

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

March 29, 2019

3:30 p.m.

**MEMBERS PRESENT**

Senator Chris Birch, Chair  
Senator Cathy Giessel  
Senator Lora Reinbold  
Senator Click Bishop  
Senator Scott Kawasaki  
Senator Jesse Kiehl

**MEMBERS ABSENT**

Senator John Coghill, Vice Chair

**OTHER LEGISLATORS PRESENT**

Representative Gary Knopp

**COMMITTEE CALENDAR**

SENATE BILL NO. 90

"An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial setnet entry permits; establishing a buyback program for certain setnet entry permits; providing for the termination of state setnet tract leases under the buyback program; closing certain water to commercial fishing; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 90

SHORT TITLE: COOK INLET: NEW ADMIN AREA; PERMIT BUYBACK

SPONSOR(S): SENATOR(S) MICCICHE

03/13/19	(S)	READ THE FIRST TIME - REFERRALS
03/13/19	(S)	RES, FIN
03/29/19	(S)	RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

SENATOR PETER MICCICHE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 90.

KEN COLEMAN, President  
Eastside Consolidation Association  
Kenai, Alaska

**POSITION STATEMENT:** Discussed the proposed Cook Inlet permit buyback plan proposed in SB 90.

KONRAD JACKSON, Staff  
Senator Micciche  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided information and answered questions regarding SB 90.

DAVID MARTIN, representing self  
Clam Gulch, Alaska

**POSITION STATEMENT:** Testified in opposition of SB 90.

PAUL A. SHADURA, President  
Cook Inlet Revitalization Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition of SB 90.

LISA GABRIEL, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

RON CARMON, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in opposition of SB 90.

ROMAYNE HINDMAN, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

THOMAS HINDMAN, representing self  
Nikiski, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

TRAVIS EVERY, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

JEFF BEAUDOIN, representing self  
Kasilof, Alaska  
**POSITION STATEMENT:** Testified in opposition of SB 90.

MARK DUCKER, representing self  
Kasilof, Alaska  
**POSITION STATEMENT:** Testified in opposition of SB 90.

DEVIN EVERY, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

GARY HOLLIER, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

PAT ZURFLUH, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

MIKE WOOD, representing self  
Talkeetna, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

RUSSELL CLARK, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

EUDELL BROWN, representing self  
Arkansas  
**POSITION STATEMENT:** Testified in support of SB 90.

VICTORIA COLEMAN, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

CHRIS EVERY, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

JOEANN WICHES, representing self  
Kenai, Alaska  
**POSITION STATEMENT:** Testified in support of SB 90.

KEITH PRESSLEY, representing self  
Ninilchik, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

MARILYN KEENER, representing self  
Kenai, Alaska

**POSITION STATEMENT:** Testified in support of SB 90.

**ACTION NARRATIVE**

[3:30:32 PM](#)

**CHAIR CHRIS BIRCH** called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Kawasaki, Giessel, Reinbold, Kiehl, and Chair Birch. He noted that Representative Knopp was in attendance as well.

**SB 90-COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK**

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**CHAIR BIRCH** announced the consideration of Senate Bill 90 (SB 90).

[3:31:18 PM](#)

**SENATOR PETER MICCICHE**, Alaska State Legislature, Juneau, Alaska, sponsor of SB 90, explained the challenge of the Cook Inlet fisheries is different user groups working together. He said the issue that SB 90 addresses is an example of one case where Cook Inlet user groups have come together.

He disclosed that his office has been working the past several years with Cook Inlet's sport and commercial groups on a solution that he thinks is a good start. He said SB 90 is a result of sport and commercial fishermen working together in Cook Inlet towards a viable solution. SB 90 supports all user groups: commercial, sport, personal use, and subsistence stress-relief by reducing the number of east side setnet fishers in Cook Inlet by nearly half.

He opined that by reducing the number of setnet operations on the east side of Cook Inlet, the area will see a more viable commercial fishery for those remaining, adequate production for the processing industry, and more fish available for in-river users. SB 90 offers setnet fishermen, some of whom have fished in the area for generations, a way to fairly exit the fishery or to reinvest in remaining operations once the 200 permit and site reduction plan takes place.

SENATOR MICCICHE explained that in the 1980s there was a huge migration of setnet fishermen to the east side of Cook Inlet, returns to those river systems were very large, fishing the area was lucrative, and access to processors easy, therefore the area held great appeal to commercial fishermen. As pressure on fish stocks increased and commercial fishing profitability began to wane, several processors left the area. Over time, setnet fishermen saw fewer and fewer opportunities to fish, and in recent years there have been very few openings during the fishing season.

He disclosed that he is a Cook Inlet commercial fishman that is not involved in the specified fishery, a fishery that does not impact his income; however, he said he has seen the impacts on his setnetting neighbors through the years.

He specified that SB 90 is a voluntary program, a point that he cannot stress enough. The legislation would only become effective after an affirmative election held amongst the permit holders; a covenant that provides the fishermen with the "last say."

He disclosed that recent polling data showed over 75 percent of setnet respondents were interested in SB 90's program concept. Once the program is established, permit holders would apply for the program where 200 permits would be drawn in a lottery fashion to determine the order of permit retirement. When a permit is retired the waters where the permit was fished would be closed to future commercial fishing.

He summarized that increased returns for in-river users and a more viable setnet fishing industry will make SB 90's concept a win-win for all user groups.

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At ease.

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CHAIR BIRCH called the committee back to order.

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KEN COLEMAN, President, Eastside Consolidation Association (ECA), Kenai, Alaska, explained that ECA was formed a few years ago to explore permit or gear reduction on the east side of Cook Inlet. The goal is to remain or become more economically viable, which is the central premise of limited entry. The buyback plan

also makes sure that the river escapements are sustainable for optimal use of all user groups.

MR. COLEMAN said the setnetting fishery in Cook Inlet has been around for a long time. Eighty-four percent of the fishery is composed of Alaskans and over eighty percent are central peninsula residents. Many commercial fishermen live right where they fish. He proclaimed that Alaska's commercial fishery "feeds the world and the nation." The Cook Inlet's east side setnetters have been around about 150 years and is part of a vibrant, diversified economy.

He specified that the entire Cook Inlet setnet area has over 735 permits, spanning from Goose Bay up towards Anchorage, all the way to Homer and across the way from Homer. Cook Inlet's east side, which is the upper subdistrict of the central district, has approximately 440 registered setnet fishermen.

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He explained that limited entry was promulgated and passed constitutionally in the 1970s. Limited entry is the crown jewel in terms of salmon fishing and other fishing. In the mid-1980s there was a large influx on Cook Inlet's east side for several reasons including large biomasses, record prices, and an increased area to put setnets.

He explained that the intent of the Cook Inlet permit buyback is to reduce the permit numbers by approximately 45 percent from 440 permits to 240 permits. The primary reason for reducing the permits is that the area's commercial fishermen know the number of permit holders cannot be supported, that the area is over capitalized. There has been an exponential growth over time in user groups. The Kenai and Kasilof rivers no longer have an enhancement process. Escapements in the area are at more traditional levels, and user groups are asking for their appropriate piece of the Cook Inlet biomass. SB 90 is a plan to find a way for everyone to live together. He reiterated that there have been fruitful discussions with the area's user groups and there is hope that the user groups can find common solutions.

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He explained that SB 90 says that if a setnet permit is retired through the voluntary buyback program, the waters where the permit was fished would be closed to future commercial fishing. This will increase returns to the rivers and increase available fish for all user groups.

MR. COLEMAN noted that ECA surveyed permit holders and 80 percent responded positively to making changes, a response that indicates people want and need change.

He detailed that a value is affixed to a setnet permit that will be paid. The methodology to determine the value is based on 10 years of what a permit makes in Cook Inlet, which is \$20,000 per year, and an additional \$60,000 for tax implications.

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SENATOR BISHOP asked if the \$20,000 per year is a gross or net amount.

MR. COLEMAN answered that the amount is gross.

He said ECA is looking to find a way for permit holders to financially stay in business, to live with other end-user neighbors, and to continue to have healthy limits and sustainable escapements.

He disclosed that ECA has been working collaboratively with other groups and noted the increased cooperation to solve the fishing issues in Cook Inlet. He said the fish wars between user groups have torn communities apart.

He referenced a document in his overview, "A Letter to Erin," a letter in prose that was very poignantly done by a multi-generation fisherman.

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He summarized that Senator Micciche has done a lot of work with ECA over the past five years on the legislation proposed in SB 90. He opined that SB 90 is a fair and equitable bill that is voluntary for permit holders. An affixed number for the payback has been assigned to those who will be leaving and closing their business forever. There will be a vote by permit holders to proceed. He opined that the proposed legislation is the best vehicle for fairness that he has seen for some time.

SENATOR KAWASAKI asked how many people will participate in the proposed program.

MR. COLEMAN replied that he anticipates in excess of 200 people will apply for the program.

SENATOR KAWASAKI inquired if there are permits currently held by fishermen who are not utilizing the fishery.

MR. COLEMAN replied that he does not have data to answer Senator Kawasaki's question. He said ascertaining information is difficult for setnet fishermen; for example, he noted that his family owns multiple permits but sells fish on only one permit.

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SENATOR KAWASAKI asked if his family owns multiple permits for different sites but only utilizes one of the permits.

MR. COLEMAN answered that all of his family's permits are being used, but as a convenience only one permit is being used to sell product. That way four people with four different names on four permit cards do not have to go to the processing plant or a fish buyer.

SENATOR KAWASAKI asked if there is a deadline in which to apply for the expected 200 possible permits.

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KONRAD JACKSON, Staff, Senator Micciche, Alaska State Legislature, Juneau, Alaska, explained that the goal of SB 90 is to retire 200 permits, but there is no expectation that there will be 200 applications for retirement on day one. He said there is no deadline to apply, but he assumes that permit holders interested in the program will apply as soon as possible.

SENATOR KAWASAKI said he equates the permits to liquor license transfers. For example, there are a limited number of liquor licenses in Fairbanks where a licensee holds on to their license because the value keeps appreciating due to a limited number of licenses. He asked if there is concern that a permit holder might want to wait for other people to jump in first because the permits that are remaining would probably appreciate.

MR. COLEMAN answered that he suspects that the number of people who speculate will be rather small.

SENATOR KIEHL said he appreciates the element to close a particular site. He asked if somebody who does not sell their permit could fish close to the area that was closed through the buyback.

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MR. COLEMAN answered no; the intent is to close the area associated with the buyback.

SENATOR KIEHL inquired if a permit holder could come within 600 feet of an area that is closed.

MR. COLEMAN answered no. He explained that there is a spatial requirement in Cook Inlet to keep nets from being too close together. There is a 600-foot buffer between any part of a net and another net.

SENATOR MICCICHE explained that the bill does not change the fishery for those remaining in Cook Inlet other than the water that is closed will be closed and the water that is open remains open. The 600-foot buffer does not change.

He said regarding the speculation issue, because of the participation deadline, if people are going to speculate, they are going to speculate. SB 90 sets the baseline for some time at \$260,000 and the natural market value of the permits will occur after that. He said he expects that the buyback will be more attractive to lower value sites and it's not enough to purchase the higher value sites, so there will be some "blending" of the permits' values for some time before the remaining permits returns to the natural market tension.

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SENATOR KIEHL asked what the vote threshold will be for permit holders voting on the buyback. He asked if consideration was given to set the "vote threshold" higher than 50-percent-plus-one.

MR. COLEMAN answered that there was no direct conversation on vote threshold with respect to the bill. He noted that the National Oceanic and Atmospheric Administration (NOAA) had a 50-percent-plus-one threshold for their capacity reduction program, a model that will probably be used for the buyback program.

SENATOR KAWASAKI asked if a permit holder who participates in the buyback could receive a permit to fish in a different location.

SENATOR MICCICHE said he prefers to answer questions on what is in the bill. He explained that if the bill passes the legislature, the legislation goes before the east side setnetters for a final vote after the area has been divided into two administrative areas. The first 200 permitholders who are

selected by lottery will participate in the buyback. Their permits within the east side setnet area will be retired and the waters where the permit is fished will be closed.

He noted that the fiscal note is indeterminant because outside funding is being sought; no money will come from the state.

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SENATOR KAWASAKI said he was trying to ascertain whether all the real estate along the east side is fully encumbered by setnets or if an individual could get a permit right now for a physical location that is not currently being fished.

SENATOR MICCICHE answered that the bill will reduce the permits by 45 percent. New permits could not come into the area, but east side setnet permitholders could move around into available areas that are not currently being fished. People could not move into areas that have been closed by a sale. He said the number of permits in the east side area would be reduced by 200.

SENATOR KAWASAKI asked for confirmation that there will be no other permits or no other availability to fish in the east side fishery portion.

SENATOR MICCICHE answered that is correct.

CHAIR BIRCH asked that the sectional analysis for SB 90 be reviewed.

[4:00:02 PM](#)

MR. JACKSON referenced the sectional analysis for SB 90 as follows:

**Section 1:**

Amends the uncodified law of the State of Alaska by adding a new section which establishes that this legislation may be known as the East Side of Cook Inlet Setnet Fleet Reduction Act.

**Section 2:**

Amends the uncodified law of the State of Alaska by adding new Legislative findings and intent relating to the bill.

**Section 3:**

Amends AS 16.43.200(b), giving the Alaska Commercial Fisheries Entry Commission (commission) specific

authority to divide an existing commercial fishing administrative area into two or more separate areas.

**Section 4:**

Amends AS 16.43.200 by adding 2 new subsections: (c) Establishes the Eastern Setnet Subdistrict as a distinct administrative area separate from the Cook Inlet Central District on January 1, 2020. This area is made up of the statistical areas identified on January 1, 2019 as 244-21, 244-22, 244-31, 244-32, 244-41 and 244-42. (d) Provides that an individual who has a setnet permit for the Cook Inlet Central District on December 31, 2019 is not entitled to setnet in the administrative area created under the section as of January 1, 2020.

**Section 5:**

Amends AS 16.43 by adding a new section to Article 4 which establishes the setnet entry permit buyback program for certain permits fished in the administrative area established under AS 16.43.200(c) (added by sec. 4 of the bill). This section will only take effect if approved at a vote (see sec. 8) by the setnet entry permit holders in the administrative area established under AS 16.43.200(c). If it is approved, the buyback program will become law on July 1, 2020 (see secs. 12 and 14). Sets qualifications for participation in the program, provides the buyback price for permits, requires that the purchased permits be cancelled and not re-issued, provides that certain waters that were fished with permits purchased under the program will be closed to future commercial fishing, and specifies other details of the buyback program.

**Section 6:**

Repeals the program on June 30, 2026.

**Section 7:**

Amends the uncodified law of the State of Alaska by adding a new section which provides how the commission will determine whether an individual who holds a setnet entry permit in the Cook Inlet Central District on January 1, 2020 is reassigned an entry permit for the administrative area established under AS 16.43.200(c) (added by sec. 4 of the bill) or the portion of the Cook Inlet Central District that was

not assigned into the administrative area established under AS 16.43.200(c).

**Section 8:**

Amends the uncodified law of the State of Alaska by adding a new section which requires a March 1, 2020 election be held by persons in the new administrative area to affirm support or opposition to a buyback program. Requires the commission to provide public notice of the vote, hold public meetings concerning the election, and clarify the details of the buyback program.

**Section 9:**

Amends the uncodified law of the State of Alaska by adding a new section which requires the commission to provide a written report to the Legislature on the status of the program no later than January 15, 2026.

**Section 10:**

Amends the uncodified law of the State of Alaska by adding a new section which requires the chair of the commission to notify the Lieutenant Governor and the Revisor of Statutes of the outcome of the election held under section 8.

**Section 11:**

Amends the uncodified law of the State of Alaska by adding a new section which provides an instruction to the revisor to change the heading of art. 4 of AS 16.43 if the buyback program is approved (see secs. 12 and 14).

**Section 12:**

Amends the uncodified law of the State of Alaska by adding a new section which provides that secs. 1, 2, 5, 6, 9 and 11 take effect only if the buyback program is approved at the election held under sec. 8 of the bill.

**Section 13:**

Effective Date Clause. Section 4 of the bill takes effect January 1, 2020.

**Section 14:**

Effective Date Clause. Provides that if sections 1, 2, 5, 6, 9, and 11 take effect, they take effect July 1, 2020.

**Section 15:**

Effective Date Clause. Except as provided in section 13 and 14, the bill takes effect July 1, 2019.

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SENATOR GIESSEL asked him to explain what the language in section 5 regarding AS 16.43.200(b) actually means. She commented that it sounds like somebody volunteers but then might decide not to participate in the buyback if they are chosen.

MR. JACKSON explained that the idea is that permit holders will apply and 200 of the applicants will be selected through a lottery for their permit to be purchased. Should something change in a permit holder's life after they are selected, the intent is to afford the individual the ability to withdraw.

SENATOR GIESSEL asked if there was a provision to fill a slot that has been withdrawn.

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MR. JACKSON answered that lottery choice 201 would replace the withdrawn lottery applicant.

SENATOR GIESSEL asked if the process would be to select another name from the bowl of applicants.

MR. JACKSON replied that he would expect that the commission will draw 210 or 225 permits to establish the lottery order, should someone step back from the program.

SENATOR MICCICHE added that some people think about buying or selling a business that they have had for 10 or 15 years and think about the emotion tied to it. In the case of the east side buyback, there will be families that have fished for five generations and it is who they are. He said it might sound like a really good idea at that time to retire for \$200,000 plus tax protection for a total of \$260,000, but when it comes down to it, some will say, "Move on down the list, we think we are not ready." He opined that the decision to participate in the lottery is a very emotional, significant opportunity that is tough. There will not be 100 percent support. The support level for the buyback has been increasing because the sheer numbers is kind of a writing on the wall situation. He said he assumes that

a percentage of the 200 will change their mind about participating.

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SENATOR KIEHL asked if the bill has sufficient language for the Department of Natural Resources (DNR) to extinguish their shoreside leases.

MR. JACKSON answered yes.

SENATOR KIEHL noted that the bill does not speak to the outside funding mechanism for the buyback. He asked how the actual process of funding a repayment will work.

SENATOR MICCICHE answered that there have been conversations over the last several years with federal programs that are involved with conservation buybacks. The discussions have resulted in a strong indication that funding is possible. If partial funding is possible and the program is approved, the Commercial Fisheries Entry Commission (CFEC) and the DNR would manage the purchase of the permits that can be purchased up to the partial amount and wait for additional funding. The partial funding scenario has been discussed with the groups as well. There is a chance that the program does not secure the \$52 million initially, but partial funding will begin the partial program.

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SENATOR KIEHL asked if funding for the program is from grant funds.

SENATOR MICCICHE answered yes.

SENATOR KAWASAKI asked him to follow up regarding the Cook Inlet setnet permits declining over the past 6 years from 846 to 735, and if a Cook Inlet setnet permit can currently be purchased.

SENATOR MICCICHE replied that he will answer Senator Kawasaki's question offline as requested.

[4:15:12 PM](#)

CHAIR BIRCH opened public testimony for SB 90.

[4:16:26 PM](#)

DAVID MARTIN, representing self, Clam Gulch, Alaska, testified in opposition of SB 90. He disclosed that he has fished in Cook Inlet for 48 years. He said SB 90 addresses a very divisive

issue amongst the fishermen and industry members and not all fishermen are in favor of SB 90. He opined that the proposed buyback program came from a handful of setnetters located at the mouth of the Kenai River that want somebody to fund their retirement. He pointed out that the department did not ask for the buyback program for management purposes, they have "time and area" in their management plans under the constitution. He said the mouth of the Kenai River is the largest closed area in Alaska, almost two miles of closed area; in comparison, Bristol Bay implements their whole fishery within three miles of shore. He opined that there are no conservation concerns on the Kenai River. SB 90 is strictly an allocation that the legislature should not get into to start dictating. The Kenai River area and the amount of gear is needed for large runs to harvest the surplus, it's been used in the past for surges of fish coming into the river and the setnet fishing is the last effort to prevent over-escapement. He opined that SB 90 is contrary to the Magnuson Stevens Act for maximum sustained yield, the bill will take away a fishing area for future generations. The Kenai River area is the last area to harvest the surplus. He opined that SB 90 does not guarantee that a viable setnet fishery or fish time will be available and there will still be groups trying to eliminate the fisheries in Cook Inlet.

[4:19:12 PM](#)

CHAIR BIRCH asked if he is a setnet fisherman involved with the east side setnet fishery.

MR. MARTIN answered no. He said he is a drifter involved in a lot of fishing organizations that were implemented in the 1970s that represent all gear types.

SENATOR KAWASAKI asked if he is aware that the legislation is an optional and voluntary process as written and does that change his opinion of the legislation.

MR. MARTIN answered that he is aware and remains opposed. He said there are a lot of other fisheries issues that needs to be dealt with besides the proposed legislation from SB 90, specifically on invasive species and fisheries management. He opined that there are a lot of other ways to manage the fisheries for maximum sustained yield rather than allocative movements proposed in SB 90 that will provide for future generations.

[4:20:43 PM](#)

PAUL A. SHADURA, President, Cook Inlet Revitalization Association (CIRA), Anchorage, Alaska, testified in opposition of SB 90. He disclosed that he has been setnetting in the Cook Inlet for 51 years and represents a multi-generational salmon-fishing family.

He said CIRA is a qualified salmon fishery association under the current buyback provision. CIRA has submitted 20 "critical" points for the committee's review, a consensus document from the association's board of directors that is based on several outreach meetings with fishermen. He specified CIRA concerns and recommendations as follows:

- CIRA has reviewed SB 90 but has not had time to hold public meetings with other Cook Inlet setnet fishermen since the bill was filed.
- CIRA supports the efforts of Senator Micciche; however, CIRA does not agree with SB 90.
- CIRA has always addressed the issue with a keep it simple principle.
- CIRA contends that current permits should be voluntarily relinquished without legislation via a third-party entity.
- CIRA contends that SB 90 has Alaska funding the program entirely with undetermined cost associated with multiple departments.
- CIRA does not support closed waters which would connote a state-approved property right.
- CIRA believes that closed waters for current setnet holders would be a possible violation of the Alaska Constitution.
- CIRA does not support the exclusion of all current Cook Inlet permit holders from a vote to give up their individual rights to harvest salmon in the entire Cook Inlet region.
- CIRA considers excluding a particular area creates a "super exclusive" zone, something that Commercial Fisheries Entry Commission (CFEC) has had to tackle both in the courts and within regulation.
- CIRA is trying to go forward with a simplest way possible and the least amount of conflict.
- CIRA does not know what the individual funding will be for the program.
- CIRA has been working with the federal delegation for many years, there seems to be very promising funds for this program, but the programs have not been set up through the

National Marine Fisheries Service, or NOAA as we know it, correctly.

4:24:02 PM

SENATOR KAWASAKI noted that Mr. Shadura mentioned that CIRA has a 20-point statement, but the committee has not received letters of support or opposition to the bill. He asked CIRA to submit their statement.

MR. SHADURA replied that he submitted CIRA's statement earlier that day.

4:25:03 PM

LISA GABRIEL, representing self, Kenai, Alaska, testified in support of SB 90. She said her family has owned and operated its setnet site on Kalifornsky Beach since 1987. SB 90 was brought forward at the request of fishermen in hopes of revitalizing family fishing businesses. SB 90 offers fair compensation for fishermen who voluntarily choose to participate in the fleet reduction and exit the fishery, and offers future viability and stability for those fishermen, like herself, who choose to remain. In the past 20 or so years, the fishing opportunities for the east side setnet fishery has declined dramatically. She said SB 90 is the correct solution to the survival and longevity of a financially viable setnet fishery.

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RON CARMON, representing self, Kenai, Alaska, testified in opposition of SB 90. He said the buyback means more fish for the guides and dipnetters. The dipnet fishery takes about 3.5 million fish from state general fund and commercial sport fishermen take \$35 million from the general fund, the state will receive nothing. All commercial fishermen will be cheated out of revenue as well as the state. Last year the commercial fishermen gave \$146 million to the general fund and there could be another \$70 million to the general fund if the commercial fishermen caught the 13 million fish that has been taken from them. He said the legislature is selling commercial fishermen's fish, not its sites. He opined that the state needs revenue and should be concentrating on revenue, not spending money and giving income.

4:30:09 PM

ROMAYNE HINDMAN, representing self, Kenai, Alaska, testified in support of SB 90. He said he has fished before limited entry in the northern most end of Cook Inlet's central district. He opined that SB 90 would reduce the amount of nets and bring the number of central district setnets back to pre-limited-entry

numbers. The fact that the buyback is open to all permit holders and will benefit all user groups makes the bill a good plan.

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THOMAS HINDMAN, representing self, Nikiski, Alaska, testified in support of SB 90. He said he believes the bill will put viability back to the fishery.

[4:32:12 PM](#)

TRAVIS EVERY, representing self, Kenai, Alaska, testified in support of SB 90. He said he is a third generation Cook Inlet fisherman. He opined that the bill is a huge step in the right direction for commercial industry and all user groups in Cook Inlet. The bill covers several issues regarding a fleet reduction that is paramount for the plan to be successful. The fleet reduction is entirely on a voluntary basis. No matter what the permit's location is on the east side setnet, everyone would be eligible for the same monetary value. Most importantly, if a permit is selected for purchase, the associated waters will be closed from future use; that will prevent "back filling" of gear in certain areas which defeats the purpose of a commercial reduction.

MR. EVERY summarized that SB 90 will create financial viability and stability within the commercial fishing industry that will hopefully lead to a more conservative and sustainable fisheries outlook in the Upper Cook Inlet for all user groups.

[4:33:36 PM](#)

JEFF BEAUDOIN, representing self, Kasilof, Alaska, testified in opposition of SB 90. He disclosed that he has been a setnetter in Cook Inlet for over 30 years, his business is a family operation, and he has been involved in fishery associations as well.

He remarked that since the bill's introduction, fishermen have never been given the opportunity to address the bill in a public forum regarding concerns and possible mitigation. He opined that the legislature is going to create an act before there is a vote.

He suggested that the setnet permits should be qualified through Alaska Department of Fish and Game (ADF&G) and historical records. He noted that permits have been assigned to area waters within the statistical areas along the east side of Cook Inlet.

He summarized that his main concern is unsustainability and that ADF&G has not been involved in the plan.

[4:37:03 PM](#)

MARK DUCKER, representing self, Kasilof, Alaska, testified in opposition of SB 90. He said the law change is an irresponsible and reckless way to address the fishery. Limited entry took several years and finally the federal government had to approve it before implementation. The Cook Inlet resources are not state resources, they are federal resources that belong to the nation.

He opined that the bill is a reallocation of a resource to create a super exclusive fishery. Permits from the west side were able to move back and forth just like permits from the east side. The drift fleet will be allowed to come into the east side, a drift net only must stay 600 feet away from a set-gill net.

[4:39:34 PM](#)

DEVIN EVERY, representing self, Kenai, Alaska, testified in support of SB 90. He disclosed that he is a high school student who represents the future generations of commercial fishermen. He said he believes that everyone has a choice to voluntarily get out of the east side fishery and try to create a more economical, viable fishery for generations to come.

MR. EVERY summarized that there is a future generation coming that wants to fish.

[4:40:56 PM](#)

GARY HOLLIER, representing self, Kenai, Alaska, testified in support of SB 90. He disclosed that he is a 65-year-old lifelong resident of Kenai, a fourth-generation family member who has been an east side setnetter for 48 years.

He opined that SB 90 is progressive thinking that could really help all user groups. SB 90 is a voluntary gear reduction, a win for all user groups. The bill is good for the setnetters who want out as well as the setnetters who want to stay fishing because the bill will make the fishery more viable. The personal-use and sport fishery will benefit as well. He said the bill is the first time that he can recall where there has been some common ground to help alleviate the "fish wars." He opined that 300-plus permit holders will apply for the buyback. He added that without closed waters the bill is moot. He said he would like to see his kids and grandkids participate in the fishery.

[4:44:12 PM](#)

PAT ZURFLUH, representing self, Kenai, Alaska, testified in support of SB 90. He said the bill will make everything viable and is a good to start in ending the fish wars. He stated that he would be glad to sell his permit and win the lottery.

[4:45:08 PM](#)

MIKE WOOD, representing self, Talkeetna, Alaska, testified in support of SB 90. He said he and his wife own a commercial setnet operation at the mouth of Susitna River. He disclosed that he is the board president of the Susitna River Coalition as well as the chair of the Mat-Su Wildlife Commission.

He noted that he has spoken to many friends that have been lifelong east side setnetters and considers the bill as being better for the river and the diverse user groups to voluntarily remove nets from the Cook Inlet's east side waters. He opined that the buyback program will lead to a more predictable, viable, and sustainable fishery in the future that will return the beach to the more historical pre-1980s fishery. The results of reducing the number of permits and leases will show some very attainable and positive results for all user groups.

MR. WOOD conceded that some details still need to be ironed out but having two user groups who have always been at each other's throats, the sport and the commercial, agree that SB 90 is the right direction, then the plan should be "given a whirl."

[4:46:52 PM](#)

RUSSELL CLARK, representing self, Kenai, Alaska, testified in support of SB 90. He disclosed that he has been fishing Cook Inlet in the middle district for approximately 20 years. He said there are 400-plus permits on the east side district from the bottom line at Ninilchik all the way to Boulder Point where there are nets upon nets. Closing the east side district's waters because the next fisherman's ability to catch more fish will increase.

He explained that the monetary value of the buyout is based upon \$20,000 per year, an amount that is poor. Having a sustainable fishery for future generations must be more than \$20,000. Individuals need to go out and make a living, right now that is not possible. Making a sustainable fishery cannot be done by closures. There are too many permits on the east side to be effective in making living for future generations.

[4:49:20 PM](#)

EUDELL BROWN, representing self, Arkansas, testified in support of SB 90. He said the bill is a win-win for everyone.

[4:49:56 PM](#)

VICTORIA COLEMAN, representing self, Kenai, Alaska, testified in support of SB 90. She disclosed that she is an east side setnetter that fishes north of the Kasilof River. She opined that the bill is fair and entering the program is entirely voluntary. The monetary price is the same for all, regardless of where a permit holder fishes on the east side. If a permit is offered for sale, the associated water is closed to further use whether it is leased or not, which allows for the remaining setnetters to have an opportunity for financial viability. The bill won't allow other setnetters to "back fill" which would defeat the whole purpose. Financial viability was one of the basic tenants of limited entry.

She said the setnetters will vote on the bill's acceptance, all setnetters will have an equal chance to be drawn from a lottery with no preferential treatment, and the bill may help to defuse the "fish wars."

[4:51:19 PM](#)

CHRIS EVERY, representing self, Kenai, Alaska, testified in support of SB 90. He said he is an east side setnetter. He opined that the bill is about a group of people doing what's best for the Kenai and Kasilof rivers.

He said the permit consolidation effort is a first step that the east side setnetters can do for the health of their fishery while benefitting all user groups. He opined that it is time for each group to come to the table with a plan for their allocated portion of the fishery. The governor has said he would like to end the "fish wars" in the upper Cook Inlet, something that could be done by the net setters and other user groups by curtailing their desires to acquire a larger piece of the fully allocated fishery and to start concentrating on how to enjoy the fish that are available at current levels. He said SB 90, if implemented, could create an unobstructed corridor for fish from Ninilchik to the Kenai River.

[4:52:58 PM](#)

JOEANN WICHERS, representing self, Kenai, Alaska, testified in support of SB 90. She said her family started setnet fishing on north Kalifornsky Beach in 1986. She noted that he family currently has five permits north of Kalifornsky Beach. She said

during her family's 34 years of commercial fishing in Cook Inlet, they have seen the increase in fish pressure by many user groups including commercial fishing, subsistence use, sport guides, and sport fishing.

She said her family supports SB 90 to reduce the amount of permits on the east side setnet fishery and to close the waters. The reduction will relieve pressure on the salmon stock of Cook Inlet and allow more fish to get to the river for all user groups. SB 90 will create a more viable fishery for those setnetters who remain, but the bill also allows them as a volunteer in the program to continue on to other businesses of their choice to help support their families.

She said her family has found it very difficult for to make it setnetting anymore. Setnetting used to be amazing, but a lot of permits have moved in and there is a need to reduce permits to get the fishery back to the way is used to be so there will be more space for the fish to get through.

[4:54:52 PM](#)

KEITH PRESSLEY, representing self, Ninilchik, Alaska, testified in support of SB 90. He disclosed that he has four setnetting permits between himself and his son. He opined that SB 90 is a win-win situation where removing permits would greatly increase fish for people staying in the fishery as well as show good faith to the sports fishermen that the east side setnetters are helping them. He added that there seems to be a problem with the funds and suggested that consideration be given to look at what the crab industry did when they reduced their fleet by increasing their fish tax for borrowing money to pay for the reduction.

[4:57:28 PM](#)

MARILYN KEENER, representing self, Kenai, Alaska, testified in support of SB 90. She disclosed that her family has been involved in the setnet fishery since 1978. She opined that SB 90 is a solution and a healing element for the resource as well as the people who have been effected greatly by the problems which have arisen over the years. She said SB 90 is an equitable solution that will care for the resource and the people.

[4:58:59 PM](#)

CHAIR BIRCH closed public testimony.

[4:59:08 PM](#)

CHAIR BIRCH held SB 90 in committee.

4:59:36 PM

There being no further business to come before the committee, Chair Birch adjourned the Senate Resources Standing Committee meeting at 4:59 p.m.