

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

April 25, 2017

10:00 a.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Zach Fansler
Representative Jonathan Kreiss-Tomkins
Representative Geran Tarr
Representative Mike Chenault
Representative David Eastman
Representative Mark Neuman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 188

"An Act relating to commercial fishing entry permits; establishing regional fisheries trusts and fisheries trust regions; relating to commercial fishing entry permits held and leased by a regional fisheries trust; relating to the duties of the Alaska Commercial Fisheries Entry Commission and the Department of Commerce, Community, and Economic Development; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 188

SHORT TITLE: COMM. FISH. ENTRY PERMITS; LOANS; TRUSTS

SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

| | | |
|----------|-----|---------------------------------|
| 03/20/17 | (H) | READ THE FIRST TIME - REFERRALS |
| 03/20/17 | (H) | FSH, L&C |
| 04/13/17 | (H) | FSH AT 10:00 AM GRUENBERG 120 |
| 04/13/17 | (H) | -- MEETING CANCELED -- |
| 04/20/17 | (H) | FSH AT 10:00 AM GRUENBERG 120 |
| 04/20/17 | (H) | -- MEETING CANCELED -- |
| 04/25/17 | (H) | FSH AT 10:00 AM GRUENBERG 120 |

WITNESS REGISTER

REPRESENTATIVE JONATHAN KREISS-TOMKINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 188, as sponsor.

REID MAGDANZ, Staff
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Responded to questions during the presentation of the proposed committee substitute (CS) for HB 188, on behalf of Representative Kreiss-Tomkins, sponsor.

NORM VAN VACTOR, CEO/President
Bristol Bay Economic Development Corporation (BBEDC)
Dillingham, Alaska

POSITION STATEMENT: Testified in support of HB 188.

RACHEL DONKERSLOOT, Program Director
Alaska Marine Conservation Council
Anchorage, Alaska

POSITION STATEMENT: Testified in support HB 188.

JIM BRENNAN, Attorney
Law Offices of Brennan and Heideman
Anchorage, Alaska

POSITION STATEMENT: Testified on the constitutionality of HB 188.

RALPH TOWNSEND, Director
Institute of Social and Economic Research (ISER)
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 188.

CLAY BEZENEK, Fisherman
Ketchikan, Alaska

POSITION STATEMENT: Testified with opposition to HB 188.

NATASHA HAYDEN
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HB 188.

ELSA SEBASTIAN, Fisherman
Sitka, Alaska

POSITION STATEMENT: Testified in support of HB 188.

ALYSSA RUSSELL

Alaska Longline Fisherman's Association
Sitka, Alaska

POSITION STATEMENT: Testified in support of HB 188.

TYLER EMERSON, Fisherman

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 188.

HEATHER MCCARTY, Representative

Central Bering Sea Fisherman's Association
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 188.

ACTION NARRATIVE

[10:00:41 AM](#)

CHAIR LOUISE STUTES called the House Special Committee on Fisheries meeting to order at 10:00 a.m. Representatives Stutes, Fansler, Kreiss-Tomkins, Neuman, and Eastman were present at the call to order. Representative Tarr arrived as the meeting was in progress.

HB 188-COMM. FISH. ENTRY PERMITS; LOANS; TRUSTS

[10:01:27 AM](#)

CHAIR STUTES announced that the only order of business would be HOUSE BILL NO. 188, "An Act relating to commercial fishing entry permits; establishing regional fisheries trusts and fisheries trust regions; relating to commercial fishing entry permits held and leased by a regional fisheries trust; relating to the duties of the Alaska Commercial Fisheries Entry Commission and the Department of Commerce, Community, and Economic Development; and providing for an effective date."

[10:01:54 AM](#)

REPRESENTATIVE FANSLER moved to adopt the proposed committee substitute (CS) for HB 188, labeled 30-LS0389\R, Bullard, 4/18/17, as the working document.

CHAIR STUTES objected for discussion.

[10:02:15 AM](#)

REPRESENTATIVE JONATHAN KREISS-TOMKINS, Alaska State Legislature, explained that the primary change, being introduced in Version R, is that trusts would be formed under a "limited authorization." Only three fisheries trusts would be established in the state to allow the program to be tested and vetted.

[10:02:51 AM](#)

CHAIR STUTES removed her objection. Without further objection Version R was before the committee.

[10:03:09 AM](#)

REPRESENTATIVE KREISS-TOMKINS outlined the intent of the bill referring to the committee handout titled, "HB 188: Regional Fisheries Trusts." He said fishermen don't "just drive boats," as their efforts also drive the Alaska economy. The fisheries trusts maximize Alaskans' access to the economic opportunities provided by the commercial fishing industry, particularly in the coastal communities. He said regional trusts would empower communities to prevent economic distress among fishermen, promote fisheries conservation, improve Alaskans' access to fisheries, and realize greater economic self-sufficiency by making entry into the commercial fishing industry more accessible, as called for in the Constitution of the State of Alaska. Several tools to financially aid fishermen exist, such as the Commercial Fishing Revolving Loan Fund (CF RLF), which saw 225 applicants in 2016. The fund currently hosts 1,700 loans, at a total of \$95.2 million. Since it began in 1972, the CF RLF has provided roughly 8,473 fishermen with business loans. Additionally, the Commercial Fisheries Agriculture Bank offers uniquely fishermen-oriented financing. However, with the greying of the fleet, more options are needed to support entry into the industry.

[10:07:18 AM](#)

REPRESENTATIVE KREISS-TOMKINS said the trusts are being proposed as opt-in, self-determined decisions that allow maximum regional flexibility, and handled through community and regional governments via a board of directors; seating members from around the region. The initial three regions that are expected to take advantage of the legislation will not be expanded without further legislative action. A fisheries trust would hold permits to provide a stepping stone by fishermen entering

the industry. The fishermen would gain access to a permit for a time period determined by local authorities, but for no more than six years. The number of permits a trust can acquire has a hard cap to prevent distortion to the open market. He suggested that perhaps only 2.5 percent of the available permits for a given fishery could be held by a regional trust.

[10:13:00 AM](#)

REPRESENTATIVE KREISS-TOMKINS said the guiding principles of the legislation are: to improve access for Alaskans to Alaska's commercial fisheries; to empower communities; and for regions to become more economically self-sufficient. Regarding the question of constitutionality, he said HB 188 has gone through two and a half years of extensive legal vetting, including opinions from the Alaska Department of Law (DOL), private fisheries attorneys, and Alaska Legislative Legal Services. The bill has been crafted and re-crafted in response to recommendations and concerns.

[10:16:04 AM](#)

REPRESENTATIVE KREISS-TOMKINS explained that Version R will provide limited authorization, allowing no more than three regions to opt-in. After January 1, 2018, two-thirds of the municipalities in any fisheries trust region will be allowed to apply to the Department of Commerce, Community & Economic Development (DCCED) to establish a trust. Further, if more than three regions apply, the commissioner of DCCED will work with the Alaska Department of Fish & Game (ADF&G) to pick the three best candidates to receive a go-ahead, as based on their business plans and ability to fulfill the legislative intent of the trusts.

[10:18:53 AM](#)

REPRESENTATIVE KREISS-TOMKINS reviewed the process that has occurred around the development of this bill, which includes: over 1,500 hours of work, receipt of 2,500 individual emails, 150-200 stakeholders were contacted, a statewide summit was held, over 90 pages of legal memos were generated, and 16 bill versions were drafted. Turning to the final page of the handout, he acknowledged the lengthy list of organizations that have been involved, and consulted, for the drafting of the bill.

[10:20:31 AM](#)

CHAIR STUTES asked what the source of funding would be to purchase the permits.

REPRESENTATIVE KREISS-TOMKINS responded that the capitalization of the fund is to be handled on a regional basis via local entities.

CHAIR STUTES inquired whether there are constitutional issues to be addressed.

REPRESENTATIVE KREISS-TOMKINS said the federal constitution disallows the bill to be Alaska centric, and deferred further comment.

[10:22:51 AM](#)

REID MAGDANZ, Staff, Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, added that legal opinions are still being assembled and satisfied.

[10:23:59 AM](#)

CHAIR STUTES asked whether ADF&G supports HB 188.

REPRESENTATIVE KREISS-TOMKINS said the bill has been drafted in close consultation with the department, and Commissioner Sam Cotton has testified in previous hearings on the measure. He refrained from providing official support, but said that ADF&G supports Alaskans having access to Alaska fisheries.

[10:25:24 AM](#)

REPRESENTATIVE FANSLER asked which entities would be recognized in a village that is governed by tribal and municipal entities, which can at times be at odds.

REPRESENTATIVE KREISS-TOMKINS pointed out that the bill language addresses incorporated governments, but Native tribes could be included and have a seat at the table.

[10:27:43 AM](#)

REPRESENTATIVE EASTMAN noted that the trust is being modeled somewhat on the fisherman's revolving loan fund, and asked why it was decided to step away from similar management at the state level.

REPRESENTATIVE KREISS-TOMKINS responded that it was decided to organize the trusts under regional control rather than state management, in order to best serve local needs. Without the local buy-in it would not work as intended.

REPRESENTATIVE EASTMAN inquired about consequences if a buy-in is lost after the trust has been developed and perhaps goes "sideways;" are there checks in place to ensure continued success.

REPRESENTATIVE KREISS-TOMKINS answered that the guidelines for the regional trust to follow would be in statute, limiting the possibility of an effort going sideways. However, a disillusion section is included in the legislation, he assured.

MR. MAGDANZ added that the bill provides sideboards for operating within certain tenants.

[10:32:50 AM](#)

CHAIR STUTES asked whether discussions have ensued regarding the potential for opening up the limited entry act.

REPRESENTATIVE KREISS-TOMKINS said discussions have occurred, and legal counsel has indicated that the act would not be invoked.

[10:33:46 AM](#)

REPRESENTATIVE NEUMAN made a request to have the constitutional questions that have come forward, during the crafting of the bill, as previously mentioned, distributed to committee members. He established that the community trust would be the permit holder and asked how the permits would be obtained.

REPRESENTATIVE KREISS-TOMKINS said different regions would need to take on the mission of creating local trusts, generate funding, and acquire permits from the open market. The trust would hold title to any permits and lease them out for no more than six years.

REPRESENTATIVE NEUMAN queried the source of funding for acquisition, and established that any private industry or individuals would be making a donation, not an investment, to support the purchase and community ownership of permits.

[10:37:53 AM](#)

REPRESENTATIVE TARR asked about the boundaries of the Commercial Fisheries Entry Commission (CFEC) management areas.

REPRESENTATIVE KREISS-TOMKINS offered to provide further information.

REPRESENTATIVE TARR questioned what type of permits might be available.

REPRESENTATIVE KREISS-TOMKINS said fisheries vary widely by region and the proposed process may be best suited for smaller operators.

REPRESENTATIVE TARR asked whether a trust would be limited in the number and types of permits it could hold.

REPRESENTATIVE KREISS-TOMKINS responded yes, and said AS 16.440.60, establishes limits.

[10:41:15 AM](#)

REPRESENTATIVE NEUMAN assumed that DCCED would have applicable bylaws to consider.

MR. MAGDANZ responded that the municipalities would draft bylaws and provide them to DCCED.

[10:42:56 AM](#)

REPRESENTATIVE EASTMAN asked about constraints regarding regional growth.

MR. MAGDANZ said the requirement in the bill is that, at the outset, DCCED sets the boundaries, in conjunction with ADF&G/CFEC. Each community will be tied to a fisheries trust region similar to the structure of the Regional Educational Attendance Areas (REAA). Trusts could only hold permits for their region. If the CFEC changes borders of a management area, the fisheries trust borders might also be altered.

REPRESENTATIVE KREISS-TOMKINS added that the current CFEC regionalization shows about a dozen communities that aren't included in a region. However, these communities are very small and located far from salt water. Although it may only be an academic exercise, the language of the bill allows DCCED to include every small community into a trust region, he stressed.

10:46:40 AM

NORM VAN VACTOR, CEO/President, Bristol Bay Economic Development Corporation (BBEDC), stated support for HB 188, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

My name is Norman Van Vactor from Dillingham Alaska who for the last 40 years has participated in different capacities in the Alaska's fisheries. That said Bristol Bay and our sockeye fishery is what I am most familiar with.

2 ½ years ago in November of 2014, 24 committed, Fisheries Passionate and knowledgeable Alaskans gathered together in Anchorage. We commented at the time that for several of us the only other time that we might be found in the same room was in either arguing opposing positions before the Board of Fish or in Court. That long weekend together produced not acrimony or divisiveness but amazing positive consensus. We were there at the request of then Governor Elect Walker and Lt. Governor Mallott to help them in the capacity of their Fisheries Transition Team. I was honored to Chair of this esteemed group.

Over the next two days our group hammered out what we felt were the top 5 priorities facing the State and they were in order of identified importance as follows:

1. Clear Fish First Policy for Alaska. Chairperson Stutes thank you for your leadership in bringing forward HB 199 that speaks specifically to having this conversation.

2. Prioritize and Improve Fisheries Access for Alaskans, Develop policies, and strategies to return access opportunities to residents of Alaska's fishing Communities.

3. Provide adequate Funding for ADF&G and Fisheries Science.

4. Science over Politics

5. Locally based Adaptive Fisheries Management.

House Bill 188 speaks directly to what was identified as the second most important Fishery Issue in the State. "To prioritize and Improve Fisher Access for Alaskans, Develop policies, and strategies to return access opportunities to residents of Alaska's Fishing Communities.

We are all familiar with conversations centering around "The Greying of the Fleet", "Permit Out Migration", and closing communities. These conversations are not new but ongoing. HB 188 will provide us the opportunity in our varied and different regions to focus on positive conversations. A conversation of reconstruction and growth.

I first met the principal author and sponsor of this Bill a little over 3 years ago. What you have before you today was not created in a vacuum but has been a vision and work in progress for Representative Kreiss-Tomkins for several years. Individuals from across the State with a variety of backgrounds have provided input, concerns, and suggestions and the author has been receptive and adaptive.

Is this Bill perfect and a Silver Bullet to address our communities concerns? Certainly not perfect but with a few tweaks pretty darn good. A silver bullet, NO, but a significant compliment to all the other programs that many of us are working on in different regions to address the issues.

Groups like Bristol Bay Economic Development Corporation who I work for have significant programs in place but in my opinion this Bill would be a huge and significant compliment.

For most of our rural coastal communities our cultural and economic base is in Fisheries and the loss of access comes with significant costs. This Bill is about providing support for an initiative that is all about Economic empowerment. This is all about helping us to most importantly HELP OURSELVES. We know our fisheries. I know Bristol Bay.

I just don't see the downside especially when the other ongoing alternative, our reality, is doing nothing. This allows regions by region to decide if this tool might work for them. For those individuals that are thinking of retirement and transitions I strongly believe that with a Regional Fisheries Trust in place that not only will values be enhanced but new entrants facilitated.

Once this Bill is passed then the real work for us in our towns and communities begin. We are not asking the State to do this for us. Regions that have an interest in opting in will have to go thru a public process and get a majority of the communities and municipalities to support. Once this step is completed and if not happening concurrently, business plans will need to be developed and financial resources secured and not banking on State or Federal. With that in hand a competitive application would be submitted to the Department of Commerce for review and approval.

There are ON ramps and there are off ramps. I ask for your support in addressing this critical issue of our time and for your help in Helping us Help ourselves.

[10:52:46 AM](#)

REPRESENTATIVE TARR asked how long it might take before a trust could purchase permits.

MR. VAN VACTOR said making a purchase would depend on the fund raising possibilities, and expressed optimism that money would be forthcoming.

[10:55:15 AM](#)

RACHEL DONKERSLOOT, Program Director, Alaska Marine Conservation Council, stated support for HB 188, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

I'm an anthropologist by trade, I grew up in the fishing community of Naknek in southwest Alaska, and I work for the Alaska Marine Conservation Council. My time is largely devoted to research, education and policy work on fishing community sustainability, marine resource governance (especially fishery access

issues) and rural youth issues in Alaska and the Global North. I'm currently co-leading two projects relevant to HB 188: One focuses on the graying of the fleet and loss of fishing rights and opportunities in Alaska fisheries. This project includes a global review of potential responses to address the graying of the fleet in Alaska, including policy provisions, alternative management structures, and training and mentorship programs. This review should be coming out in a few weeks' time.

In our study, we found that the need to purchase permits and quota has created expensive barriers to entry into commercial fisheries for the next generation of fishermen. This, with the resulting increased financial capital and risk needed to enter into fisheries are primary factors contributing to current trends in Alaska. The cost and financial risk of entry into most fisheries is prohibitive for many young or new fishermen seeking to make fishing a career or diversify into new fisheries.

Our research shows intergenerational access is eroding. Fishing permits are leaving coastal communities and our state, which reduces opportunities for Alaska youth to enter into fisheries. This loss of opportunity for residents has important implications for the future of these communities and our state as a whole.

I would stress here that Alaska has implemented a number of programs and provisions intended to facilitate entry and Alaska ownership, but what we're seeing, across the state, is that additional tools are needed.

Regional trusts as designed in HB 188 are a highly controlled tool that can provide an additional path to local and independent ownership for Alaska residents. This is not an untested idea. Other fishing regions in the US and around the globe have created similar tools to address similar challenges, tools that anchor access rights and entry opportunities in fishing regions to bolster economies and support new and rural fishermen. Examples include Norway's recruitment quota and coastal district quota, Maine's lobster

apprenticeship and island license program, and leased access through the Cape Cod Fisheries Trust.

Today, more than three-quarters of Bristol Bay salmon permits are held by nonlocals. In one generation, Kodiak's Alutiiq villages have suffered an 84% decrease in the number of young people owning state fishing permits, and a 67% decrease in the number of state permits overall. In the southeast villages of Angoon, Hoonah, Hydaburg, and Kake, the number of young people owning state permits has dropped sharply since 1985: from 131 to only 17 in 2013.

Big picture, the net loss of more than 2300 state permits from Alaska rural fishing communities represents 29% of permits originally issued to rural Alaskan fishermen. This loss of access is particularly stark when compared to the 7.4% net increase in permits held by non-residents of the state over the same time period.

Our research has led us to make five recommendations that could contribute to reversing the trend of the graying of the fleet in Alaska. Among these are: 1) Explore new forms of access to commercial fishing to facilitate entry for the next generation; and 2) Consider mechanisms to protect community-based fishing access. Fisheries trusts are within these realms. Regional Fisheries Trusts will not single handedly solve the problems affecting our fisheries and communities, but it is an important part of the suite of solutions that Alaska needs to be advancing. Trusts recreate the opportunity that is fundamental to the health of our fishing communities and help to recapture some of the benefits currently leaving Alaska in the form of rights, income and livelihood.

[10:59:58 AM](#)

REPRESENTATIVE TARR asked what sidebars are being referring to in the statement that the trusts will be highly controlled tools.

MS. DONKERSLOOT answered that the controls include the number of permits a trust can hold, where the funding can come from, and the board structure.

REPRESENTATIVE TARR noted the reference to the trust not being a new idea and that similar organizations exist elsewhere in the world. She asked if similar controls are found in the other examples mentioned.

MS. DONKERSLOOT answered that the other programs have caps and eligibility rules, but they've all been developed specific to their locales.

[11:01:59 AM](#)

CHAIR STUTES cautioned that expectations are possibly being raised that the permit bank will serve to promote residency in coastal communities, but in actuality much of the outmigration of the permit holders has been to the Anchorage, Matanuska-Susitna, Palmer, and Wasilla, areas where more permit holders reside than anywhere else in the state. Pending the satisfaction of constitutional requirements, the permits held in trust may be available to anyone, living anywhere, in the state, she noted, and asked how particular regions are expected to be enhanced.

MS. DONKERSLOOT explained that a perception exists of lost opportunities in coastal communities, and financial hurdles are often seen as impassable. She stated her belief that using the trust as a stepping stone will provide locals, especially young adults, the assistance they need to enter the fishing industry.

CHAIR STUTES stressed that the permit cost isn't the only expenditure required for fishing, as a captain must be able to put together a boat, equipment, and crew. Further, she reported that Community Quota Entity (CQE) permits exist, which are not being fished.

MS. DONKERSLOOT responded that the existing CQE dynamics are an example of why a multi-faceted approach is necessary to re-enliven the fishing industry. The permits trust will be one aspect of the effort.

[11:06:53 AM](#)

JIM BRENNAN, Attorney, Law Offices of Brennan and Heideman, said the ongoing exodus of limited entry permits from Alaska coastal communities is a major concern. Reviewing the constitutionality of the bill has been his primary focus, and he has scrutinized three specific areas, which are: discrimination against nonresidents under the federal Privileges and Immunities clause;

discrimination in general under the state and federal Equal Protection clauses; and the creation of an exclusive right or privilege of fishery under the Constitution of the State of Alaska. Although all three areas pose concerns, the constitutionality of a regional fisheries trust system would be upheld, if the statute is accompanied by carefully worded legislative findings and purposes, he opined, and paraphrased the language of Article 8, Section 16, which reads:

SECTION 15. No Exclusive Right of Fishery. No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State. This section does not restrict the power of the State to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aquaculture in the State.

The final provision in this section, adopted in 1972, is unusually specific, which has been interpreted by the Alaska Supreme Court to authorize the limited entry statutes, despite the clauses that prohibit exclusive right and privilege of fishery. Thus, the limited entry provisions establish precedent for the three constitutional areas of concern. If the legislature is acting to prevent economic distress among fishermen and those dependent upon them for a livelihood, the proposed legislation could be defended. The bill offers a sound approach, he opined.

[11:12:19 AM](#)

RALPH TOWNSEND, Director, Institute of Social and Economic Research (ISER), commented on specific aspects of HB 188, and said ISER refrains from taking a political stance on issues. He cited how the approach to fisheries, around the world, have evolved regarding ways in which they are managed. However, the underlying concept that is common is that, regardless whether they choose to or not, someone who would like to fish may not have the choice. Alaska was an early adopter of limited entry fisheries. Benefits of collective efforts exist, as seen around the world. It's in that context that a trust may be formed to offer collective decisions about a joint resource. The creation of a permit process has reduced access for many people. However, drawing an analogy is not easy given the different characteristics of entities such as community quotas and permit trusts. Assisting a fisherman to enter the industry has many

facets, but unless the permit is owned by a local trust, the permit owner can sell it to anyone, anywhere. Regarding who would finance the permits, he offered two possibilities, as follows: a permit may be willed or sold at less of a cost by a retired fisherman without an heir apparent or need for a high sale rate; or the Nature Conservancy, which has acted to purchase permits in the past under different rules. One concern he said is that the caps of 2.5 percent keeps the trust agency small, and if there are too many rules, they could become expensive to run. A balance should be struck to create a real opportunity with necessary restrictions. The role the trust will play in a given fishery will likely not be one of over control.

[Public testimony was treated as opened.]

[11:24:45 AM](#)

CLAY BEZENEK, Fisherman, stated opposition to HB 188 and said it isn't necessary. A new car isn't needed, but the car that we have needs tweaked, such as the bill that was introduced to increase the borrowing limit through the state program; HB 56. The sponsor said that HB 188 is for the small boat fisheries, but an entity already exists to support that endeavor. A division of investments representative should visit coastal communities to help the young people, he suggested.

[11:29:44 AM](#)

NATASHA HAYDEN, stated support for HB 188 and said the evolution of the fishing industry has been dramatic. Access to permits may not be a benefit, as some communities have permits that aren't being fished. One type of fishery doesn't support a family and it would be important to have the opportunity for access to different types of permits.

[11:33:33 AM](#)

ELSA SEBASTIAN, Fisherman, stated support for HB 188 paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

I'm 26-years old and I operate a power-troller. I grew up fishing, and have spent every summer season of my life working on boats. I started out hand-trolling on a vessel and permit that was bought with PFD money that my parents had saved for furthering my education.

I was fortunate to receive a full scholarship to college, so I did not have to choose between fishing and a college education.

I'm from a rural community, and as a troller I fish around Southeast Alaska so I visit many small communities, from Craig to Port Alexander, to Pelican. The number of fishing operations in these small communities is dwindling.

There's something about the way of life in rural Alaska that makes people very risk adverse. Since I've been fishing my own vessel I've had many conversations with other young people, especially from Prince of Wales, who are hoping to start running their own operations. Always, these young people are uncertain, even those who were from fishing families aren't sure that they can pull it off - their parents had gotten into fishing when the opportunities were easier to come by, and often in small communities there aren't many role models of young people who have bought in under the current circumstances.

I think the opportunity that could be realized through leasing a permit from a Permit Trust would be significant for young people from rural Alaska. For starters, it would allow the young person several years to figure out how to run a business. This is one of the most challenging aspects of fishing, figuring out how to make the numbers work, how to invest in your boat and your business, how to save money for the years when the fishing is poor. This is especially daunting to young people in rural communities, even if they're from fishing families. Having a few years to figure this out with less risk involved would ultimately allow fishermen to be better business owners.

The other practicality to this, is that it would allow a young person of limited means to invest in a fishing vessel and in the first few years of fishing, be able to have enough extra cash on hand to actually get the boat in fine working order. Last year was my first year fishing my new power-troller, it's a nice boat, but it hadn't been fished for a couple of years and I was pretty surprised by how many things went wrong over the course of the season. The number of in-

season repairs I had to make took a huge toll on the probability of my operation. After making my boat and permit payments, it's been difficult to invest the money needed to get the boat ready for this season. This is a well-known challenge for young fishermen.

Young Alaskans who want to get into fishing are passionate about it, they're hard-workers, and often they see fishing as a way of living in rural Alaska for the long-term. Leasing a permit through a trust would get them off to a good start.

[11:36:51 AM](#)

ALYSSA RUSSELL, Alaska Longline Fisherman's Association, stated support of HB 188 and said it would provide a good means of access to young fishermen, dovetailing with other programs that are in place to encourage entry into the industry.

[11:40:38 AM](#)

TYLER EMERSON, Fisherman, stated support for HB 188 and said the fishing dynamic in rural communities have seen an outmigration of permits. The bill provides an opportunity to address that issue and will offer necessary assistance to young people entering the industry. It will be an important tool for ensuring the future of the fleet.

[11:44:31 AM](#)

HEATHER MCCARTY, Representative, Central Bering Sea Fisherman's Association, stated support for HB 188, and said that, although the Pripilof Islands do not sustain salmon fisheries, the association is adding its voice of support, as a community development quota (CDQ) entity. The spirit and concept of HB 188 is in keeping with the mission of the CDQ program, which is to provide economic and social benefits to the western Alaska coastal communities through access to, and participation in, the fisheries in the Bering Sea. The CDQ program provides these opportunities for fishermen who participate in the federally managed fisheries. The regional fisheries trust concept is believed to be a means for bringing similar opportunities to the coastal, salmon fishermen. Further, the proposed legislation holds the potential to keep fishing rights in communities. She urged committee support for passage of HB 188.

[11:46:42 AM](#)

CHAIR STUTES closed public testimony and announced HB 188 as held.

[11:47:07 AM](#)

CHAIR STUTES ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:47 a.m.