

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

February 27, 2018

10:02 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Zach Fansler

OTHER LEGISLATORS PRESENT

Representative Justin Parish

COMMITTEE CALENDAR

HOUSE BILL NO. 386

"An Act relating to abandoned and derelict vessels; relating to the registration of vessels; relating to certificates of title for vessels; relating to the duties of the Department of Administration; relating to the duties of the Department of Natural Resources; establishing the derelict vessel prevention program; establishing the derelict vessel prevention program fund; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 272

"An Act establishing the Tangle Lakes State Game Refuge; and providing for an effective date."

- MOVED HB 272 OUT OF COMMITTEE

HOUSE BILL NO. 260

"An Act relating to electronic possession of certain licenses, tags, and identification cards issued by the Department of Fish and Game; and providing for an effective date."

- MOVED HB 260 OUT OF COMMITTEE

HOUSE BILL NO. 231

"An Act relating to the Alaska Commercial Fisheries Entry Commission; and providing for an effective date."

- HEARD & HELD

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."

- MOVED CSHB 188 (FSH) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 386

SHORT TITLE: VESSELS: REGISTRATION/TITLES; DERELICTS

SPONSOR(S): REPRESENTATIVE(S) SEATON

02/21/18	(H)	READ THE FIRST TIME - REFERRALS
02/21/18	(H)	FSH, FIN
02/27/18	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 272

SHORT TITLE: TANGLE LAKES STATE GAME REFUGE

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/12/18	(H)	PREFILE RELEASED 1/12/18
01/16/18	(H)	READ THE FIRST TIME - REFERRALS
01/16/18	(H)	FSH, RES
02/13/18	(H)	FSH AT 11:00 AM GRUENBERG 120
02/13/18	(H)	Heard & Held
02/13/18	(H)	MINUTE (FSH)
02/27/18	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 260

SHORT TITLE: FISH & GAME LICENSES; ELECTRONIC FORM

SPONSOR(S): REPRESENTATIVE(S) SADDLER

01/08/18	(H)	PREFILE RELEASED 1/8/18
01/16/18	(H)	READ THE FIRST TIME - REFERRALS

01/16/18 (H) FSH, RES, FIN
02/20/18 (H) FSH AT 11:00 AM GRUENBERG 120
02/20/18 (H) Heard & Held
02/20/18 (H) MINUTE(FSH)
02/27/18 (H) FSH AT 10:00 AM GRUENBERG 120

BILL: HB 231

SHORT TITLE: CFEC: BD. SALARY;STAFF CLASSIFIED SERVICE
SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

04/15/17 (H) READ THE FIRST TIME - REFERRALS
04/15/17 (H) FSH, FIN
05/02/17 (H) FSH AT 10:00 AM GRUENBERG 120
05/02/17 (H) Heard & Held
05/02/17 (H) MINUTE(FSH)
02/22/18 (H) FSH AT 10:00 AM GRUENBERG 120
02/22/18 (H) <Bill Hearing Postponed to 2/27/18>
02/27/18 (H) FSH AT 10:00 AM GRUENBERG 120

BILL: HB 188

SHORT TITLE: COMM. FISH. ENTRY PERMITS; LOANS; TRUSTS
SPONSOR(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
04/25/17 (H) Heard & Held
04/25/17 (H) MINUTE(FSH)
01/25/18 (H) FSH AT 11:00 AM GRUENBERG 120
01/25/18 (H) Heard & Held
01/25/18 (H) MINUTE(FSH)
01/30/18 (H) FSH AT 10:00 AM GRUENBERG 120
01/30/18 (H) Heard & Held
01/30/18 (H) MINUTE(FSH)
02/20/18 (H) FSH AT 11:00 AM GRUENBERG 120
02/20/18 (H) Heard & Held
02/20/18 (H) MINUTE(FSH)
02/27/18 (H) FSH AT 10:00 AM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE PAUL SEATON
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 386.

PATRICIA-NICKELL-ZIMMERMAN, Staff

REPRESENTATIVE PAUL SEATON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 386, on behalf of the prime sponsor, Representative Paul Seaton.

RACHEL LORD, Executive Secretary

Alaska Association of Harbormasters & Port Administrators
(AAHPA)

Homer, Alaska (AAHPA)

POSITION STATEMENT: Presented a PowerPoint and answered questions on HB 386.

KRIS HESS, Chief of Operations

Central Office; Division of Mining, Land and Water (DML&W)

Department of Natural Resources (DNR)

Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of HB 386.

REPRESENTATIVE ANDY JOSEPHSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, testified on HB 272.

CARL PORTMAN, Deputy Director

Resource Development Council (RDC)

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition of HB 272.

BARRY WHITEHILL, Board Member

Alaska Chapter

Backcountry Hunters and Anglers (AKBHA)

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 272.

DEANTHA CROCKETT, Executive Director

Alaska Miners Association (AMA)

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 272.

JOEL ELROD

Greater Copper Valley Chamber of Commerce (GCVCC)

Glennallen, Alaska

POSITION STATEMENT: Testified in opposition to HB 272.

JOE MEEHAN, Coordinator
Division of Wildlife Conservation
Alaska Department of Fish & Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 272.

KIM SKIPPER, Staff
Representative Dan Saddler
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the prime sponsor of HB 260, Representative Dan Saddler.

MORGAN FOSS, Legislative Liaison
Office of the Commissioner
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Answered questions during the discussion of HB 260.

MATT GRUENING, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the changes to the proposed committee substitute (CS) for HB 231, Version D.

MINTA MONTALBO, Special Assistant
Office of the Commissioner
Department of Administration (DOA)
Juneau, Alaska

POSITION STATEMENT: Answered questions and presented the section-by-section analysis of HB 231.

FATE PUTMAN, Commissioner designee; Chairman
Commercial Fisheries Entry Commission (CFEC)
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 231.

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

POSITION STATEMENT: Presented the changes in the proposed committee substitute (CS) for HB 188, Version L.

BEN STEVENS, Director
Hunting and Fishing Task Force
Tanana Chiefs Conference (TCC)
Fairbanks, Alaska

POSITION STATEMENT: Testified on HB 188

NICOLE BORROMEO, Executive Vice President; General Counsel
Alaska Federation of Natives (AFN)
Anchorage, Alaska

POSITION STATEMENT: Testified in support HB 188.

ACTION NARRATIVE

[10:02:33 AM](#)

CHAIR LOUISE STUTES called the House Special Committee on Fisheries meeting to order at 10:02 a.m. Representatives Stutes, Neuman, Kreiss-Tomkins, Tarr, and Eastman were present at the call to order. Representative Edgmon and Chenault arrived as the meeting was in progress.

HB 386-VESSELS: REGISTRATION/TITLES; DERELICTS

[10:04:40 AM](#)

CHAIR STUTES announced that the first order of business would be HOUSE BILL NO. 386, "An Act relating to abandoned and derelict vessels; relating to the registration of vessels; relating to certificates of title for vessels; relating to the duties of the Department of Administration; relating to the duties of the Department of Natural Resources; establishing the derelict vessel prevention program; establishing the derelict vessel prevention program fund; and providing for an effective date."

[10:05:33 AM](#)

REPRESENTATIVE PAUL SEATON, Alaska State Legislature, said that derelict vessels have long been a problem that costs the state and municipalities significant money and heartache. He previously introduced a derelict vessel bill in 2013, House Bill 131, to try to make a better system. Previously, the Department of Natural Resources (DNR) had the sole responsibility for cleaning up, yet the Department of Transportation & Public Facilities had responsibility for some communities so

interagency problems occurred. He referred to the PowerPoint presentation and to slide 3 titled "A Guy Walks into a Bar," which depicts a photo of two vessels that tried to come into the Homer harbor but were turned away. Once the vessels were turned away, they were anchored up across the bay from the Homer Spit. During the winter, the bilge pumps failed, the vessels sank, and an oil spill leaked into the cove. The previous bill required that operators turned away from harbors could not store the vessels for over 14 days without removing all the hazardous materials. He recalled the derelict vessels just mentioned cost the state \$360,000 to remedy, including haul out and storage.

[10:08:18 AM](#)

REPRESENTATIVE SEATON said that the harbor masters and statewide task force meetings hashed out the derelict vessel issue; that HB 386 requires accountability such as title information, which would be like the title registration for vehicles under the Division of Motor Vehicles (DMV). The purpose would be to deter derelict vessels from coming to Alaska.

[10:10:15 AM](#)

PATRICIA NICKELL-ZIMMERMAN, Staff, Representative Paul Seaton, Alaska State Legislature, explained that Rachel Lord would present a PowerPoint.

[10:11:13 AM](#)

MS. NICKELL-ZIMMERMAN said that the State of Alaska was home to aging vessels that are moored or deposited in Alaska harbors, shorelines and in State tidelands. Many of these vessels have fallen into ill repair, leading to their abandonment in the waters of Alaska. The State of Alaska, its municipalities and ultimately Alaska citizens will be accountable for these derelict and abandoned vessels without legislative action. Alaska waters are home to over 9,400 vessels. By 2025, the Alaska fleet will include roughly 3,100 vessels more than 45 years old. In addition, there are approximately 68,000 boats registered in the state.

MS. NICKELL-ZIMMERMAN stated that current state regulations for disposal and cleanup of these aging vessels contain "no teeth". The state does not have a change of ownership tracking system for vessels. Derelict vessels present navigation and environmental hazards and disposal of derelict vessels falls to

the state or local municipalities without the financial means to recover costs.

MS. NICKELL-ZIMMERMAN stated that HB 386 would provide a process through the Department of Administration (DOA) and the Department of Natural Resources (DNR) to stanch the accumulation of derelict and abandoned vessels in Alaska. It would initiate ownership tracking of a vessel that was like the process used for motor vehicles through the DOA. It would require a title for nondocumented vessels and expand the registration process. It would update and increase fines upon conviction of unlawful abandonment of a vessel. It would provide a nominal increase in state registration fees and would create a requirement and fee for state vessel titles.

MS. NICKELL-ZIMMERMAN related that the DNR would establish and administer a derelict vessel prevention program. It would outline a process for abatement of a derelict vessel while balancing the public's rights with those of a vessel owner. It would update and increase fines upon conviction of unlawful abandonment of a vessel and provide due process to a vessel owner with notices and hearings prior to impoundment or disposal. She closed by stating that HB 386 would take an important step toward responsible vessel ownership to address the current and future derelict vessel issues in Alaska.

[10:14:17 AM](#)

RACHEL LORD, Executive Secretary, Alaska Association of Harbormasters & Port Administrators (AAHPA), stated that the AAHPA consisted of 250 members who represent most of the ports and harbors throughout Alaska. She began a PowerPoint presentation on derelict vessels.

[10:15:15 AM](#)

MS. LORD directed attention to the quote on slide 2, titled "What's the Problem?" which read as follows [original punctuation provided]:

"By 2025, the Alaska fleet will include roughly 3,100 vessels between 28' and 59' that are more than 45 years old...the Alaska fleet also includes 75 passenger vessels, tugs, and barges over 50 years old..."

MS. LORD stated that the quote was taken from a McDowell Group report that was done for the Alaska maritime industrial support sector. This statement was considered a positive goal for ship building; however, this highlighted a problem, that Alaska does not have a "cradle-to-grave" plan for vessels. She directed attention to a link to a YouTube <https://youtu.be/S-SFGTzlA1g> that a private citizen created which illustrated the problems of derelict vessels in Steamboat Slough in Bethel.

[10:16:04 AM](#)

MS. LORD turned to slide 3, titled "A Guy Walks into a Bar," which read as follows [original punctuation provided]:

We love our boats, and we depend on our coasts and rivers for transportation, commerce, and quality of life. But there is no denying the immense cost of owning and maintaining a boat. Those costs only increase over time.

MS. LORD explained that boats can last for decades; however, what happens is a vessel gets passed on to the next person and as a boat ages it often has been passed on to a person least able to maintain the vessel to keep it afloat. She characterized this as a national problem.

[10:17:25 AM](#)

MS. LORD turned to the next slide, titled "Jakolof Bay 2012-13," which consisted of a photograph of a boat that sank. She stated that the photograph depicts one of two boats that sank on Christmas Eve in 2012 in Jakolof Bay. She explained that the person who purchased the boats in Sand Point traveled to Kodiak, then on to Seldovia and Homer, but was not allowed into those harbors.

MS. LORD explained currently the statutes to address the problem have minimally addressed derelict vessels. These statutes were enacted in 1976 and minimally updated in 2013 under House Bill 131. Municipalities who have the authority to address derelict vessels have been doing so; for example, Homer Kodiak, Cordova, and CBJ [Juneau] all have strong ordinances to protect customers and the [harbors], the working infrastructure, against vessel owners who cannot pay moorages and endanger other vessels. At the end of the day, the state and the smaller communities who do not have the funding to afford them legal protections become the [financial] losers.

10:19:11 AM

MS. LORD turned to slide 5, titled "A growing Problem," depicting a map, and which read, in part, as follows [original punctuation provided]:

ADNR has begun a database, but it is far from complete. There are nearly 200 documented derelicts across Alaska. we know many more exist, and the number will continue to increase.

MS. LORD turned to slide 6, titled "The Public Pays The Price," which read as follows [original punctuation provided]:

With outdated statutes, our municipalities and state agencies are unable to effectively prevent and manage derelict vessels. Alaskan waters are a default dumping ground.

MS. LORD stated that Washington has improved and strengthened its derelict vessel laws in the past five years, which tends to encourage dumping vessels in Alaska since Alaska really has become a very soft target.

10:20:11 AM

MS. LORD directed attention to slide 7, titled "Solutions in HB 386," which read as follows [original punctuation provided]:

Over a two-year period, the Derelict Vessel Task Force identified major barriers and solutions to improve derelict vessel prevention and management in Alaska.

MS. LORD added that the AAHPA, the Alaska Clean Harbors Program created a voluntary ad hoc Derelict Vessel Task Force, with open participation.

10:21:07 AM

MS. LORD continued with slide 8, titled "Task Force Participants," which read as follows [original punctuation provided]:

ADNR, Mining Land & Water
ADEC, Spill Prevention & Response
ADOT, Ports & Harbors

ADF&G, Habitat
USCG, Sectors Anchorage & Juneau/Div. of Waterways
Management
NOAA, Marine Debris Program/Restoration
EPA, Response Region 10
AAHPA (Bethel, Homer)
Orutsararmiut Native Councils
Sen. Lisa Murkowski's office
Alaska Marine Response

MS. LORD stated that the task force, consisting of state and federal agencies, [and participants listed on this slide], met for nine full days over a two-year period. The Derelict Vessel Task Force (DVTF) had pro bono legal support from the law firm Birch Horton Bittner & Cherot, a firm with extensive experience in issues related to derelict vessels and admiralty law.

[10:22:03 AM](#)

MS. LORD stated that the genesis of HB 386 came from the work of the DVTF, whose participants reviewed case studies, current methods used for disposing of derelict vessels and how those methods could be improved, and other states' remedies for derelict vessels. She characterized HB 386 as a strong bill, one that was vetted by stakeholders, who assessed and reviewed the current derelict vessel situation in Alaska.

MS. LORD provided a brief section-by-section analysis of HB 386, noting that Sections 1-8 were changes to AS 05.25, the watercraft chapter. The goal of the DVTF was to make as few changes as possible, noting the state's boating safety program was established in AS 05.

[10:23:03 AM](#)

MS. LORD turned to slide 9, titled "Registration and Titling," which read as follows [original punctuation provided]:

Agencies and municipalities have found establishing ownership is one of the major hurdles to hold owners responsible for derelict vessels. Requiring all vessels operating in Alaska to be registered with DMV, and beginning a titling system for vessels similar to that in place for motor vehicles, are commonsense solutions to improve accountability.

MS. LORD stated the DVTF determined that the only changes that were necessary to AS 05.25 related to vessel ownership. Currently 68,000 vessels are registered in Alaska; however, the state does not know how many documented vessels are in Alaska's waters. The provisions in HB 386 would expand the universe of registration to include documented vessels, which has been done in at least 26 other states, including Washington. She related that currently vessel registration fees are \$24 every three years. The bill would increase this to \$30 every three years. The other change in AS 05 would be to establish a titling program for the state, which would not apply to documented vessels but would require titles for non-documented vessels in Alaska. This would provide personal property protection for owners, just as for vehicle owners. Boat trailers have considerably less liability than a boat to people over time and this bill would regulate vessels and trailers to be more in line with the current DMV vehicle registration system.

[10:25:11 AM](#)

MS. LORD turned to slide 10, titled "Increase Clarity" which read as follows [original punctuation provided]:

Agencies and municipalities statewide need increased clarity for defining a derelict vessel ownership, and for the impoundment process including clarified hearing and notice requirements. SB updates Chapter 30.30 to bring clarity and improve utility of the statutes.

MS. LORD explained that the remainder of the bill were changes to derelict vessels under AS 30.30, which was written in 1976. The DVTT rewrote that chapter in its entirety. Currently, before a derelict vessel such as the Akutan could be dealt with, agencies and municipalities must determine whether the vessel would be considered as "abandoned" or as a "derelict vessel." This definition matters because the path for impoundment and disposal process differs depending on how a vessel is defined, she said. This bill would dramatically improve clarity since it would define all abandoned vessels as derelict vessels under AS 30.30. It would also clarify what it means to own a vessel, as well as the impoundment process. Some have argued that the state law may not be constitutional in terms of due process under federal admiralty law. The provisions in HB 386 improve due process for boat owners and spell out the process for noticing, impoundment, and hearings for vessels deemed to be derelict vessels.

10:27:05 AM

MS. LORD directed attention to slide 11, titled "Enforcement Authority & Increased Penalties," which read as follows [original punctuation provided]:

Current statutes restrict enforcement of derelict vessel laws. One major way to reduce vessel sinkings and prevent owners from walking away is to provide for enforcement of the chapter to hold owners accountable and prevent derelict vessels from sinking on public waters.

MS. LORD stated that the current statutes limit enforcement for derelict vessels. The provisions in HB 386 would increase the enforcement authority and penalties and allow for civil penalties instead of restricting derelict vessels only to criminal penalties. The current enforcement of writing stern letters to vessel owners has not worked and this bill would improve enforcement.

10:27:40 AM

MS. LORD turned to slide 12, titled "Clarified Liability," which read as follows [original punctuation provided]:

Hearing concerns from agencies and public, Task Force members acknowledged that it is important to be clear that a vessel owner is liable for all costs associated with the impoundment, storage and removal of a derelict vessel.

MS. LORD said that it was difficult to hold someone liable for walking away from an old boat when he/she does not have any financial resources. The DVTF decided it was important to hold these derelict vessel parties liable, regardless of their financial resources. It was important to have strong laws that can be enforced; that when the state and municipalities have strong laws people are informed not to get into irresponsible situations with vessels. The bill provides clarity for vessel owners and enforcement authorities that vessel owners are liable for all costs associated with impoundment, storage and removal of derelict vessels.

10:28:36 AM

MS. LORD turned to slide 13, titled "Streamlined Capacity," which read as follows [original punctuation provided]:

Outside states have found significant improvement in derelict vessel prevention and management by streamlining their efforts through a statewide program/point person. Having a point person at ADNR will concentrate work that is currently being done by numerous staff, will reduce overall costs, and increase efficacy of derelict vessel management.

MS. LORD indicated that the bill would provide provisions for the creation of a derelict vessel prevention program under DNR. She reported that some DNR agency members attended a National Oceanic and Atmospheric Administration (NOAA) conference on derelict vessels. These staff returned feeling positive once they realized that none of the states have the funds to dispose of derelict vessels. States that have established a "point person" and funded a proactive program to handle derelict vessels have found the problem diminished over time. She said that language within HB 386 was permissive to allow creation of a derelict vessel prevention fund and to allow the legislature to appropriate funds for the program. Currently, the public does not have any state or local agency staff to contact about a derelict vessel that has been abandoned on state waters even though abandoned vessels routinely happen. She explained that HB 386 allows DNR the statutory authority and capacity to streamline the work related to derelict vessels. In fact, DNR as managers of the state's public land and water, currently must perform the work. Unfortunately, these staff must work on a case-by-case basis to deal with abandoned derelict vessels, she said.

[10:30:30 AM](#)

MS. LORD turned to slide 14, titled "Cradle-to-Grave," which read as follows [original punctuation provided]:

Addressing vessel disposal was outside of the scope of the Task Force, but must be addressed. Through the derelict vessel prevention program, the state will have the opportunity to begin looking at options for vessel disposal, scrap, and salvage solutions that can benefit the private sector and be a reasonable alternative to vessel abandonment.

MS. LORD characterized the cradle-to-grave view of vessel management as important, noting that the DVTF had plenty of ideas but did not solve the issues. She pointed out that the bill contained permissive language within the prevention program section to allow the department to consider some cradle-to-grave options. Alaska does not have a lot of financial capacity, but she said the state could still consider long-term planning options related to derelict vessels to remove boats from waterways before they sink.

[10:31:25 AM](#)

MS. LORD turned to slide 15, titled "Juneau Empire Editorial Oct. 15, 2015, which read as follows [original punctuation provided]:

The Alaska Department of Natural Resources...lacks even the authority to fine...for littering.

...In places like Bethel, which has a dumping ground called Steamboat Slough, the problem of derelict and abandoned boats long ago broke the surface of public awareness.

...we could instead simply mandate the registration of all boats --commercial and recreational alike--through the DMV. We could also mandate that boats of a certain size, like all cars, carry insurance sufficient to cover their salvage.

At the very least, we could grant the Department of Natural Resources the simple authority to levy fines on those who pollute Alaska's waters.

MS. LORD said that when the sunken tug Challenger sunk in Gastineau Channel in 2016, that numerous people wrote letters. She directed attention to the final sentence on the slide, taken from an editorial in the Juneau Empire, which read, "At the very least, we could grant the Department of Natural Resources the simple authority to levy fines on those who pollute Alaska's waters." She stated that this was something HB 386 will do.

[10:32:01 AM](#)

MS. LORD turned to slide 16, with quotes from a Washington State newspaper, the Chinook Observer, March 22, 2017, which read as follows [original punctuation provided]:

"Too many people get in over their heads, and their dreams of ship renovation or making money from scrap

become a nightmare for the citizens of this state and the marine environment.

...'A hole in the water into which you pour money' is a famous definition of a boat. To the maximum extent possible, we must ensure taxpayers are not the ones doing the pouring."

[10:32:20 AM](#)

MS. LORD turned to slide 17, titled "HCR 53 1990" which read, in part, as follows [original punctuation provided]:

WHEREAS the state does not currently have statutory authority to impose liability on the owners of abandoned vessels...

MS LORD noted the slide had a copy of a resolution from 1990 that identified the problem; however, nothing happened until 2013, and now, in 2018, the derelict vessel law is just being brought forward.

[10:32:55 AM](#)

MS. LORD turned to slide 18, titled "Akutan Dutch Harbor/Unalaska," and commented that there were many articles on the Akutan that members could read. She said that she was aware of only three vessels impounded by DNR under the derelict vessel laws: two in Katchemak Bay, and the Akutan, which was impounded in December at Unalaska. She stated that the state, municipality, and federal governments worked on a creative solution to dispose of the Akutan. She turned to slide 19, titled "Questions," and asked members if they had any questions.

[10:34:34 AM](#)

REPRESENTATIVE NEUMAN asked about the annual cost for derelict vessels.

MS. LORD deferred to the DNR but noted that there was not funding set aside. She acknowledged that considerable staff time has been spent on derelict vessel and in terms of pollution response, that the Department of Environmental Conservation (DEC) and the US Coast Guard have funds for cleanup.

[10:36:00 AM](#)

KRIS HESS, Chief of Operations, Central Office, Division of Mining, Land and Water (DML&W), Department of Natural Resources (DNR), responded that the DNR does not have funding set aside for derelict vessel disposal. Anything that the agency does on derelict vessels must be taken from the operating budget.

[10:36:30 AM](#)

REPRESENTATIVE NEUMAN asked how much has been spent on derelict vessels.

MS. HESS answered that in 2017, the DNR did not expend funds. In 2018, the DNR expended funds for disposal of the Akutan in the amount of \$36,000. The City of Unalaska agreed to reimburse those costs, she said.

[10:37:22 AM](#)

REPRESENTATIVE EASTMAN pointed out that a vessel becomes derelict after it anchors any place it is not supposed to do so. He offered his belief there could be many instances in which a person would anchor a vessel for safety or other reasons. He asked for further clarification that would address the timeframe for the definition of "derelict vessel."

MS. LORD said that the definition for derelict vessel was derived from current statutes. She explained that AS 30.30 has several definitions for abandoned and derelict vessels, which were combined. She referred to AS 30.30.030, related to applicability. She stated that the DVTF worked with the DNR on the definition and limitation on applicability. The chapter does not apply in safety situations, she said.

[10:39:29 AM](#)

REPRESENTATIVE EASTMAN referred to page 12, line 22, of HB 386 and asked whether the language expanded the definition of derelict vessel.

MS. LORD responded by advising that the goal was to be as clear as possible; for example, some people might consider moored to be tied to a dock versus anchored in open water. She stated that the language would also apply to municipalities without ordinances or other laws; this chapter needed to provide explicit clarity to give them the protection and ability to address derelict vessels under state law. The additional

language was more to provide clarity than to expand the definition, she said.

[10:41:45 AM](#)

MS. NICKELL-ZIMMERMAN responded that the bill sections had been thoroughly addressed by Ms. Lord.

[10:42:39 AM](#)

REPRESENTATIVE TARR said it was disconcerting to her that the state does not have financial resources to put towards the problem of abandoned and derelict vessels. She expressed an interest in exploring funding especially since these vessels could impact fisheries along Alaska's coastline.

[10:43:12 AM](#)

CHAIR STUTES announced that she would set HB 386 aside.

[HB 386 was held over.]

HB 272-TANGLE LAKES STATE GAME REFUGE

[10:43:41 AM](#)

CHAIR STUTES announced that the next order of business would be HOUSE BILL NO. 272, "An Act establishing the Tangle Lakes State Game Refuge; and providing for an effective date."

[10:44:09 AM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, stated that HB 272 was presented two weeks ago, and a PowerPoint described the nature of the bill. He briefly recapped the bill, noting the bill was introduced because of an interest in creating the Tangle Lakes State Game Refuge by people along the highway corridor. He stated that he received an e-mail yesterday from Marty Parsons, DNR, and read a quote from the email, as follows, "Our research indicates that there are no active claims in the Tangle Lakes area under consideration in Representative Josephson's current legislation." His staff presented a PowerPoint that showed a handful of claims in the Southeast Alaska corner of the proposed TLSGR, but those are not currently active.

[10:46:36 AM](#)

REPRESENTATIVE JOSEPHSON referred to a memo from Mr. Robert Tobey, Division of Wildlife Conservation, Alaska Department of Fish & Game (ADF&G), dated December 19, 2002 to the Copper Country Alliance. He read a portion of the last paragraph of the memo [in members' packets], which read as follows [original punctuation provided]:

It is my position that the importance of the Denali Block as wildlife habitat, tourist destination, sport fishing, subsistence food gathering and trapping area exceeds all mining value. All these uses except mining have minimal impact on the land and are renewable yearly. Certainly an impact study and cost benefit analyses are warranted in view of the high value of current uses compared to an unknown mining value.

REPRESENTATIVE JOSEPHSON suggested that this was a "friendly letter" from Governor Murkowski's administration. He referred to a letter of March 2008 from Cliff Judkins, Chairman, Board of Game [in members' packets], who asked for immediate discussion and immediate consideration of a game refuge in this area.

REPRESENTATIVE JOSEPHSON emphasized that the concept of a state game refuge in the Tangle Lakes area has been considered for some time and continues to be requested.

[10:47:48 AM](#)

CHAIR STUTES opened public testimony on HB 272.

[10:48:32 AM](#)

CARL PORTMAN, Deputy Director, Resource Development Council (RDC), testified in opposition to HB 272. The RDC encourages the exploration and responsible development of Alaska's natural resources, he said. He stated that creating a new refuge would restrict or eliminate the potential opportunities in the Tangle Lake area, including mineral development. Further, it would create new restrictions to land use at a time when the state faces fiscal and other challenges.

MR. PORTMAN pointed out that Alaska already contains 70 percent of the federal national park lands, 85 percent of the federal national wildlife refuges, and two of the largest parks in the nation, and many other state conservation units such as game

refuges. The RDC supports multiple use of lands, such as recreational use and other potential uses. The state must focus on ways to show that Alaska is open for business. He urged the committee to reject HB 272.

[10:50:09 AM](#)

BARRY WHITEHILL, Board Member, Alaska Chapter, Backcountry Hunters and Anglers (AKBHA), stated that the AKBHA has long supported the Tangle Lakes State Game Refuge (TLSGR). He stated that this area has been the breadbasket for Southcentral Alaska for subsistence and recreational hunting, fishing, and berry picking. Many members know that the Denali Highway has been the premier route for tourist destinations. It certainly has the archeological protections in place for some of the segment, and some Fairbanksans travel to the area to hunt and fish. He acknowledged the importance of hunting and fishing to Alaskans. He offered the AKBHA's support for the TLSGR.

[10:51:48 AM](#)

DEANTHA CROCKETT, Executive Director, Alaska Miners Association (AMA), stated that the sponsor's statement states the potential for nonrenewable activities in the region could irreparably damage the environment. A century of experience shows this premise, that one must choose between renewable and nonrenewable resources to be false.

MS. CROCKETT said the Denali Highway region around the proposed refuge has been the subject of mineral exploration since the turn of the century and modern mining exploration increased in this region in the 1990s. While most of the activity occurred outside the proposed refuge area, work has occurred within and substantial exploration has taken place to the north where access would be impeded by the refuge. History has shown that nearby large mines have not created long-term impacts asserted by the sponsor, and have, in fact, avoided the impact through the mining industry's expensive regulatory process. Most of the recent exploration has been helicopter supported with little ground impact. Neither DNR or ADF&G have found that exploration has caused significant effects on recreational wildlife.

MS. CROCKETT said that when the same refuge was proposed about ten years ago, the DNR stated that very few people using the Tangle Lakes area, or the Delta Wild and Scenic River even knew that metal exploration was occurring in the area. Most of the proposed refuge area was within DNR's Tangle Lakes

Archaeological District Special Use Area, enacted in 2003. At the time, DNR assessed the area and concluded that unrestricted motorized recreation had the greatest potential to cause significant impact to cultural and heritage sites in the area. For that reason, DNR enacted rules to manage recreation in the area, which is a vehicle for additional rules if they become necessary.

[10:53:30 AM](#)

MS. CROCKETT stated that if the area is not closed it was likely to be explored again. She characterized the area as highly mineralized host to the incredibly rich Kennecott copper deposits. The significant potential of minerals has been included in the recently published list by the US Geological Survey (USGS) of minerals that are critical to national defense and the economy. A secure supply of domestic sources of these minerals is a priority for our country and it should be for Alaska, as well, she said.

MS. CROCKETT said that it has been proven in Alaska that the state does not need to make a choice between the environment and resource development. The AMA strongly opposes the proposed refuge in HB 272.

[10:54:20 AM](#)

JOEL ELROD, Greater Copper Valley Chamber of Commerce (GCVCC), stated that the GCVCC offered its opposition to HB 272, for many of the same reasons that Mr. Portman mentioned.

[10:54:55 AM](#)

CHAIR STUTES, after first determining no one wished to testify, closed public testimony on HB 272.

[10:55:06 AM](#)

REPRESENTATIVE EASTMAN asked for further clarification on the health of the Nelchina Caribou herd and if the numbers were increasing or decreasing.

REPRESENTATIVE JOSEPHSON answered that he did not know. He commented that at least 40 people have written in support of HB 272, expressing their concerns about the health of the Nelchina caribou herd. This was also referenced in the previous letter mentioned by the Chairman of the Board of Game in 2008 and the

Division of Habitat, ADF&G in 2002. He stated that this bill was about protecting that herd.

[10:56:06 AM](#)

REPRESENTATIVE CHENAULT pointed out that the bill had no Finance Committee referral and had two zero fiscal notes; however, both fiscal notes referred to absorbing the costs of the bill into current budgets. He said that state agencies have complained that they cannot accomplish their responsibilities within current budgets. He stated that any costs associated with the bill should be reflected in the fiscal notes and offered that the legislature needed quality fiscal notes from the administration in order to accurately formulate a budget.

[10:58:20 AM](#)

JOE MEEHAN, Coordinator, Division of Wildlife Conservation (DWC), Alaska Department of Fish & Game (ADF&G), answered that as the fiscal note stated, the division would add the new duties associated with the proposed refuge into the division's existing workload.

[10:58:43 AM](#)

REPRESENTATIVE CHENAULT asked at what point in time the ADF&G would absorb so much work that the department could no longer absorb more and would require additional funding.

MR. MEEHAN said he could not answer that question. He explained that the management plan development permit applications were prioritized based on public interest and needs. He acknowledged that the division would need to prioritize requests.

[10:59:29 AM](#)

REPRESENTATIVE CHENAULT further asked what would be left off the current workload to make this happen.

MR. MEEHAN said that the current workload includes administering management plans, permit reviews, and field operations. He stated that primarily field operations deal with monitoring resources, encouraging public use and education. He could not specifically identify what would be dropped if the new refuge was created. He further stated that the division would obviously have to juggle priorities dealing with the type of field activities that the ADF&G engage in for refuge areas.

[11:00:35 AM](#)

CHAIR STUTES asked about the earlier question regarding the Nelchina caribou herd.

MR. MEEHAN offered to respond back to the committee with information on the Nelchina caribou herd.

[11:01:00 AM](#)

REPRESENTATIVE EASTMAN offered his concerns about the herd by the ADF&G 16 years ago were probably dated. He related his understanding that the state had taken steps to address those concerns. He also expressed concern that potential revenue from mining in the proposed region would be lost, which concerned him because the state currently faces a fiscal crisis. He characterized this bill as looking through the lens of supporting mining or opposing mining. Those who think mining is good for Alaska would not likely support the bill but those who oppose mining would probably find HB 272 to be a "great bill."

[11:02:24 AM](#)

CHAIR STUTES said that the committee received a lot more support for the bill than opposition to the bill. She related that the bill has two zero fiscal notes and it has come to light that there are no mining claims in the area.

[11:02:55 AM](#)

REPRESENTATIVE CHENAULT asked for further clarification as to whether there were no mining claims within the proposed TLSGR or if there were no active mining claims.

REPRESENTATIVE JOSEPHSON responded that there were mining claims in the Amphitheater area north of the border of the refuge. He further responded that yesterday Mr. Marty Parsons, Deputy Director, Division of Mining, Land & Water, DNR stated, "There are no active claims in the Tangle Lake Area under consideration in the current legislation."

[11:04:13 AM](#)

REPRESENTATIVE EDGMON moved to report HB 272 out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE EASTMAN objected.

A roll call vote was taken. Representatives Stutes, Edgmon, Kreiss-Tomkins, and Tarr, voted in favor of reporting HB 272 from committee. Representatives Chenault, Neuman, Eastman voted against it. Therefore, HB 272 was reported from the House Special Committee on Fisheries by a vote of 4-3.

[11:05:19 AM](#)

The committee took an at-ease from 11:05 a.m. to 11:07 a.m.

HB 260-FISH & GAME LICENSES;ELECTRONIC FORM

[11:07:54 AM](#)

CHAIR STUTES announced that the next order of business would be HOUSE BILL NO. 260, "An Act relating to electronic possession of certain licenses, tags, and identification cards issued by the Department of Fish and Game; and providing for an effective date."

[11:08:23 AM](#)

KIM SKIPPER, Staff, Representative Dan Saddler, Alaska State Legislature, stated that HB 260 seeks to use a smartphone as an electronic device to display digital hunting and fishing licenses provided the means to move forward to the digital age.

[11:09:01 AM](#)

CHAIR STUTES opened public testimony on HB 260 and after first determining no one wished to testify, closed public testimony on HB 260.

[11:09:44 AM](#)

REPRESENTATIVE CHENAULT related his understanding of the intention of HB 260 was to take a photo of a hunting or fishing license and to allow digital hunting and fishing licenses on smartphones and present it to an officer if required to do so [as proof of license]. He asked whether this extended to the "OFL license," which is the [sport fishing, hunting and trapping identification card for senior Alaska residents].

MS. SKIPPER deferred to ADF&G to respond.

[11:10:38 AM](#)

MORGAN FOSS, Legislative Liaison, Office of the Commissioner, Alaska Department of Fish & Game (ADF&G), responded the department's interpretation was that the bill was written in such a way as to allow permanent identification cards to be displayed on electronic devices.

[11:10:56 AM](#)

REPRESENTATIVE EASTMAN asked for further clarification on overlap between this bill and SB 16 before the legislature.

MS. SKIPPER answered that SB 16 and HB 129 were omnibus bills that included many other components and electronic licensing was just one. The sponsor decided to keep electronic ADF&G licenses separate in this bill.

[11:11:37 AM](#)

REPRESENTATIVE NEUMAN pointed out that he was a member of the National Assembly of Sportsmen's caucus (NASC), which discussed the issue of electronic licensing extensively and many states have moved to electronic display of licensing to reduce paperwork and for the convenience for those who have smartphones. He asked how many states have enacted this type of electronic display of sport licenses.

MS. SKIPPER was unsure of the number of states; however, she did know that Virginia and Missouri were among them. Some states also allowed electronic game "tags" to be displayed, but ADF&G did not want to do so currently, but other states were moving in that direction.

CHAIR STUTES said the bill has been widely supported.

[11:12:30 AM](#)

REPRESENTATIVE EDGMON moved to report HB 260 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 260 was reported from the House Special Committee on Fisheries.

[11:12:49 AM](#)

The committee took an at-ease from 11:12 a.m. to 11:16 a.m.

HB 231-CFEC: BD. SALARY;STAFF CLASSIFIED SERVICE

[11:16:31 AM](#)

CHAIR STUTES announced that the next order of business would be HOUSE BILL NO. 231, "An Act relating to the Alaska Commercial Fisheries Entry Commission; and providing for an effective date."

[11:16:49 AM](#)

REPRESENTATIVE NEUMAN moved to adopt the proposed committee substitute (CS) for HB 231, labeled 30-GH1053\D, Bullard, 2/14/18 [Version D] as the working document.

CHAIR STUTES advised that the motion could not be adopted as the committee lacked a quorum.

[The committee proceeded as though the motion had been withdrawn.]

[11:17:35 AM](#)

The committee took a brief at ease.

[11:17:58 AM](#)

REPRESENTATIVE EDGMON moved to adopt the proposed committee substitute (CS) for HB 231, labeled 30-GH1053\D, Bullard, 2/14/18, as the working document. There being no objection, Version D was before the committee.

[CHAIR STUTES listed the individuals available to testify.]

[11:19:11 AM](#)

MATT GRUENING, Staff, Representative Louise Stutes, Alaska State Legislature, introduced himself.

[11:19:16 AM](#)

MINTA MONTALBO, Special Assistant, Office of the Commissioner, Department of Administration (DOA), introduced herself.

[11:19:23 AM](#)

MR. GRUENING stated that the proposed committee substitute (CS) for HB 231, Version D, represents efforts between the bill sponsor, the administration, representatives of the United Fishermen of Alaska (UFA), and the Commercial Fisheries Entry Commission (CFEC). He stated that the changes were a consensus of all parties.

[11:19:50 AM](#)

MR. GRUENING referred to page 1, line 9, to Section 1 of HB 231. He stated that this reduced the number of commissioners on the Commercial Fisheries Entry Commission (CFEC) from three to two. He offered to explain more on this later. The next change occurred on page 1, lines 13-14, which specifies that a vacancy on the commission does not impair the ability of a single commissioner to exercise all powers of the commission. Since the proposed CS for HB 231 removed one commissioner, if a vacancy occurs, this gives the commissioner to exercise the full authority of the commission in adjudicatory proceedings, transactions, and day to day activities.

MR. GRUENING directed attention to page 2, lines 3-5, which specifies that a single member of the commission constitutes a quorum. He stated that another change will be necessary in proposed Section 3. On page 2, line 3-6, the proposed CS for HB 231 read, "A single member [TWO MEMBERS] of the commission constitutes [CONSTITUTE] a quorum for the transaction of business, for the performance of a duty, or for the exercise of a power of the commission.

MR. GRUENING explained that the intent was for this to apply for the transaction of business and the performance of duty when there was not a vacancy; but only when a vacancy occurred would it include the exercise of a power of the commission. He stated that further clarification was necessary to clarify which instances the single commissioner can exercise all powers of the commission and when the commissioner can transact business and perform duties. The sponsor wanted to avoid an instance in which there was not a vacancy and the commissioner was able to exercise the full powers on an adjudication simply when the other commissioner was not available. However, the sponsor would like a single commissioner to be able to transact business or perform his/her duties for day-to-day routine work.

[11:22:23 AM](#)

REPRESENTATIVE NEUMAN related his understanding that a single commissioner would have the authority to sign off on matters. He expressed concern that the Governor would have the power to keep a position vacant and therefore one commissioner would have significant power.

MR. GRUENING said that he had not had any discussions with the administration; however, he understood the concern.

[11:23:22 AM](#)

MR. GRUENING directed attention to proposed Section 4, on page 2, lines 6-10, AS 16.43.060 of HB 231. He read from the document titled "CS HB 231 Explanation of Changes," which read as follows [original punctuation provided]:

Section 4: Modified from original bill. This section maintains the current statutory salary at Range 27 for the commissioner serving as chair, as the chair is expected to perform additional duties and functions. The original bill reduced the chair's salary to a Range 24. The salary range for the second commissioner continues to be reduced from Range 27 to 24, as in the original bill.

MR. GRUENING explained that the chair would have direct oversight of the other commissioner and would have the final say. Further, the chair would absorb the duties of the executive director. He further explained that it seemed appropriate to leave the chair at a range 27, since the chair would have direct oversight, but to set the second commissioner at a range 24.

[11:24:06 AM](#)

REPRESENTATIVE EASTMAN asked how the chair is currently selected and if that would be changed with the proposed HB 231.

MR. GRUENING responded that the current chair is selected by the governor, but the current bill does not change that process.

CHAIR STUTES responded that is correct.

[11:24:39 AM](#)

MR. GRUENING said there were no changes to Section 5. He then directed attention to proposed Section 6, on page 2, lines 15-19

to proposed AS 16.43.119(f), which read as follows [original punctuation provided]:

(f) In case of a tie vote between commissioners in an adjudicatory proceeding, the decision of the hearing officer is the final administrative decision of the commission subject to review by a superior court under AS 44.62 (Administrative 22 Procedure Act).

MR. GRUENING explained that the process. Initially a hearing officer issues a decision and if the party seeking an adjudication appeals the decision it goes to the commissioner. In the event the two commissioners have a 1-1 tie, this language would allow for the original hearing officer's decision to become the decision of the commission. He clarified that this was due to removing one of the commissioners in statute.

[11:25:33 AM](#)

MR. GRUENING stated that there was no change to Section 8 of the proposed CS for HB 231, Version D. This section matched Section 5, related to removing employees from exempt service, he said.

MR. GRUENING said that there were no changes to Section 9 in the proposed CS for HB 231, Version D.

[11:25:48 AM](#)

MR. GRUENING directed attention to proposed Section 10, to page 3, lines 14-16 of Version D. He explained that this language was added to satisfy Article 1, Section 15 of Alaska State Constitution, which specifies that the state cannot retroactively reduce someone's pay under the impairment of contract's provision. The current commissioner's salaries will remain at the current amount, but any reappointments would be made at the lower amount.

[11:26:36 AM](#)

REPRESENTATIVE EASTMAN asked for clarification in the case that the governor appointed a new chair if the former chair's salary would be reduced.

MR. GRUENING answered that he would defer to the Commercial Fisheries Entry Commission to respond.

[11:27:39 AM](#)

FATE PUTMAN, Commissioner designee; Chairman, Commercial Fisheries Entry Commission (CFEC), Alaska Department of Fish & Game (ADF&G) introduced himself.

REPRESENTATIVE EASTMAN related his understanding that the current Chair of the CFEC serves at a range 27. If the governor decided to appoint a new chair, would the former chair become a range 24.

MR. PUTMAN related his understanding that the governor appoints the Chair of the CFEC to serve a two-year term. Once the two-year term is up, the governor could appoint a new chair and that person would serve at a range 24.

[11:28:19 AM](#)

REPRESENTATIVE EASTMAN further asked whether it because the governor has appointed someone new as a chair that creates this change or if it was because that former chair's term was up, and the person was being reappointed to a new term.

MR. PUTMAN answered no; that it was because the two-year term of that chairmanship was finished, even though the person could still serve on the commission for a four-year term. The chairmen serve for two years but could then be designated as a non-chairman once the chairmanship has run out and the person would serve as commissioner, he said.

[11:29:00 AM](#)

REPRESENTATIVE NEUMAN asked for additional clarification on changes for exempt positions. He further asked for the staff level of the CFEC and whether this would affect them.

MR. GRUENING responded yes. He deferred to Mr. Putman.

[11:30:04 AM](#)

REPRESENTATIVE NEUMAN related his understanding that one of the sections [Section 5] would remove employees from exempt service. He asked whether the two [commissioners] would be exempt and how many staff the CFEC has and if they would be exempt.

MR. PUTMAN responded that the two commissioners would remain in the exempt service and the staff would be classified, meaning unionized, if HB 231 was adopted.

[11:30:39 AM](#)

REPRESENTATIVE NEUMAN said an issue raised has been the backlog of lawsuits and settlements. This bill would reduce the number of commissioners from three to two. He asked whether there was there a proposal or other remedy to rectify this issue.

MR. PUTMAN stated that it is the intent of the chairman and staff to resolve the outstanding cases at the CFEC. He estimated the backlog at 13 cases pending from 25-35 years ago. He emphasized his intent to review and resolve these cases through settlement with the potential appellees. He explained that when the cases are pending each of the appellees receive an interim-use permit, which allows them to fish until their cases are resolved. He reported that two cases have been resolved. He reiterated his intent to resolve the remaining 13 cases within the next year or two.

[11:32:00 AM](#)

REPRESENTATIVE NEUMAN raised the matter of authority over staff. He asked whether the bill changes the authority of the chair. He asked for further clarification on how staff would be managed and the structure of the CFEC as it falls under the ADF&G.

MR. PUTMAN stated that when employees move from exempt to classified status, they are protected through the collective bargaining agreement; however, exempt employees can be hired and fired at will. Classified employees are subject to a process, including progressive discipline before they can be terminated. He stated that the chairman will serve as the executive director and he/she would make determinations about hiring and recommendations for firing of underperforming staff.

[11:33:26 AM](#)

MR. GRUENING said he had finished with the changes.

[11:33:42 AM](#)

CHAIR STUTES referred to an earlier comment on a 1-1 tie. She pointed out that there was an appeal process and the party can appeal to the superior court.

[11:34:10 AM](#)

MS. MONTALBO gave a section-by-section analysis of HB 231. She directed attention to Section 1, which would reduce the number of commissioners appointed to the Commercial Fisheries Entry Commission (CFEC) from three to two, she said.

MS. MONTALBO directed attention to Section 2, to AS 16.43.030(c), which would allow a single commissioner to exercise the powers and duties of the commission, when there is a vacancy on the commission.

MS. MONTALBO directed attention to Section 3, which will need to be amended, as Mr. Gruening previously mentioned but for now this change addresses the need to establish a quorum of one commissioner.

MS. MONTALBO directed attention to Section 4, which would amend AS 16.43.060, which would provide that the member serving as chair will be paid a step in Range 27. It would also adjust the salary range from 27 to 24 for the other commissioner.

[11:35:06 AM](#)

MS. MONTALBO directed attention to Section 5, which would amend AS 16.43.080(a), by removing language placing employees of the commission in the exempt service.

MS. MONTALBO directed attention to Section 6, which adds a new subsection (f) to AS 16.43.110, which would provide that tie votes between commissioners will be settled by the hearing officer.

MS. MONTALBO directed attention to Section 7, which would amend AS 16.43.960(d) to allow for cause hearings to be conducted before one commissioner and a hearing officer.

[11:35:40 AM](#)

MS. MONTALBO directed attention to Section 8, which repeals AS 39.25.110(11)(D). She referred to the statute text being repealed under subparagraph (D) of AS 39.25.110(11), which read as follows [original punctuation provided]:

Sec. 39.25.110. Exempt service. Unless otherwise provided by law, the following positions constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

(11) the officers and employees of the following boards, commissions, and authorities:

- (A) [Repealed, Sec. 13 ch 43 SLA 1994];
- (B) Alaska Permanent Fund Corporation;
- (C) Alaska Industrial Development and Export Authority;
- (D) Alaska Commercial Fisheries Entry Commission;
- (E) Alaska Commission on Postsecondary Education;
- (F) Alaska Aerospace Corporation;
- (G) [Repealed, Sec. 23 ch 11 SLA 2013].

MS. MONTALBO mentioned that change goes along with transferring employees from exempt service to classified service.

[11:36:08 AM](#)

MS. MONTALBO directed attention to Section 9, which would add transition language to uncodified law, which stipulates commission staff members will be appointed to classified services upon the bill's effective date; and if the classified position has a lower rate of pay, a staff member's salary will be held at the rate received in exempt service until such time as the classified rate meets it.

MS. MONTALBO directed attention to Section 10, which adds an applicability clause to uncodified law to establish that salary changes outlined in Section 4 of this bill will apply to commissioners appointed after the bill's effective date.

MS. MONTALBO directed attention to Section [11], which sets effective date as immediate.

[11:37:02 AM](#)

REPRESENTATIVE EDGMON asked if there was any scenario in which a hearing officer could act as a tie breaker.

MR. GRUENING offered his belief that the answer was no. He described the current process, such that the hearing officer makes an initial review, issues a decision, which is forwarded

to the [CFEC] commissioners who make an adjudication. He said there was not any process in which the hearing officer casts a final vote in a tiebreaker. He explained at that point it would be decided by the superior court.

[11:38:02 AM](#)

REPRESENTATIVE EDGMON offered his belief that it would violate the chain of due process, if that were to occur.

[11:38:12 AM](#)

REPRESENTATIVE EASTMAN said he noticed that it has been customary for courts and even this committee to have an odd number of members to resolve the potential of tie votes. He asked why not just go to one commissioner.

MR. GRUENING responded that only having one commissioner would result in only one point of view, which could lead to room for abuse. He said that there was a certain value to having more than one commissioner since the second commissioner could raise a different point of view. He characterized it as being a little "heavy handed" to have only one commissioner set in statute.

[11:39:23 AM](#)

CHAIR STUTES opened public testimony on HB 231 and after first determining no one wished to testify, closed public testimony on HB 231. She asked to set HB 231 aside.

[HB 231 was held over.]

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

[11:39:52 AM](#)

CHAIR STUTES announced that final 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."

[11:40:04 AM](#)

REPRESENTATIVE KREISS-TOMKINS, speaking as prime sponsor of HB 188, pointed out a proposed committee substitute (CS) [Version L] that was conceptually discussed at a previous committee hearing on 2/22/18 incorporates changes for issues raised during committee hearings. He pointed out letters from the Bering Sea Fishing Corporation and Afognak Corporation in support of the bill, and one from BBFA. He said his staff would answer specific questions.

[11:41:09 AM](#)

REPRESENTATIVE TARR moved to adopt the proposed committee substitute (CS) for HB 188, labeled 30-LS0389\L, Bullard, 2/22/18 as the working document. There being no objection, Version L was before the committee.

[11:41:50 AM](#)

REPRESENTATIVE KREISS-TOMKINS expressed his gratitude to the Legislative Legal and Research Services attorneys for all their work and for working through these revisions in a timely and helpful manner.

[11:42:14 AM](#)

REID MAGDANZ, Staff, Representative Kreiss-Tomkins, Alaska State Legislature, on behalf of the sponsor, Representative Kreiss-Tomkins, offered to explain changes between the prior CS for HB 188 as it was at the start of the 2018 legislative session [Version M] to the proposed CS for HB 188, Version L. He stated that he would quickly review these changes but offered to provide more detail if needed.

[11:42:48 AM](#)

MR. MAGDANZ indicated he would be working from a document titled "Summary of Changes, ver U – ver L | HB 188 – Regional Fisheries Trusts." He directed attention to the heading after paragraph one, titled "ver M - Ver L." The first change was to remove three references to Alaskans entering fisheries or Alaska communities to improve the constitutionality of the bill.

MR. MAGDANZ stated that [Version L] would add Section 29, which arose from committee discussions for emergency transfers. Section 29 of Version L would provide that a regional fisheries trust must approve the emergency transfer of any permit that has

been temporarily transferred from the fisheries trust. The emergency transferee must also be qualified under [AS 16.44.080], the provisions covering the original temporary transferee.

MR. MAGDANZ said the next changes begin on page 13, lines 18-20, to Section 30, and Section 32 [on page 15, lines 21-26, to proposed AS 16.43.850 subsections (c) and (d), which would reword the language to conform with the addition of Section 35. He directed attention to proposed Section 35 [AS 16.43.844(d)] on page 16 [lines 29-28]. He explained that the CFEC commissioners flagged some changes to the prior version which could have affected how demerit points are assessed to people who are emergency transferees. The addition of Section 25 would ensure that the status quo remains the same for individual permit holders and that the same rules would apply to a temporary transferee.

[11:44:48 AM](#)

MR. MAGDANZ directed attention to proposed Section 36, which was amended to clarify the original intention.

MR. MAGDANZ directed attention to page 19, lines 6-15, to proposed Section 39, AS 16.43.960(1). He stated that the previous version did not reflect the original policy intent in terms of when a temporary transfer could be revoked in cases in which the temporary transferee's fishing privileges were suspended. These changes remedied that issue.

[11:45:35 AM](#)

MR. MAGDANZ identified the next two changes to proposed AS 16.44.010(b)(2) and (3) [Section 41], which were in line with the first change mentioned, to remove references to state residents because [Version L] would allow the temporary transfer to be made to anyone. This change deletes a provision that would allow the Department of Commerce, Community & Economic Development (DCCED) to audit fisheries trusts and that function and responsibility would be with the Legislative Audit Division [Legislative Agencies and Offices]. He explained that the sponsor continues to work with the DCCED on the regulatory authority in the bill. As those discussions are ongoing, Version L, would eliminate one section that referred to specific regulatory authority because it caused some confusion, he said.

MR. MAGDANZ said the next change would add proposed AS 16.44.050(d) to allow a fisheries trust board to prohibit certain individuals from receiving temporary transfers from the fisheries trust. Version L would give a fisheries trust authority to choose to prohibit temporary transfers to anyone who already holds a limited entry permit in another fishery or who has had their fishing privileges suspended by CFEC.

MR. MAGDANZ stated the next change [to proposed AS 16.44.060(b)] would clarify that only one fisheries trust was eligible to hold any given type of limited-entry permit. He explained that was always the sponsor's intention; however, the prior version was not totally clear on that matter. This language also would allow fisheries trusts more flexibility in the types of permits they acquire; he directed attention to the language in AS 16.44.060(c).

[11:47:20 AM](#)

MR. MAGDANZ said the next few changes to proposed AS 16.44.060(d) and (e) were non-substantive. The change to proposed AS 16.44.070(b) referred to an issue raised by Representative Eastman at the previous hearing, which is that the six-year cap is a lifetime cap and was not a cap per fishery.

MR. MAGDANZ stated that the change to proposed AS 16.44.080 [on page 27, lines 1-23 of Version L] was in response to feedback from fishermen and gives the fisheries trust greater ability to ensure that anyone bidding on a permit would be able to safely and successfully participate in the fishery.

[11:47:59 AM](#)

MR. MAGDANZ stated that the change to proposed Section 56 [page 31, beginning on line 23 of Version L] simply clarifies that fishery trust regions should encompass both land and water area in the state. The change to proposed Section 56, (a)(1) would change the date the department should use when drawing fisheries trust boundaries, he said. The last change was to proposed Section 56, (b)(2) which states that all fisheries trusts shall have at least five communities, he said. He explained that the regional structure does not work very well if the region consists of only one or two communities.

[11:48:46 AM](#)

REPRESENTATIVE EASTMAN asked whether he could address what happens when someone applies to multiple fisheries.

MR. MAGDANZ related his understanding that if an individual was selected as a temporary transferee by a fisheries trust, the person could not just back out of it at-will; therefore, anyone should be careful before applying to multiple trusts.

[11:49:39 AM](#)

The committee took a brief at-ease.

[11:50:05 AM](#)

REPRESENTATIVE TARR, referring to a letter of opposition [not specifically identified], asked whether the sponsor had considered any of the ideas expressed.

MR. MAGDANZ responded that the idea described at the end of the letter is complicated. He was unsure if the sponsor has had time to fully evaluate if the concerns had merit or value in the specific recommendations.

[11:51:26 AM](#)

CHAIR STUTES opened public testimony on HB 188.

[11:51:55 AM](#)

BEN STEVENS, Director, Hunting and Fishing Task Force, Tanana Chiefs Conference (TCC), said the TCC was a regional non-profit and tribal consortium for the 42 villages of Interior Alaska. He also served on the advisory panel to the North Pacific Fishery Management Council (NPFMC); however, his comments were limited to his role as director. The fishing industry provides the most viable opportunities for fishermen to earn a living in communities along Alaska's coastline. It has been well substantiated that there has been a huge decline in the number of limited entry permits held by local fishermen. This decline represents lost jobs, lost opportunities and economic distress for fishermen, their families, and the communities.

MR. STEVENS said that the regional fisheries trust program envisioned in HB 188 would complement efforts already being made in the western coastal communities of the Bering Sea, as well as fisheries in the communities in the Gulf of Alaska. The regional fisheries trust shows significant promise to restore

opportunities to those fishermen who need it the most. He stated that rural communities stand to benefit greatly from retention and restoration of access to those fisheries. He offered TCC support for HB 188 to make this a reality. He characterized HB 188 as a "no nonsense" bill. He urged members to move HB 188 out of committee and the legislature as soon as possible.

[11:54:49 AM](#)

NICOLE BORROMEO, Executive Vice President; General Counsel, Alaska Federation of Natives (AFN), asked to testify in support of HB 188. The AFN believes in thriving economic and culturally vibrant communities in all Alaska, especially in rural coastal communities of Alaska, she said.

MS. BORROMEO stated that when the full board met on February 13 there was adamant support for this bill because the AFN believes it is essential to bringing back sustainable economies in rural coastal communities. These fisheries trust have a real potential for making a difference in these communities. She concluded by stating that AFN was firmly behind this bill and she urged members to move it out of committee today.

[11:56:32 AM](#)

CHAIR STUTES closed public testimony on HB 188.

[11:56:53 AM](#)

CHAIR STUTES said that the committee has held numerous hearings. She offered her belief the bill needed some additional work; however, it was time to move it forward. She directed attention to the two fiscal notes in members' packets, a zero-fiscal note from the Division of Banking & Securities, Department of Commerce, Community, & Economic Development (DCCED). The fiscal note from the Division of Economic Development estimated a cost to the state of approximately \$476,200 in the first year and \$400,000 in subsequent years; however, these fiscal notes have not been updated to proposed committee substitute (CS) for HB 231, Version L.

[11:57:49 AM](#)

REPRESENTATIVE EDGMON moved to report the proposed committee substitute (CS) for HB 188, labeled 30-LS0389\L [Version L], out of committee with individual recommendations and the

accompanying fiscal notes. There being no objection, CSHB 188(FSH) was reported from the House Special Committee on Fisheries.

[11:58:43 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:58 a.m.