reviewed the qualifications of the governor's appointees, will forward the names of Mr. Herbert and Mr. Bezenek to the full legislature for confirmation. He then reminded members that signing the reports regarding appointments to boards and commissions in no way reflects individual member's approval or disapproval of the appointees, and that the nominations are merely forwarded to the full legislature for confirmation or rejection.

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#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 5:25 p.m.