

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

March 25, 2014
10:03 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Eric Feige
Representative Lynn Gattis
Representative Bob Herron
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

Representative Craig Johnson
Representative Kurt Olson

COMMITTEE CALENDAR

HOUSE CONCURRENT RESOLUTION NO. 25

Urging the Governor to request that the North Pacific Fishery Management Council analyze the option of including community fishing associations as entities that may be granted catch shares in any trawl bycatch management program for the Gulf of Alaska.

- MOVED HCR 25 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HCR 25

SHORT TITLE: CATCH SHARES IN NPFMC GROUND FISH PLAN

SPONSOR(S): RULES BY REQUEST OF FISHERIES

03/14/14	(H)	READ THE FIRST TIME - REFERRALS
03/14/14	(H)	FSH
03/25/14	(H)	FSH AT 10:00 AM CAPITOL 120

WITNESS REGISTER

HENRY MITCHELL

Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HCR 25.

ALEXUS KWACHKA

Kodiak, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

ERNEST WEISS
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

ALAN PARKS
Homer, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

CHUCK MCCALLUM, Director
Gulf of Alaska Coastal Communities Coalition
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

JOHN WHIDDON
Kodiak, Alaska

POSITION STATEMENT: Testified during the discussion on HCR 25.

DAVE KUBIAK
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

EMIL CHRISTIANSEN, Secretary
Old Harbor Native Corporation
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

FREDDIE CHRISTIANSEN, Secretary
Old Harbor Native Corporation
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

THERESA PETERSON
Kodiak Outreach Coordinator
Alaska Marine Conservation Council (AMCC)
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HCR 25.

ACTION NARRATIVE

10:03:00 AM

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 10:03 a.m. Representatives Herron, Feige, Kreiss-Tomkins, and Seaton were present at the

call to order. Representative Gattis arrived as the meeting was in progress.

HCR 25-CATCH SHARES IN NPFMC GROUND FISH PLAN

[10:03:37 AM](#)

CHAIR SEATON announced that the only order of business would be HOUSE CONCURRENT RESOLUTION NO. 25, Urging the Governor to request that the North Pacific Fishery Management Council analyze the option of including community fishing associations as entities that may be granted catch shares in any trawl bycatch management program for the Gulf of Alaska.

[10:04:04 AM](#)

CHAIR SEATON opened public testimony on HCR 25.

[10:04:07 AM](#)

HENRY MITCHELL stated he has been involved in North Pacific fisheries for over 30 years. He originally worked for the Bering Sea Fisherman's Association from 1980 to 1996 and currently works for Coastal Villages [Region Fund], but he is speaking on behalf of himself. He said he served on the North Pacific Fisheries Management Council (NPFMC) in the early 1990s when the community development quota system was developed. He recalled that at the time he made motions to include the Gulf communities; however, the council preferred not to do so. He said he believes local communities in the Gulf of Alaska would benefit by the NPFMC passing community quotas. He urged members to pass HCR 25.

[10:05:44 AM](#)

ALEXUS KWACHKA stated his support for HCR 25. He said he personally has lived through two rationalization programs in Kodiak that directly affected him in the halibut and sablefish and crab programs. He supported this as a means of adding another tool for the NPFMC. He emphasized the importance of anchoring quota in communities in perpetuity and remarked that losing access to fisheries in Alaska would be a tragedy. He encouraged members to move this resolution forward.

[10:06:36 AM](#)

REPRESENTATIVE HERRON asked for further clarification on the rationalizations and which communities were negatively impacted.

MR. KWACHKA answered that he has more familiarity with the halibut and sablefish fisheries, but in his view, Kodiak lost out in the crab program, which has resulted in a huge reduction in the fleet; direct economic loss to the community; and a major impact on local businesses. Consequently, the halibut and sablefish fleet size was drastically reduced. He reiterated the importance of keeping these fisheries as community-based fisheries in order to gain more local control.

[10:08:37 AM](#)

REPRESENTATIVE HERRON asked him to identify two communities negatively impacted by rationalization.

MR. MITCHELL answered that some of the communities on the [Aleutian] Chain, in particular, were left out of the programs. He said Sand Point and Chignik in some regards has been substantially impacted by being left out of many of the programs. He said that if the NPFMC had adopted a community development regime for the Gulf of Alaska communities, many of them would be much better off today.

[10:09:41 AM](#)

REPRESENTATIVE HERRON asked what leverage would the governor have in encouraging the [NPFMC] to have this option.

MR. MITCHELL said that the governor has influence through relationships with council members, and the governor could encourage the council to pass regulations that will benefit communities.

[10:10:36 AM](#)

CHAIR SEATON related that the committee has asked the governor via HCR 25 to put protections for Alaskan coastal communities. He clarified the legislative intent is to ask the governor as chief executive of the state to inform the council to protect coastal communities.

[10:11:24 AM](#)

ERNEST WEISS said he works for the Aleutians East Borough, has lived many years in King Cove, and he now lives in Anchorage.

He addressed the member's question regarding rationalization, stating that King Cove was severely impacted by the crab rationalization program. He offered his support for HCR 25, the NPFMC, and the option for community fishing associations (CFAs) for the Gulf of Alaska trawl bycatch management program currently being developed. He said that inclusion of CFAs could mitigate some of the potential negative impacts inherent in a catch share program by anchoring quota in the communities and keeping entry-level opportunities open for fishermen. In addition, the CFAs could enhance some of the community protections already being considered as part of this program. He has regularly participated in the NPFMC process and commends the state on its leadership in this bycatch action. The current structure can be found in the [NPFMC's] October motion, which contains innovative elements that will give some protection to coastal communities, including consolidation limits, limited duration of shares, requirement for active participation, and including the community as part of the co-op. He supported these community protections but also strongly believes including the CFAs could enhance existing elements to reduce bycatch and benefit coastal communities. He urged members to move HCR 25.

[10:13:39 AM](#)

ALAN PARKS said he is from Homer and is in his 38th year of fishing in Alaska and that his teenage children fish with him in the summer. He said he supports HCR 25. He has been through a number of privatization programs that are in place - the crab rationalization program and the halibut/sablefish IFQ [Individual Fishing Quota] program. He expressed concern about his son's opportunities to enter these fisheries, since entry level opportunities are limited primarily due to costs. However, the type of community-centered fisheries supported in HCR 25 could provide a road map for shaping future fisheries and allow people to be part of a healthy economic and social environment in coastal communities. He urged members to move HCR 25. He offered his belief that the CFAs are a means to best benefit Alaska's communities.

[10:16:45 AM](#)

CHUCK MCCALLUM, Director, Gulf of Alaska Coastal Communities Coalition, stated that he regularly participates in the NPFMC's public process. He encouraged members to pass HCR 25. It takes a concerted and extraordinary effort for communities, whose interests are at stake, to effectively engage in the public process at the [NPFMC] and be heard. He asked members to add

their voice to this effort. This resolution, HCR 25, does no more than to ask for more information on how giving an allocation of fishing quota might be a better way to protect communities by promoting a good jobs-based fishing economy for everyone in the Kodiak Island Borough and the broader region of the Gulf of Alaska fisheries.

MR. MCCALLUM said the state has included in the current [NPFMC] motion what it believes may adequately address the issues of community protections; however, he believed that those static approaches are very likely to fail in significant and unpredictable ways while the inherently dynamic and adaptive involvement of a community fishing association (CFA) is much more likely to effectively promote and maintain the healthy mix of fishing related jobs that the community needs. He acknowledged that fishermen often don't see any upside for them in this and imagine innumerable ways that the CFAs might be a problem, but without getting a clear motion on the table and analyzing it, it won't be possible to put those fears to rest. Please pass this resolution, he said.

[10:18:50 AM](#)

JOHN WHIDDON stated he serves on the Kodiak City Council, but is representing himself today. The fishery work group, which he co-chairs, and a joint work session he participated in between the Kodiak Island Borough and the city council last week discussed the CFA issue. He said he manages a processing plant in Kodiak and is engaged in the trawl fishing industry, although he also participates with a mix of vessels including pot boats, longliners, and seiners. He suggested that the committee consider a balanced point of view, noting the lack of 100 percent consensus for CFAs in Kodiak. He surmised that of the 34 vessels currently fishing, most would say they aren't in favor of CFAs since they are concerned about outcomes. Certainly some coalition members are 100 percent in favor of CFAs; however, it's important to strike a balance, he said. He agreed that CFAs could be part of the solution set to ensure that the Kodiak economy is strong, but all three sectors - the trawl sector, the fish and harvesting sector, and the processing sector - must each be healthy to have a healthy community. He said the sectors have a symbiotic relationship. He maintained that the CFAs are only one approach to consider, but it may ultimately need to be a combination of solutions. For example, one thing to consider in terms of ownership issues is that corporate ownership of vessels in some ways circumvents and negates any impact of the [NPFMC] motions. He maintained that

in Kodiak, diversity resides around the [CFA] issue. If this approach would positively impact the trawl industry, he will support it; however, if it will result in a net loss to the trawl industry, another approach might need to be considered.

[10:22:16 AM](#)

DAVE KUBIAK stated he has been in Kodiak since the 1960s, and is currently a salmon permit holder, has some halibut IFQs, and has jigged for codfish. He urged members to pass HCR 25 to include CFAs as part of the rationalization plan for the Gulf of Alaska trawl fleet. He described a number of problems the fisheries face such as absentee ownership, fewer locally-based vessels, high lease fees, rapid vessel consolidation, consolidation of quota ownership, lower crew pay, and fewer crew jobs that have resulted from rationalization in the world.

MR. KUBIAK said the CFAs could represent a means of countering many of the consequences through local control over a portion of rationalized fishing rights, which could be done by CFAs joining a cooperative. Proponents of CFAs view the associations as a method to ensure local fishermen, skippers, and crews can continue to participate and communities will stay healthy. Further, CFAs will effectively anchor quota to communities in perpetuity, which will support new generations of fishermen, he said. The initial allocation amplifies the community benefit, he said. He pointed out that the value of quota arises as soon as a fishery is rationalized. Any deleterious effects of allocation against the current participants will be ameliorated by this since he assumed it would be accomplished through a private non-profit approach, who would likely take out administrative fees. He urged members to vote to move this forward so CFAs can be further examined by the NPFMC.

[10:25:18 AM](#)

EMIL CHRISTIANSEN, Secretary, Old Harbor Native Corporation, stated his support for HCR 25. He said he has been fishing for 55 years - he started fishing when he was six with his dad. He said he has seen changes and "seen people do things that have so much affect against the villages, that we need to stop this and we need to look at the future of our children and the State of Alaska." He asked for support for HCR 25, for the future of the coastal fishing communities.

[10:26:24 AM](#)

FREDDIE CHRISTIANSEN, Secretary, Old Harbor Native Corporation, said he was born in Kodiak, raised in Old Harbor, and has fished for 48 years. He disagreed with the comment with respect to the community of Kodiak having a diverse view. The six villages on Kodiak Island have lost access to the resource adjacent to the communities. He objected to all the fish being processed in Kodiak since it comes from the villages. He found this unacceptable. He could recount his experiences with the IFQ program that was implemented in the Bering Sea but not in the Gulf of Alaska. In all of his time spent with fishing organizations, he has not experienced or observed the state taking the responsibility to care for the communities. The villagers have their "backs against the wall" and are very disappointed with the current process.

CHAIR SEATON related his understanding that Mr. Christensen supports passage of HCR 25.

MR. CHRISTIANSEN agreed.

[10:28:30 AM](#)

THERESA PETERSON, Kodiak Outreach Coordinator, Alaska Marine Conservation Council (AMCC), stated support for HCR 25. She said what the current options lack is an opportunity to anchor quota to the communities. The state has done a great job to date with bringing the motion forward and considering a new program design. She said the HCR is on the right track.

CHAIR SEATON closed public testimony on HCR 25.

[10:29:38 AM](#)

REPRESENTATIVE FEIGE moved to report HCR 25 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HCR 25 was reported from the House Special Committee on Fisheries.

[10:30:01 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 10:30 a.m.