

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

March 12, 2018

3:30 p.m.

**MEMBERS PRESENT**

Senator Cathy Giessel, Chair  
Senator John Coghill, Vice Chair  
Senator Natasha von Imhof  
Senator Bert Stedman  
Senator Kevin Meyer  
Senator Click Bishop

**MEMBERS ABSENT**

Senator Bill Wielechowski

**COMMITTEE CALENDAR**

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 211

"An Act relating to the temporary transfer of limited entry commercial fishing permits; and providing for an effective date."

- HEARD & HELD

SENATE JOINT RESOLUTION NO. 13

Urging the United States Congress to amend the Marine Mammal Protection Act and urging the United States Department of the Interior to permit Alaska Native organizations and the Alaska Department of Fish and Game to co-manage, take, and study marine mammals under the Marine Mammal Protection Act.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 211

SHORT TITLE: TEMP. TRANSFER OF COMM. FISHING PERMITS

SPONSOR(s): SENATOR(s) STEVENS

02/19/18	(S)	READ THE FIRST TIME - REFERRALS
02/19/18	(S)	RES, FIN
03/08/18	(S)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS

03/08/18 (S) RES, FIN  
03/12/18 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SJR 13

SHORT TITLE: URGING CO-MANAGEMENT PLAN FOR SEA OTTERS  
SPONSOR(s): SENATOR(s) STEDMAN

02/19/18 (S) READ THE FIRST TIME - REFERRALS  
02/19/18 (S) RES  
03/07/18 (S) RES AT 3:30 PM BUTROVICH 205  
03/07/18 (S) <Bill Hearing Canceled>  
03/12/18 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

TIM LAMKIN, staff to Senator Stevens  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Commented on SSSB 211 for the sponsor.

BRUCE SCHACTLER, commercial fisherman\representing himself  
Kodiak, Alaska

**POSITION STATEMENT:** Supported SB 211.

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

**POSITION STATEMENT:** Supported SB 211.

DAVID HASHAGEN, commercial fisherman/representing himself  
Ketchikan, Alaska

**POSITION STATEMENT:** Supported SB 211.

THERESA PETERSON, commercial fisherman\representing herself  
Kodiak, Alaska

**POSITION STATEMENT:** Supported the intent of SB 211.

MAC MEINERS, commercial fisherman/representing himself  
Juneau, Alaska

**POSITION STATEMENT:** Supported SB 211.

SEANATOR GARY STEVENS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 211.

CHRIS BURNS, commercial fisherman/representing himself  
Kodiak, Alaska

**POSITION STATEMENT:** Supported SB 211.

JOHN MOLLER, commercial fisherman/representing himself  
Juneau, Alaska

**POSITION STATEMENT:** Supported SB 211.

JIM PETERSON commercial fisherman/representing himself  
Kodiak, Alaska

**POSITION STATEMENT:** Supported SB 211.

SENATOR BERT STEDMAN  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SJR 13.

JOHN MOLLER, representing himself  
Juneau, Alaska

**POSITION STATEMENT:** Supported SJR 13.

LAWRENCE ARMOUR, Tribal Administrator  
Klawock Cooperative Association  
Klawock, Alaska

**POSITION STATEMENT:** Supported the intent of SJR 13 but not some  
of its details.

MIKE LOCKABEY  
Coalition of Southeast Alaska Shellfish Fisheries  
Wrangell, Alaska

**POSITION STATEMENT:** Supported SJR 13.

STEPHANIE JURRIES, representing herself  
Prince of Wales Island, Alaska

**POSITION STATEMENT:** Supported SJR 13.

TEMPLE BILLARD, representing himself  
Fairbanks, Alaska

**POSITION STATEMENT:** Supported SJR 13.

PAT HOLMES, representing himself  
Kodiak, Alaska

**POSITION STATEMENT:** Supported SJR 13.

PHIL DOHERTY, Co-executive Director  
Southeast Alaska Regional Dive Fisheries Association (SARDFa)  
Ketchikan, Alaska

**POSITION STATEMENT:** Supported SJR 13.

JOEL RANDRUP, representing himself  
Petersburg, Alaska

**POSITION STATEMENT:** Supported SJR 13.

WADE MARTIN, representing himself  
Sitka, Alaska

**POSITION STATEMENT:** Opposed SJR 13.

ROBERT MILLER, representing himself  
Sitka, Alaska

**POSITION STATEMENT:** Opposed SJR 13.

KENYATTA BRADLEY, representing herself  
Sitka, Alaska

**POSITION STATEMENT:** Opposed SJR 13.

MIKE MILLER, Chairman  
Indigenous Peoples Council on Marine Mammals  
Sitka, Alaska

**POSITION STATEMENT:** Opposed SJR 13 in its present form.

KATHY HANSEN, Executive Director  
Southeast Alaska Fishermen's Alliance  
Juneau, Alaska

**POSITION STATEMENT:** Supported SJR 13.

## **ACTION NARRATIVE**

[3:30:19 PM](#)

**CHAIR CATHY GIESSEL** called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Stedman, Coghill, Bishop, Von Imhof, and Chair Giessel.

### **SSSB 211-TEMP. TRANSFER OF COMM. FISHING PERMITS**

[3:30:56 PM](#)

**CHAIR GIESSEL** announced consideration of SB 211 [SSSB 211 was before the committee]. This is the first hearing.

**TIM LAMKIN**, staff to Senator Stevens, Alaska State Legislature, Juneau, Alaska, said SSSB 211 attempts to address the graying of Alaska's fishing fleet. It establishes a temporary permit

transfer process to connect the more experienced master fishermen with younger journeymen to train them over a period of time to take over the reins. The intent is to help younger fishermen with some upward mobility into the industry and provide them with some advanced training. The stakeholders, fishermen, and Commercial Fisheries Entry Commission (CFEC), all support this idea. The bill uses terms that convey the purpose of allowing the means for a master fisherman to phase himself out as younger fishermen are trained to phase themselves in.

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MR. LAMKIN said that Section 25 is the substantive component of this bill and he would start with that in his sectional analysis. Every other section is conforming amendments to existing statute.

Section 25 adds a new subsection establishing the Alaska Master Fisher Retirement Transfer Program (AMFRT). In trying to be gender neutral he realizes "fisher" needs to be changed back to "fisherman" with the intent of still being gender neutral. The following is the sectional analysis of the rest of SSSB 211, version 30-LS1369\D:

(a) Would require that the transfer not be initiated during an open fishing season, so it's not an impromptu decision.

(b) The transfer process is limited to a period of no more than three consecutive years, so it can't be in perpetuity. This bill was carefully crafted to honor the Limited Entry Program and avoids looking like a leasing program.

(c) The transfer process must include written binding contract between both parties filed with CFEC.

(d) Provides that the primary permit holder be present during 50 percent of the fishing season.

(e) The journeyman must use the master's vessel for the fishing season.

(f) Provides that both names of master and journeyman are on the permit.

(g) The journeyman qualifies to participate in the AMFRT program if the journeyman:

1. applies to the CFEC on a form approved by the ADF&G.

2. Demonstrates having been employed by and be a crewmember for the master for a minimum of one year prior to initiating the transfer process.

3. Meets marine and navigational safety standards appropriate for the fishery and sophistication of the vessel being operated, including demonstrated knowledge of the fishery and of protecting the state's fisheries and marine environment and
4. Paid a required fee.

The CFEC is charged with adopting regulations specifying the forms, dates of application, and procedures to be followed in applying for and renewing a temporary permit transfer under the AMFRT program. These regulations will also include reporting requirements for both master and journeyman.

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SENATOR MEYER joined the meeting.

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MR. LAMKIN provided the rest of the analysis as follows:

Section 1 Conforms with the naming of the program as "the Alaska Master Fisher Retirement Transfer Program (AMFRT.)"

Section 2 Allows the Board of Fisheries to require a fisherman participating in the AMFRT program to be physically present at the fishing site.

Section 3 Requires a fisherman participating in the AMFRT program to hold a commercial fishing license during their portion of the transfer process when they are actually fishing under the permit, as well as requiring a crew member license when an AMFRT participant is on the vessel, but not directly fishing under the permit.

Section 4 Exempts resident participants of the AMFRT program from having to pay a fee for an annual crew member fishing license.

Section 5 Exempts nonresident participants of the AMFRT program from having to pay a fee for their annual crewmember fishing license.

Section 6 Exempts participants of the AMFRT program from being eligible for a seven-day crewmember fishing license.

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Section 7 Includes in the definition of "commercial fishing license" the entry permit being temporarily transferred through the AMFRT program.

Section 8 Allows participants in the AMFRT to deliver or land fish provided they meet the permitting requirements consistent with existing commercial fishing laws and regulations.

Section 9 Provides for participants in the AMFRT program to be able to employ crew for purposes of commercial fishing activities, and to transport and sell fish caught commercially.

Section 10 Includes criminal penalties for participants of the AMFRT program if they are convicted for failure to be present, on board during commercial fishing activity under their permit.

Section 11 Includes the provision that a fish processor or commercial buyer may only purchase fish from permit holders, including participants of the AMFRT program.

Section 12 Provides that participants of the AMFRT program must possess and present their permit identification when selling commercial fish caught under their permit.

Section 13 Includes AMFRT program participants in common property fisheries and terminal harvest area takings.

Section 14 Includes in the duties of the Alaska Commercial Fisheries Entry Commission (CFEC) the authority to approve temporary permit transfers for qualifying participants of the AMFRT program, and to adopt regulations to manage the program.

Section 15 Specifies that a person may not operate gear in the commercial taking of fishery resources unless that person is an AMFRT program participant.

Section 16 Specifies that a crewmember may assist with operation of gear for the commercial taking of fishery

resources, provided an AMFRT program participant is physically present and also engaged in the operation of that gear.

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Section 17 Provides for AMFRT program participants to operate gear within a specified fishery.

Section 18 Requires AMFRT program participants to be in possession of their permit at all times when operating the gear for which the permit was issued.

Section 19 Prevents the permit activated under the AMFRT program from being used as an instrument of equity or financially encumbered in any way, or to be transferred to repossessed in any way beyond what is allowed within the program, as set forth by the program and related regulations.

Section 20 Adds a new subsection establishing that a temporary permit holder under the AMFRT program has the same use privilege and rights in a fishery as is available to an individual holding a regular entry permit.

Section 21 Provides CFEC authority to establish annual fees for the issuance and renewal of entry permits, including temporary permits issued under the AMFRT program.

Section 22 Establishes that temporary permits issued under the AMFRT program may only be transferred through the CFEC as provided by law and by regulations established by the CFEC.

Section 23 Disallows the transfer of temporary permits issued under the AMFRT program except as specifically provided by law or regulation.

Section 24 Provides exceptions, established by regulation, for the transfer of temporary permits issued under the AMFRT program, to include emergency transfer of the permit in the event of such things as medical illness, death, military or governmental duties, or other extenuating circumstances resulting in an unavoidable hardship and preclusion from being able to participate in the fishery.

Section 25 (Covered at the beginning of the analysis)

Section 26 As regards the existing point system for frequent violators of the Entry Permit salmon fishery laws, this section includes the AMFRT program permittee in that point system of respective violations.

Section 27 Extends the requirement of the CFEC to provide notice of violations and point-docking for AMFRT permit holders committing violations to salmon fisheries laws, consistent with existing notice requirements for standard permit holder making same violations.

Section 28 Extends the assessment of points against a standard permit holder to also include a permit holder under the AMFRT program that such assessment shall be in addition to and not a substitution for other penalties that may be imposed by a court.

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Section 29 Adds a new subsection to clarify the master shall be given notice of any points assessed against a journeyman participating under an AMFRT transfer agreement.

Section 30 Specifies that if a master's or journeyman's salmon fishery permit is suspended for any reason, the CFEC shall not issue another permit for either of them in that fishery during the suspension period, nor may they engage in any manner of commercial salmon fishing activity during that suspension time period.

Section 31 Extends CFEC authority to revoke the AMFRT permit in the event that false or misleading information was used to obtain it.

Section 32 Establishes an effective date of January 1, 2019.

SENATOR VON IMHOF asked what happens now when a retiring fisherman wants to leave his permit to a younger fisherman, in the absence of this program.

MR. LAMKIN said first that this bill is missing an owner financing mechanism for these permits, and that is currently being worked on with the Department of Commerce, Community and Economic Development (DCCED). Currently, when a retiring fisherman wants out, he sells his permit out-right to an interested buyer. There isn't a shortage of sellers or buyers right now, but permits can cost over several hundreds of thousands of dollars and that may keep a younger fisherman from entering the industry. Rather than them being left out, this provides an opportunity for them to participate.

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SENATOR VON IMHOF asked if this measure is being designed for buying the limited entry permit but not the boat and gear.

MR. LAMKIN replied yes, and testimony will indicate that once you get the permit, the rest tends to fall in place much easier, although that may be arguable.

SENATOR VON IMHOF asked how having the journeyman on the master's vessel interplays with the permit and is three years enough time for pay back. How does a bank loan play into that?

MR. LAMKIN replied that those great questions would be ironed out eventually. They want to associate the permit and this training transfer process with not just the master fisherman and the name on the permit, but also the vessel and the gear and the equipment associated with that permit and fishery. Whether three years is realistic is a good question and more time may be needed.

SENATOR MEYER, referring to sections 4 and 5, asked what the ratio is between residents and nonresidents having these permits. He wanted to incentivize Alaskans and not nonresidents.

MR. LAMKIN replied that he didn't know but could look it up.

MR. LAMKIN said section 4 has to do with being a crewmember not being the permit holder, adding that the whole point of Limited Entry is to keep our fleets and the holders of those permits at least substantially in the hands of Alaskans.

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CHAIR GIESSEL opened invited testimony.

BRUCE SCHAETLER, commercial fisherman/representing himself, Kodiak, Alaska, supported SB 211. He commented that resident

participation depends on the area and the fishery. Kodiak fisheries are more than 75 percent residents.

He explained that SB 211 is designed to be a training program. Although he has been fortunate to have the same crew for many years, many crewmen don't know if they want to be a captain or have what it takes to be one. Are they fish killers? Do they have what it takes to find fish and catch them? Do they know how to handle grumpy crewmembers? Can they deal with the responsibility of running a boat? He said this program was put together by captains with their crewmen. It's not intended for a crewman to amortize the cost of the permit over three years. The idea of three years was after doing this for three years the journeyman will have it figured out. Either he wants to buy a permit and a boat and get into it as a Limited Entry permit holder, or not.

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Another possible way to transfer a permit is through the central lien registry that CFEC and the Division of Investments is working on. This concept would enable someone to do an owner transfer and if it didn't work out, be able to get the permit back.

MR. SCHAETLER said SB 211 doesn't require a complicated rewrite of Limited Entry; it just amends one section that adds the program. The other amendments are conforming language. It will add no more gear to the fishery and it adds safety training for everyone. In all his conversations he hadn't found anyone not in favor of this.

He added that another variable is on the table now: the fishing resource itself is "iffy," the loss of codfish in the Gulf of Alaska, for example.

[4:00:17 PM](#)

FATE PUTMAN, Commissioner, Commercial Fisheries Entry Commission (CFEC), Alaska Department of Fish and Game (ADF&G), Juneau, Alaska, supported SB 211. It heads in the right direction in establishing a new temporary transfer for this type of permit. He had some concerns about language on page 11, lines 5-7, saying the commission is responsible for certifying that the journeyman has the safety training. That and the protection of property along with the state's fisheries and marine conservation are jobs better suited to other agencies like the Department of Environmental Conservation (DEC), and the Alaska

Department of Fish and Game (ADF&G), or the Coast Guard for training. He hoped that could be changed.

Secondly, this measure would require the CFEC to find a stopping point in order to effectuate the transfer, and some fisheries go throughout the year with no stopping point.

SENATOR VON IMHOF said she understood the motivation behind the transfer process but she is not clear if money will change hands for a lease towards ownership for three years. She asked Mr. Putman if he cares if money is transferred prior to that.

MR. PUTMAN replied the commission is concerned about leasing, but at the same time, catch profits are normally exchanged between the master and journeyman and that should continue. A provision requires CFEC to maintain and review the contracts between the master and journeyman.

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CHAIR GIESSEL thanked him and opened public testimony on SB 211.

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DAVID HASHAGEN, commercial fisherman/representing himself, Ketchikan, Alaska, supported SB 211. It is a step in the right direction in addressing "the graying of the fleet." However, he said a provision is needed allowing a person with a temporary permit to obtain his own vessel. He wants to keep his boat if he were to lease out his permit, because after 54 years, he has a boat that he can put his pickup on and travel up and down the coast from Patagonia to the Bering Sea. And if a person has two sons and turns the boat over to one and the permit over to the other, they would both have to come up with another permit or boat to make the business work.

He suggested inserting "or by discretion of the commissioner" into section 25, lines 16-17, after "three consecutive years", as was done for Limited Entry. That language would allow the CFEC to make adjustments for the differences in each fishery. He said he has had the same crew for many years and if a temporary permit holder was added, he wouldn't have a place to sleep. He is in the gillnet fishery and there isn't a whole lot to learn; it's just a lot of hard work, and that's what the guys find out right away. In addition, a journeyman might want to gillnet in a different area than where he fishes his boat.

The owner financing concept is an excellent idea. He would probably be the first one to participate in that if something

was set up, because now when you turn your permit over to someone and if you haven't got your money, he can look you square in the eye and say: "good luck," and doesn't have to give the permit back.

MR. HASHAGEN noted that the Limited Entry Program has been upheld by the Supreme Court three times: you can't discriminate against non-residents. However, he thought the owner financing provision would encourage a master to make a deal with someone he knows who lives in the state. And the three-year timeframe would provide the state with a financial track record for the fishery a person wants the state to finance the permit in.

THERESA PETERSON, commercial fisherman/representing himself, Kodiak, Alaska, supported the intent of SB 211. However, the language needs to be tightened to make sure it meets the stated intent, because it changes significantly the integrity of the owner/operator limited entry system, which she thinks, works "really well."

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Language in section 25, line 16, saying that the transfer cannot be initiated during an open fishing season needs more work. It would be important to determine that this agreement needs to be reached prior to when a fishery opens on a certain date but then it closes and opens throughout the course of the summer, at mid-season, or goes year-round.

The "period of not more than three consecutive years on line 17 is not an adequate timeframe for someone to really understand if they want to pursue funding to purchase a permit, and this arrangement should be limited to one-time. The contract should include what the payments are while in the transitional phase (section 25 on page 10, line 20). That would be a good way to keep track of how much money is being extracted out of the fisheries.

MAC MEINERS, representing himself/commercial fisherman, Juneau, Alaska, supported SB 211.

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CHRIS BURNS, commercial fisherman/representing himself, Kodiak, Alaska, supported SB 211. He said the Limited Entry Program has been very successful. The CFEC has done plenty of studies on emergency transfer and fraud issues and hasn't found very much of that going on over the last three to five years. This is just fixing an oversight in the limited entry system.

MR. BURNS said this is a way to break into management in the fisheries like the International Brotherhood of Electrical Workers (IBEW). Fishing is a little more complicated than the other trades: the owner needs to deal with insurance, crew, weather, big runs/low runs, and global market fluctuations.

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JOHN MOLLER, commercial fisherman/representing himself, Juneau, Alaska, supported SB 211, agreeing with many testifiers. He owns three permits and his daughter owns one. They fish in three different fisheries out of Juneau. He said Alaska has some outstanding loan programs for financing permits and boats and this should not turn into a leasing program. The owner operator is an essential part of the overall CFEC program.

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JIM PETERSON, commercial fisherman/representing himself, Kodiak, Alaska, supported SB 211. He wholeheartedly supports this bill, because like all the rest of them he isn't getting any younger. One of the biggest mountains a guy has to climb is getting that permit and making it easier for that individual is a good thing.

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CHAIR GIESSEL said they could submit their specific recommendations in writing to her office. Finding no further testimony, she closed public testimony and set SB 211 aside. She invited the sponsor to comment.

SENATOR STEVENS, sponsor of SB 211, Alaska State Legislature, Juneau, Alaska, said this issue was brought forward by Mr. Schactler who like a lot of older fishermen, realize they want to be able to pass their business on to somebody else. Passing it on to the son is the traditional way, but some people don't have a child to pass it on to. Getting young people into the industry is a big problem; a vessel and gear that used to cost \$15,000 costs \$300,000, now is more than most young people can accumulate. This is not a perfect solution, but he is looking forward to making it as good as possible.

CHAIR GIESSEL held SB 211 in committee.

### **SJR 13-URGING CO-MANAGEMENT PLAN FOR SEA OTTERS**

[4:26:46 PM](#)

CHAIR GIESSEL announced consideration of SJR 13. She noted the proposed committee substitute (CS) clarifies some of the drafting issues.

SENATOR COGHILL moved to adopt CSSJR 13( ), version 30-LS1408\J, as the working document. There were no objections and version J was adopted.

SENATOR STEDMAN, Alaska State Legislature, sponsor of SJR 13, said his district is all subsistence except for a portion of Ketchikan. He said he was going to talk about the impacts sea otters have on the subsistence lifestyle and the ability in his communities for the families to feed themselves.

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SENATOR STEDMAN said this resolution urges the United States Congress to amend the Marine Mammal Protection Act and urges certain federal agencies to permit the Alaska Native organizations and the Alaska Department of Fish and Game (ADF&G) to co-manage the take and study of sea otters.

Previously, Russians and Aleuts migrated across the Aleutian Chain and "pretty much thinned them out," almost totally annihilated the otter population in that region. And he is not in any way advocating going back to that, but he's looking for some balance. In 1969, 400 otters were introduced into the state. Now there are 25,000 otters and that number is growing by 13 percent per year. This has affected subsistence fishery resources and closed 18 dive fisheries. Kake is down to one clam beach in front of their community. Having just one beach is not very good in terms of a reliable harvest of seafood. They don't have the ability to go to Safeway or Albertsons to shop for groceries.

SENATOR STEDMAN said these communities have 80 percent unemployment - one is close to 90 percent - and have no cash economy as a base. They have schools, city hall, a handful of fishing permits, and a little bit of tourism. The people in these communities have lived a subsistence lifestyle for thousands of years and it won't change any time soon. They need to be able to harvest food in order to eat.

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Back in 2010, the legislature saw the decline in harvest of sea otters and appropriated funds to encourage craft work, which really helped in increasing the allowable harvest of otters, which is set in federal regulations. His chart reflected a

substantial drop from a harvest of 1,500 animals a few years ago to 882 in 2017, so they are basically going backwards as the Southeast otter population grew at 13 percent. For people who haven't seen the sea otter rafts, they are so thick some mariners mistake them for reefs.

SJR 13 urges federal agencies to work with state, Native, and local leaders to establish a sea otter management plan to protect the shellfish resources and subsistence availability.

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SENATOR STEDMAN said they don't want to eradicate the otters, but a balance needs to be established between the tourism industry, commercial fisheries, and subsistence. One option is to transfer sea otter management authority to the Alaska Department of Fish and Game (ADF&G) or to the National Marine Fishery Services (NMFS) and for them to consider small business enhancements and economic activities in the management plan. This would entail dealing with non-cash economies, but sea otter pelts are valuable both as pelts and in crafts.

He explained that currently, Non-Native people can't handle the pelts until they are significantly altered and if he had a Native spouse he couldn't help her at all. Dave, an Alaska Native from Metlakatla, could go out and harvest them, but if he had a non-Native spouse, she couldn't help him, either.

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SENATOR STEDMAN said for a while Alaska Natives from the coast weren't even harvesting otters, because they were afraid of the federal regulations. Some modifications have been made by working with the federal regulators, but their rules are still too restrictive. In SJR 13, he is urging amendments to the Marine Mammal Protection Act (MMPA) to provide for authentic Native crafts to be sold without restriction. That can be seen by the massive upswing in otter population and a declining harvest level in seafood.

The scope of allowable uses needs to be expanded to allow non-Coastal Alaska Natives of federally recognized tribes to take sea otters. He couldn't see any good reason why Natives from Interior Alaska should be prohibited from harvesting sea otters and increasing their value by selling their crafts to tourists. Authentic Native crafts should be able to be sold without restrictions. "Why can't they make a teddy bear out of this really nice fur for our kids to play with?" he asked.

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SENATOR STEDMAN elaborated that it would be a huge help if the federal government would back off a little bit and allow the ADF&G and Native organizations to manage their own destiny and co-manage the subsistence use of sea otters. The state replanted the sea otters into Southeast and then their management was transferred to the feds, and now with the Marine Mammal Protection Act no good deed goes unpunished.

Further, Senator Stedman said, our neighbors in British Columbia are dying to get sea otter pelts and we should be able to harvest and sell some to them. The resolution urges authorizing the ADF&G or Native organizations to take as many sea otters as necessary to protect the threatened subsistence fisheries. His constituents don't want to wipe out sea otters, but they don't want them so concentrated that their subsistence beaches are devastated. He displayed a sea otter pelt, size XL, saying they feed down to 30-35 fathoms of water and eat about 25 percent of their body weight a day.

SENATOR STEDMAN quoted a letter from Secretary of Interior Zenke and Secretary of Commerce Ross:

The estimated annual consumption of the current sea otter population is 195 million pounds of seafood, the primary take being shellfish. Based on growth estimates through 2030, this number closer to a half billion pounds annually. Compared to the estimate of 195 million pounds consumed by the sea otter population each year, Southeast Alaska's commercial fishermen targeting the same species harvest 5-7 million pounds annually, 3-4 percent of what the current sea otter population eats.

SENATOR STEDMAN said his communities are getting eaten out of house and home. In 2013, human take was 1,494 and last year it was 882. He suggested increasing the harvest amount to 10 percent of the estimated numbers. Sitka takes roughly 31 percent of the otters and Kake 10 percent, Yakutat 13 percent, Petersburg 4 percent, Klawock 9.5 percent, Hoonah 8 percent, and Hydaburg 2.8 percent, and they're moving around the south end of Prince of Wales Island into "huge urchin beds" south of Ketchikan. It will be a smorgasbord for them and a disaster for the local residents that try to feed their families from the same beds. These communities don't have the opportunity to go to the supermarkets. When the tide is out the supermarket is open,

but when the sea otters eat everything down to 30 fathoms, that makes it tough to feed your family.

He remarked that Senator Giessel and Senator von Imhof would look splendid in a sea otter coat - far exceeding any mink coat - out on an evening in Anchorage.

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SENATOR MEYER asked if he would look nice in an otter pelt, too?

SENATOR STEDMAN answered yes, he would.

SENATOR MEYER asked if the otters get caught in nets sometimes.

SENATOR STEDMAN replied not very often.

SENATOR MEYER asked if they are edible.

SENATOR STEDMAN answered yes, but they have to be skinned right away, because a gland in the skin the seeps into the meat.

SENATOR MEYER asked if something preys on them, like whales.

SENATOR STEDMAN said he was hoping to train killer whales to do that, but they only eat otters occasionally and have no impact. They are called fur balls.

SENATOR MEYER asked if there is any other way to thin out the herd.

SENATOR STEDMAN answered that starvation would work, which is what the federal government is letting them do, but it makes a lasting impact. Nothing is left when they are gone. The seabed looks like a bombing range.

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SENATOR VON IMHOF asked his thoughts on a letter from the organized village of Kake against this resolution because they would rather work with tribal co-management bodies under the Marine Mammal Protection Act and not with ADF&G.

SENATOR STEDMAN replied those concerns were brought up with the original draft of this resolution, so it was amended, but there could still be some concerns with it. He hadn't heard from Kake about the new version.

SENATOR VON IMHOF asked if he has plans to do so.

SENATOR STEDMAN replied yes, he is in contact with the community.

[4:51:42 PM](#)

SENATOR BISHOP asked which community had one clam beach left.

SENATOR STEDMAN replied Kake.

SENATOR BISHOP asked who introduced the sea otters.

SENATOR STEDMAN replied the State of Alaska.

SENATOR BISHOP asked, when the last beach goes, who will repopulate it and how much will that cost.

SENATOR STEDMAN replied that he didn't know. He has encouraged the community to be very aggressive in protecting that beach and others in the area.

CHAIR GIESSEL opened public testimony.

[4:52:49 PM](#)

JOHN MOLLER, representing himself, Juneau, Alaska, supported SJR 13. He brought his 12-year old son, Ian, with him saying he is a commercial fisherman and a sea otter hunter. Mr. Moller said he is an Aleut, born and raised in Unalaska, and has lived in Juneau since 1995. He is a subsistence harvester, and a commercial fisherman. He owns a commercial crab permit, a shrimp permit, and a salmon permit. He is a founding member and the president of the Shellfish Preservation Alliance (SPA) that was formed to address sea otter management issues. They have submitted written comments, but he was speaking today for himself.

He said his great grandfather was a hunter on the last commercial sea otter hunt in Alaska. He has been hunting sea otters since the 1980s and has watched them migrate from the Aleutians to Prince William Sound; and in Southeast he has watched them move from the outside waters to the inside waters. This is not just a Southeast issue; it is a statewide issue. Kachemak Bay was devastated by this critter. Sea otters are destroying everything that is important to his subsistence and commercial fishing lifestyle.

MR. MOLLER said he had an issue with the term, "qualified hunter," because unless his son, Ian, marries an Alaska Native,

his kids will not qualify to take sea otters, and if that is the case, they are looking at the last generation of Moller sea otter hunters. A qualified hunter must include all Alaska Natives who are members of a federally recognized tribe.

His great grandfather supported his family by trading raw sea otter furs. The only reason they were able to make a living at this was because they were able to trade raw pelts. "Significantly altered products" was not the tradition of the people. It was the trading and bartering of raw pelts.

MR. MOLLER stated if more animals are not removed, the subsistence lifestyle will be a thing of the past, and he hates to even think about the commercial impacts. He supports switching management to ADF&G, but others are concerned about where ADF&G will get the money to do that. He just anticipates if the feds would switch management to ADF&G that some appropriations would come with it.

[4:57:31 PM](#)

MR. MOLLER closed saying he grew up in Unalaska that had lots of sea otters; they ate everything and then moved on. The same kind of thing could happen in Hoonah that is trying to grow a tourism industry, part of which wants to view sea otters. When the sea otters leave Icy Strait and move to Juneau, like they are currently doing, the tourism industry will have a lot fewer animals to look at.

He said this is an opportunity to create a new economy of raw sea otter pelts. Sea otters are an overabundant resource with no predators, other than himself, Ian, and a few others. This would be good for Alaska.

[4:59:32 PM](#)

LAWRENCE ARMOUR, Tribal Administrator, Klawock Cooperative Association (KCA), Klawock, Alaska, supported the intent of SJR 13 but not some of its details. They see a compelling need to amend the Marine Mammal Protection Act (MMPA), which is to stop the disastrous sea otter population explosion that is wreaking havoc with Southeast Alaska seafood resources. SJR 13 overlaps their desired amendments, but they don't entirely match, and in some respects are at odds with the association's favored approach.

MR. ARMOUR said that MMPA was enacted in 1972 to prevent marine mammal extinction and apparently no one anticipated the opposite, an uncontrolled sea otter population boom.

Consequently, MMPA makes no provision for marine mammal population control.

MMPA permits Alaska Natives to take sea otter for the purposes of creating and selling authentic Native articles of handicrafts and clothing, and that provision wasn't intended as a population control measure, but absent any such measures, Native hunting now looms large as a potential solution. Tribes have sea otter hunters out hunting now, but under current conditions, the scale needed for population control is not economically feasible.

Native hunting has not been tested as a population control measure, but they believe it can happen. The federal government must make accommodations that are permissible under MMPA to attract more Native hunters into sea otter hunting.

The third resolve clause in SJR 13 urges an MMPA amendment to expand the scope of allowable uses for harvest of sea mammals. The tribes favor much the same. A careful reading of MMPA's limitations on hunting and sales indicates that existing law might fairly be interpreted more broadly but the best way to do that would be through negotiating an approved plan with the federal government and the tribes.

SJR 13's third resolve clause calls for an amendment to permit Alaska Natives to sell his or her right to hunt sea otters to a non-Native. Sea otter hunting is a potential rural income source and MMPA indicates that it should remain with rural residents. Therefore, if SJR 13 were to move forward, KCA respectfully requests removal of the proposed provision to permit an Alaska Native to assign this right to an individual with just a hunting license issued by the State of Alaska, language on page 3, lines 26-28. They believe that a strong, fair plan could be prepared without that provision.

[5:03:22 PM](#)

Research indicates that the feds want data supporting the belief that sea otters disrupt the ecological balance, and the fifth and sixth resolve clauses call for issuance of a scientific permit to get that data. They also appreciate the inclusion of an Alaska Native organization as a possible recipient for that permit. Sea otter management is a Southeast Alaska regionwide problem, and MMPA provides Native tribes a unique opportunity to participate in the co-management of them. And MMPA 16 US Code 138, Section 119(a) provides for the secretary to enter into a cooperative agreement with Alaska Native organizations to

conserve marine mammals and provide co-management of subsistence use.

5:05:00 PM

MIKE LOCKABEY, Coalition of Southeast Alaska Shellfish Fisheries, Wrangell, Alaska, supported SJR 13. This is an acute biological problem right now, an extinction-level event not an allocation problem. The affected fisheries have about 600 stakeholders and produce about \$16 million of prime income to the Southeast economy and he agrees with previous testimony about how much they eat and thinks it could be quite a bit larger. At current consumption levels, three to five years down the road several more fisheries will have collapsed.

MR. LOCKABEY said in California when the number of otters was allowed to go unchecked, they died off from several diseases, and didn't come back. They decimated their own environment and Southeast could very well end up like that. The herd needs to be cropped, and now.

5:09:28 PM

STEPHANIE JURRIES, representing herself, Prince of Wales Island (POW), Alaska, supported SJR 13. She and her husband dive for sea cucumbers and geoducks in Craig. Although they troll for salmon in the summer, a majority of their income is derived from the dive fisheries. Since she started diving in 2007, she has seen a marked decrease in guideline fishing harvest levels in those areas that are still open on the West Coast of Prince of Wales. These losses directly impact individual fishing families as well as the communities which rely on them. Over the years, Craig has seen decreasing revenue from dive vessels in the way of moorage and fish taxes, and services and businesses used by dive fishermen.

She has seen firsthand the explosion of sea otters and heard many reports of them getting much closer to Ketchikan and Wrangell. She no longer fishes commercially for Dungeness crab on the west coast of POW because the otters have decimated their population. Once they discover the rich crab grounds of the shallow Stikine River Delta, they will almost certainly destroy that fishery, as well. People already know these facts, and action needs to be taken now.

SJR 13 will facilitate a way to diminish the damage the otters are having on their fisheries, but measures allowing more local harvest by Natives will only impact the population enough to give their fisheries a fighting chance. The ADF&G has done a

good job of managing Alaska's fisheries, but their management strategy doesn't include the impacts from the otters. She agreed with previous comments about killer whales and nets and added that when she went to a sea otter conference several years ago in Klawock, the U.S. Fish and Wildlife Service (USFWS) was extremely unresponsive when confronted with this issue and made no effort whatsoever to make changes to the way Natives can harvest the hides.

[5:11:54 PM](#)

TEMPLE BILLARD, representing himself, Fairbanks, Alaska, supported SJR 13. He described himself as a Coastal Native who looks forward to living in Southeast in the future. He supported state management of sea otters and relaxation of tannery regulations. If they can't get tanneries to deal with the otters, there is no point in harvesting them.

[5:12:57 PM](#)

PAT HOLMES, representing himself, Kodiak, Alaska, supported SJR 13. It's a good start, but a few things could be added like consulting with tribes and corporations in rest of the state, particularly Prince William Sound and Kodiak, because of the otters' tremendous impacts there.

MR. HOLMES said he has commercially fished and spent most of his career with ADF&G in shellfish and salmon management. He has worked from Kodiak, Pribiloffs, Nome, and way out in the Aleutians, where things do change.

In the Aleutians, the U.S. Geologic Survey (USGS) identified orcas as the major reason for the present decline. He also spent 10 years on the ADF&G on the Fish and Game Advisory Committee and 20 years on the Federal Subsistence Council. He has heard many years of comments about the impact of the otters that in the last couple of years have eliminated basically all the king crab, tanners, and Dungeness that one can get easily from town for subsistence. He suggested expanding language to more specifically define the effects of sea otters on subsistence.

PHIL DOHERTY, Co-executive Director, Southeast Alaska Regional Dive Fisheries Association (SARDFA), Ketchikan, Alaska, supported SJR 13. He said SARDFA was formed in 1998 under AS 43.76 and it is a non-profit economic development corporation whose mission is to develop, expand, and enhance new and existing dive fisheries in Southeast Alaska. The ADF&G Miscellaneous Shellfish Program is largely supported by the assessment on the dive resources with a mandatory tax of 7

percent on geoduck clams and 5 percent on sea cucumbers and red sea urchins, ex-vessel value. There are approximately 200 active divers in the fisheries and in recent years the annual ex-vessel value has been \$10 million. These dive fisheries are now one of the most important fall and winter commercial fisheries in Southeast Alaska and have a very positive impact in the winter economies of Ketchikan, Craig, Klawock, Sitka, Juneau, and Wrangell. However, due to sea otter predation, these fisheries will eventually drop to such a low level that in the foreseeable future the guideline harvest level in ex-vessel value will not be able to sustain the fisheries.

Recent research by the U.S. Fish and Wildlife Service has documented that those approximately 27,000 animals in 2013 are growing at a 13 percent annual increase. That means there are 51,000 sea otters in Southeast Alaska today. These marine mammals consume shellfish at the rate of approximately 25 percent of their body weight daily and they weigh an average of 65 pounds. That means they consumed 300 million pounds of shellfish in Southeast Alaska just last year.

[5:18:21 PM](#)

JOEL RANDRUP, representing himself, Petersburg, Alaska, supported SJR 13. He has been a commercial fisherman for 10 years and sea otters have moved him off his fishing grounds twice in the last five years. There is no sign that their growth is being retarded and they are advancing into new areas around Petersburg and Southeast Alaska. The unmanaged sea otters have a very negative effect on subsistence, commercial, sport, and recreational users of our shellfish resources.

He hoped this resolution would bring all parties to the table to come up with a sensible management plan to address the harm sea otters have on the shellfish resources for coastal communities in Southeast Alaska.

[5:19:56 PM](#)

WADE MARTIN, representing himself, Sitka, Alaska, opposed SJR 13. He is a Coastal Native who hunts sea otters for a living. He said that hunting by Coastal Natives should be encouraged and then they wouldn't be a problem. He has shot "easy over 3,000 sea otters" in his career, and urchins and shellfish are on a rebound.

Federal enforcement discourages hunting; they have come in and shaken down local tanneries and homes. "It's very discouraging and a lot of guys won't pick up a rifle because of this."

[5:22:52 PM](#)

ROBERT MILLER, representing himself, Sitka, Alaska, opposed SJR 13. He has hunted sea otters for eight or nine years and owns the Sea Fur Sewing Company and offered to sell them a blanket to help support this bill. He didn't support the selling of whole hides that might sell for \$100, but if you teach a person to sew and sell a product, he could make \$1,000 and drive the economy for more harvest.

MR. MILLER said his business goes through 250-300 sea otters a year and is expanding. He hires hunters - his own brothers - from Craig, Klawock, Angoon, Kake, and Kachemak Bay to hunt. He does not want to hire a non-Native to hunt for him.

Opening up management of sea otters to ADF&G will create more law enforcement problems and restrictions on Alaska Natives to hunt their own products that they have been "granted" through past laws. If they want to have more hunters out there, they should work with Congress to change the language from one-quarter blood quantum to "tribally-enrolled." That will result in a lot more Native hunters out there.

MR. MILLER said his business depends on demand and he works hard on marketing, spending \$3,000 to \$5,000 per year. He said exporting whole hides - to China to process - would put him out of business; hides would be worth \$25 in three years.

[5:25:41 PM](#)

KENYATTA BRADLEY, representing herself, Sitka, Alaska, opposed SJR 13. He is a young hunter, tanner, and sewer in Southeast Alaska and has a 75-pot crab permit. He asked the Board of Fisheries should pass a super exclusive Dungeness crab fishery in Southeast Alaska like Kodiak has.

MR. BRADLEY said he is exploring different ways to make money off his crab knowledge. He is building a livelihood around his right to hunt and sew sea otter pelts and this bill would essential strip his hopes of going into business. His Native corporation was not contacted for input on this bill and he believes it represents the 400 permit holders who are not making as much money as they used to but are still making money.

The biggest inhibition for him is how much it costs to tan hides. He has a \$5,000 tanning bill for 26 otters he took this past year. There are only five or so tanneries in Alaska - or around the world, for that matter - that are willing to tan

otters due to the overreaching oversight enforced by the MMPA, which often engages in entrapment. An 1800 population study showed about 200,000 otters from north California to Puget Sound and 25,000 in Southeast, so they are probably on par with historic numbers. Shellfish populations are rebounding in Sitka and that shows that populations are stabilizing. Any population goes up and down, and then they stabilize over time. The otters will stop having babies once their food runs out.

He said that Senator Stedman didn't take the time to talk to Kake about its clam beds, but if he took the time they could come up with more comprehensive legislation. He advised to not vote on this bill until getting more input from Native Corporations.

[5:27:54 PM](#)

MIKE MILLER, Chairman, Indigenous Peoples Council on Marine Mammals, Sitka, Alaska, opposed SJR 13 in its present form. The council is a statewide coalition of organizations that has co-management agreements with U.S. Fish and Wildlife Service and the National Marine Fisheries Service. He is a council member of the Sitka Tribe and was instrumental in starting the Sitka Tannery that Senator Stedman had a picture of. He has also been a sea otter hunter since 1990.

He wouldn't repeat a lot of the comments that show consistent concerns about some of the language. He understands the need for harvest management plans but opposes SJR 13 in its present form. He worked on harvest management plans quite a bit. In 2006 and 2008 they submitted "Harvest Management Prior to Depletion" to Congress, partly to address sea otter issues. It was opposed by the state at that time and "got killed." He would like to reintroduce it and work with the National Marine Fisheries Service and U.S. Fish and Wildlife Service on local plans without the state's participation, because that would just extend the fight, which they don't have time for. Real progress could be made by cleaning up this language.

[5:30:05 PM](#)

KATHY HANSEN, Executive Director, Southeast Alaska Fishermen's Alliance, Juneau, Alaska, supported SJR 13. She is also a board member for the Shellfish Preservation Alliance that was formed last year as an umbrella group of Alaska Natives, Native hunters, Native harvesters, municipalities, tribal governments, commercial fishermen and their associations, processors, and others that support this resolution. She said the Shellfish Preservation Alliance has tried time and again to get co-

management of tribal organizations and management plans with the U.S. Fish and Wildlife Service that has continually resisted these efforts. This resolution may not be perfect, but it raised the issue as a very major problem that is coming to a very severe head right now.

MS. HANSEN said some resources might be rebounding in Sitka, but it is probably 20 years after the sea otters came through. At a recent Board of Fisheries meeting, ADF&G said they resurveyed areas they had done previously for the dive fisheries and after a decade, they were still "open dead craters." So, if nothing is left in the area to grow the resources from, it takes even longer. She concluded that this is a large problem that this resolution starts to address. To Senator Meyer she said she knows of a Yakutat artist that makes beautiful stove-pipe hats out of sea otter.

[5:32:51 PM](#)

CHAIR GIESSEL, finding no further testimony, closed public testimony on SJR 13.

SENATOR STEDMAN remarked in closing that SJR 13 needs to be refined, and he would continue working on it. This is a huge issue for coastal Alaska and the problem is getting worse. He didn't know how else to get the attention of the feds.

SJR 13 was held in committee.

[5:34:16 PM](#)

CHAIR GIESSEL adjourned the Senate Resources Committee meeting at 5:34 p.m.