

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

January 30, 2020

11:13 a.m.

**MEMBERS PRESENT**

Representative Louise Stutes, Chair  
Representative Bryce Edgmon  
Representative Chuck Kopp  
Representative Geran Tarr  
Representative Sarah Vance

**MEMBERS ABSENT**

Representative Jonathan Kreiss-Tomkins  
Representative Mark Neuman

**COMMITTEE CALENDAR**

HOUSE BILL NO. 203

"An Act relating to transportation of live crab."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 203

SHORT TITLE: TRANSPORTATION OF LIVE CRAB

SPONSOR(S): REPRESENTATIVE(S) KNOPP

01/21/20	(H)	READ THE FIRST TIME - REFERRALS
01/21/20	(H)	FSH, RES
01/30/20	(H)	FSH AT 11:00 AM GRUENBERG 120

**WITNESS REGISTER**

REPRESENTATIVE GARY KNOPP  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 203.

INTIMAYO HARBISON, Staff  
Representative Gary Knopp  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 203 on behalf of Representative Knopp, prime sponsor.

JEREMY WOODROW, Executive Director  
Alaska Seafood Marketing Institute (ASMI)  
Department of Commerce, Community, and Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 203.

EDWARD POULSEN, Business Owner  
GKC Holdings LLC  
Dutch Harbor, Alaska

**POSITION STATEMENT:** Testified in support of HB 203.

ERLING JACOBSEN, Executive Director  
Inter-Cooperative Exchange;  
Acting Chair  
Alaska Seafood Marketing Institute Shellfish Committee  
Lind, Washington

**POSITION STATEMENT:** Testified in support of HB 203.

JAMIE GOEN, Executive Director  
Alaska Bering Sea Crabbers (ABSC)  
Seattle, Washington

**POSITION STATEMENT:** Testified in support of HB 203.

#### **ACTION NARRATIVE**

[11:13:59 AM](#)

**CHAIR LOUISE STUTES** called the House Special Committee on Fisheries meeting to order at 11:13 a.m. Representatives Stutes, Edgmon, Kopp, and Vance were present at the call to order. Representative Tarr arrived as the meeting was in progress.

#### **HB 203-TRANSPORTATION OF LIVE CRAB**

[11:14:44 AM](#)

CHAIR STUTES announced that the only order of business would be HOUSE BILL NO. 203, "An Act relating to transportation of live crab."

[11:15:38 AM](#)

REPRESENTATIVE GARY KNOPP, Alaska State Legislature, as prime sponsor, introduced HB 203. He stated that HB 203 is important

to the communities it affects. He introduced his staff, Intimayo Harbison.

11:16:18 AM

INTIMAYO HARBISON, Staff, Representative Gary Knopp, Alaska State Legislature, presented HB 203 on behalf of Representative Knopp, prime sponsor. He stated that HB 203 would change the language of AS 16.10.240 to remove restrictions on the live transportation of three crab species: king crab, Dungeness crab, and Tanner crab. He explained that as the law is currently written, there is a restriction on the transport of those three crab species, except when being shipped live via air freight after pre-packaging. He stated that HB 203 would change the statute to allow for surface transport of live crab after it has been first landed in an Alaska port and recorded on an Alaska Department of Fish & Game (ADF&G) fish ticket. He explained that the current Alaska statute pertaining to the transport of live crab was written in the 1960s and was revised in 1996, due to concerns regarding loss of product and toxins when transporting by surface rather than air. He stated that since the initial passing of this legislation and subsequent amendments, there have been many breakthroughs in the safe transport of live crab species, which allow for surface transport while maintaining freshness of product. He explained that new technology allows for the storage and transport of live crab by keeping them in cooled and aerated saltwater for the entirety of their journey to market. He added that this method of transport allows for crab to be held for up to a month or longer, without a loss of product or risk to consumers.

MR. HARBISON stated that currently, dead loss on shipments of live crab out of Alaska can be high due to several factors, including improper packaging, delayed shipment due to weather, and a general lack of air shipment service to remote Alaska communities. He said that HB 203 would allow for high quality Alaska crab to reach markets despite limitations to air freight. He explained that Alaska has fallen behind in expanding world crab markets, due to limitations placed on live export from the state. He stated that red king crab is currently sold live in global markets by other industries from foreign countries; this includes sales to the U.S. and Canada, which would be better served by the Alaska crab industry. He summarized that the ability to sell currently restricted species in larger and more consistent volumes would help expand consumption of Alaska crab, bring economic opportunity to Alaska crabbing communities, and overall benefit the state and its industries.

[11:18:56 AM](#)

REPRESENTATIVE KOPP, referencing a letter from the United Fishermen of Alaska (UFA), asked whether the language the UFA preferred was not included in HB 203 as a result of the bill's evolution as it was drafted.

MR. HARBISON replied that he thinks the letter was written during a previous version of the bill. He stated that there have been suggestions for changes to the bill, by some individuals in the crabbing industry, that would clarify some issues.

[11:19:53 AM](#)

CHAIR STUTES announced the committee would hear invited testimony on HB 203.

[11:20:39 AM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood Marketing Institute (ASMI), Department of Commerce, Community, and Economic Development, testified in support of HB 203. He stated that ASMI submitted written testimony, which he would summarize with oral testimony. He explained that crab is a low-volume, high-value species in Alaska; it only makes up approximately 1 percent of Alaska's ex-vessel volume but represents over 12 percent of the ex-vessel value. He stated that Alaska crab represents approximately \$300 million in first-wholesale value, but of that \$300 million, only approximately 1 percent is exported live due to several restrictions, market challenges, and shipping restrictions. He expressed that HB 203 has significant support from the seafood industry; at ASMI's most recent annual all-hands meeting, the ASMI shellfish committee unanimously passed support for legislation that would allow live shipment of all species of Alaska crab. He reiterated what Mr. Harbison had explained earlier about improved transportation technology, which allows for more convenient and cost-effective shipping of live crab via surface transportation.

MR. WOODROW explained that traditionally live crab has been required to be air shipped, which is costly and comes at significant financial risk, as crab can only be out of water for a short time period without a significant loss of product. Alaska crab competes on a global market with similar products caught in other regions of the world. He stated that the

ability to ship more live crab, which receives a premium market price, better positions Alaska seafood processors to compete against foreign products. He explained that currently foreign products often undercut Alaska prices and have more favorable trade terms in foreign markets in which Alaska crab is sold. He expressed that HB 203 adds another tool to the toolbox of Alaska crab processors and producers, and positions Alaska crab species to stay competitive in other regions of the world.

[11:23:36 AM](#)

EDWARD POULSEN, Business Owner, GKC Holdings LLC, testified in support of HB 203. He stated that over the past several years, he has been working with Unisea, Inc. in Dutch Harbor to develop a live golden king crab program. He explained that they have been pioneering a new container-based technology that allows crab to be shipped on a barge or container ship from Dutch Harbor to Seattle. He explained that crab is placed in barrels with chilled and aerated seawater within containers. The shipment from Dutch Harbor to Seattle takes approximately five to six days and crab is then sold to markets from a holding facility in Seattle. He explained that the technology is still being improved, but healthy live crab is already being shipped with low dead loss; the most recent shipment had only 11 dead crab out of 1,000, 9 of which were the result of a faulty drain cap on one of the barrels. He expressed that crab shipped live are healthier than crab that are air-shipped, as a result of being out of the water for only a short time; crab kept in tanks in the holding facility in Seattle can be kept alive for well over a month. He expressed that considerably higher volumes can be shipped consistently via seagoing containers than when shipped by air, especially from remote communities such as Dutch Harbor.

MR. POULSEN stated that red king crab and bairdi crab, also called Tanner crab, cannot currently be shipped on seagoing containers due to AS 16.10.240. He expressed that HB 203 would fix this and allow red king crab and bairdi crab to be shipped live via containerized seagoing vessels. He emphasized that this change is important because red king crab and bairdi crab are ideal species for live markets. Red king crab is widely available and well known in world markets; currently most of the product is from Russia and the markets would be glad to have live Alaska red king crab. He expressed that bairdi crab is a hearty species of crab, widely considered by Alaskans to be the most delicious Alaska crab species. He stated that bairdi crab

would be a unique new product in world markets, which he thinks would be very popular.

11:27:08 AM

MR. POULSEN pointed out that live markets around the world continue to grow and improve; significant portions of the West Coast Dungeness fishery and Russian red king crab fishery are sold as live products to consumers. He explained that high-end chefs are very interested in having better access to live Alaska crab, which has a reputation for sustainability and quality. He expressed that live fresh crab is widely known to taste better than frozen crab and generally commands a higher price. He explained that this would benefit crew, vessel owners, processors, and communities as the live markets continue to develop. He summarized that there is wide support for HB 203 among crab harvesters, processors, and communities. He said modifying AS 16.10.240, as proposed by HB 203, would allow participants of the red king crab and bairdi crab fisheries to participate in, and benefit from, the growing live crab world markets, particularly those living in remote ports such as Dutch Harbor.

11:29:11 AM

ERLING JACOBSEN, Executive Director, Inter-Cooperative Exchange; Acting Chair, Alaska Seafood Marketing Institute Shellfish Committee, testified in support of HB 203. He expressed that he wholeheartedly supports HB 203 and agrees with the comments made by Mr. Woodrow and Mr. Poulsen. He stated that he agrees with everything they both said and doesn't feel he needs to add any additional comments, other than that HB 203 would help to expand king crab markets and bring additional revenue to Alaska and Alaska fishermen.

11:30:26 AM

JAMIE GOEN, Executive Director, Alaska Bering Sea Crabbers (ABSC), testified in support of HB 203. She stated that she will be speaking on the letter of support that ABSC submitted for this hearing. She explained that ABSC is a non-profit trade association representing harvesters of king, snow, and bairdi crab in the Bering Sea and Aleutian Islands. She explained there are approximately 70 vessels fishing out of that area, and ABSC is actively involved in fisheries management, policy development, scientific research, and marketing. She said that allowing the transport of all commercial species of live crab

via surface transport in addition to air transport would increase flexibility and market opportunities for Alaska's crab fisheries and communities. She explained that given the variability of crab stocks, fishermen look for ways to increase the value of their product, especially in times of low catch levels. She gave an example of the bairdi crab fishery being closed this year and hopefully opening again soon. She expressed that HB 203 would increase the value of product by bringing live fresh crab to markets in addition to processed crab. She summarized that ABSC supports HB 203 and clarified that it thinks the bill should cover all of Alaska's commercial crab species: golden king, red king, blue king, opilio, bairdi, and Dungeness.

[11:31:59 AM](#)

REPRESENTATIVE TARR asked Ms. Goen whether she thinks the bill should still move forward if the species she listed weren't added to HB 203.

[11:32:14 AM](#)

MS. GOEN answered that ABSC supports HB 203 either way, but for the sake of efficiency and to bring the most value to Alaska crab fisheries, it should cover all commercial crab species.

[11:32:26 AM](#)

CHAIR STUTES asked whether there were any further questions. Hearing none, she asked whether the bill sponsor has any additional comments.

[11:32:52 AM](#)

REPRESENTATIVE KNOPP said that he was unaware there were more than three species prohibited from surface transport, which is why HB 203 is written the way it is.

[11:33:38 AM](#)

REPRESENTATIVE KOPP asked whether any testimony had been heard from the Department of Environmental Conservation (DEC) regarding the breakthroughs in food risk safety that have mitigated the risk of toxins that can accumulate in surface transport. He observed that it was documented in the sponsor statement but explained he was looking to see something from the

officials stating that the technology warrants this new approach.

[11:34:21 AM](#)

MR. HARBISON asked Representative Kopp whether he could repeat the question.

[11:34:32 AM](#)

REPRESENTATIVE KOPP, highlighting part of the second paragraph of the sponsor statement, read, "Since the initial passing of this legislation ... there have been many breakthroughs in the safe transport of live crab species. These breakthroughs allow for the movement of live crab by surface transport while maintaining freshness of product." He stated that Mr. Harbison also spoke about the historic risk of toxin build up during transport, which is why surface transport was not permitted, but now this risk is mitigated with new technology. He expressed that that is why he asked if the DEC had issued a statement verifying that there is no point in these old restrictions.

[11:35:15 AM](#)

MR. HARBISON replied that he has been in contact with the DEC. He stated that the DEC wanted to determine whether it should have a veterinarian investigate the issue. He said that the DEC does not currently have anyone looking into live crab fished out of Alaska. He remarked that he has not heard back from the DEC with any further concerns it might have, therefore it is his understanding that the DEC is alright with HB 203 as it is written and does not require an inspection of the crab. He expressed that the toxins the DEC are concerned about are those that result in paralytic shellfish poisoning, which are specific to Dungeness crab as it is caught in shallower water. He added that Dungeness crab is currently tested at certain times of year to ensure consumer safety.

[11:36:26 AM](#)

REPRESENTATIVE KOPP stated that he thinks it would be someone from the DEC responsible for scientific food inspections, and not a veterinarian, who would corroborate that the improved technology is reliable for transport. He added that he is philosophically in support of HB 203, but believes a statement from the DEC is needed for the record.

[11:36:54 AM](#)

CHAIR STUTES encouraged Mr. Harbison to touch base with the DEC and get a statement of their position for the committee before the next hearing.

[11:37:04 AM](#)

MR. HARBISON replied that he would reach out to the DEC and have a letter for the committee.

[11:37:12 AM](#)

CHAIR STUTES asked whether there were any additional comments. Hearing none, she pointed out that there are two zero fiscal notes in the committee packet; therefore, HB 203 has no cost associated with it. She stated that HB 203 encourages growth and innovation to the seafood industry at no cost to Alaska. She expressed that there is a lot of industry support for the bill with no opposition.

[HB 203 was held over.]

[11:38:17 AM](#)

REPRESENTATIVE TARR asked for a brief at ease.

[11:38:22 AM](#)

The committee took a brief at-ease at 11:38 a.m.

[11:38:50 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:39 a.m.