

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

March 23, 2021

11:19 a.m.

MEMBERS PRESENT

Representative Geran Tarr, Chair
Representative Louise Stutes, Vice Chair
Representative Jonathan Kreiss-Tomkins
Representative Andi Story
Representative Dan Ortiz
Representative Sarah Vance
Representative Kevin McCabe

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 28

"An Act relating to the registration of commercial vessels; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 28

SHORT TITLE: REGISTRATION OF BOATS: EXEMPTION

SPONSOR(S): FISHERIES

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
03/12/21	(H)	BILL REPRINTED
03/23/21	(H)	FSH AT 11:00 AM GRUENBERG 120

WITNESS REGISTER

THATCHER BROUWER, Staff
Representative Geran Tarr
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 28 on behalf of the House Special Committee on Fisheries, sponsor, which is chaired by Representative Tarr.

JEFFREY SCHMITZ, Director
Division of Motor Vehicles
Department of Administration
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 28, answered questions.

DALE KELLEY, Commissioner
Commercial Fisheries Entry Commission
Alaska Department of Fish and Game
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 28, answered questions and provided invited testimony via a PowerPoint presentation titled, "Commercial Fishing Vessel Licensing in Alaska," dated March 2021.

FRANCES LEACH, Executive Director
United Fishermen of Alaska
Juneau, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 28.

RACHEL LORD, Executive Secretary
Alaska Association of Harbormasters and Port Administrators
Homer, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 28.

SUSAN DOHERTY, Executive Director
Southeast Alaska Seiners Association
Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 28.

ACTION NARRATIVE

[11:19:58 AM](#)

CHAIR GERAN TARR called the House Special Committee on Fisheries meeting to order at 11:19 a.m. Representatives McCabe, Vance, Story, Ortiz, Stutes, and Tarr were present at the call to order. Representative Kreiss-Tomkins arrived as the meeting was in progress.

HB 28-REGISTRATION OF BOATS: EXEMPTION

[11:21:58 AM](#)

CHAIR TARR announced that the only order of business would be HOUSE BILL NO. 28, "An Act relating to the registration of commercial vessels; and providing for an effective date."

CHAIR TARR noted that this bill was introduced by prime sponsor Representative Stutes at the beginning of the session. After discussion among committee members, it was then decided to offer the legislation as a bill sponsored by the House Special Committee on Fisheries.

[11:22:29 AM](#)

REPRESENTATIVE STUTES offered her appreciation to the committee for agreeing to make HB 28 a committee sponsored bill. She related that the concept for the bill was brought to her by commercial fishermen from across Alaska. She said the passage in 2018 of Senate Bill 92, "the derelict vessel bill," added a layer of duplicative registration on commercial fishing vessels by requiring fishing businesses to register with the Division of Motor Vehicles (DMV) to provide information the state already had through annual vessel licensure with the Commercial Fisheries Entry Commission (CFEC). She explained that HB 28 addresses this unnecessary and burdensome issue by exempting CFEC registered vessels from the requirement to register with the DMV.

[11:23:46 AM](#)

THATCHER BROUWER, Staff, Representative Geran Tarr, Alaska State Legislature, introduced HB 28 on behalf of the House Special Committee on Fisheries, sponsor, which is chaired by Representative Tarr. He first disclosed that he has a commercial vessel that is licensed with the CFEC. He then explained that HB 28 would exempt active commercial fishing vessels from a duplicative registration requirement that was largely created by the passage in 2018 of Senate Bill 92, the "derelict vessel bill." The rationale behind Senate Bill 92 was to provide the state and local municipalities with a state-maintained database as to who owned and operated vessels in Alaska waters so that interested entities could contact those vessels if there was a problem.

MR. BROUWER specified that derelict vessels are a big problem coastwide in Alaska. An owner might abandon a vessel because he or she can no longer afford to maintain it or to properly dispose of it. An abandoned or derelict vessel, especially one that sinks, can sometimes cost millions of dollars to properly dispose of. If the owner of the vessel cannot be contacted or held liable the cost is often passed on to the city or sometimes the state and federal governments, which is largely why Senate Bill 92 was passed in 2018.

MR. BROUWER stated that this problem is understood by commercial fishermen who can pay the price if a derelict vessel sinks and pollutes an important fish habitat. However, he continued, when Senate Bill 92 was passed and put into law the current registration requirements, as well as the 2018 CFEC requirements, were overlooked. Commissioner Kelley of the CFEC will explain this in detail, he noted, but he is making comments now so that committee members looking at HB 28 can understand why registering with the CFEC is a viable alternative to registering with the DMV. Currently, commercial fishing vessels based in or operating in Alaska are required to license their vessels with the CFEC. This license is renewed annually and provides necessary ownership information in a publicly accessible database so that any interested parties can find out who owns a certain vessel. Commercial fishing vessels are required to display their five-digit registration number on both sides of the vessel in twelve-inch-high, one-inch-wide numbers, which are easily visible for enforcement. Additionally, when it is registered annually a vessel is given a triangular renewal plate that states the year of renewal and that can be identified by enforcement officers.

[11:26:54 AM](#)

MR. BROUWER explained that HB 28 would remove the current requirement for vessels licensed with the CFEC to also register with the DMV. Prior to the 2018 passage of Senate Bill 92, he continued, U.S. Coast Guard (USCG) documented vessels, most of which are commercial fishing vessels, were exempt from DMV registration. This USCG documentation is a form of registration that goes nationwide and is recognized in Alaska. There are also undocumented vessels that aren't registered with the USCG, these are usually smaller vessels measuring under five net tons. In the context of HB 28, documented and undocumented are referenced as having or not having USCG documentation.

MR. BROUWER stated that in addition to removing the duplicative registration on larger vessels created by Senate Bill 92, HB 28 would take the additional step of exempting undocumented fishing vessels from registering with the DMV. Currently, undocumented vessels are required to register, which was the case prior to the passage of Senate Bill 92. Under HB 28, these vessels will still be subject to a titling requirement that was part of Senate Bill 92, and they will have to register with the CFEC. An annual fee of \$8.00 would be instituted under HB 28 for all CFEC vessels; this is in place of the \$24.00 fee that the DMV currently charges vessels. The bill would be cost neutral given the \$24.00 fee is for three years. Commercial fishing vessels are the backbone of Alaska's vital industry, Mr. Brouwer stressed, so it is the sponsor's, the committee's, intent that these vessels are not required to register every three years with the DMV only to also register with the CFEC every year.

[11:29:30 AM](#)

REPRESENTATIVE KREISS-TOMKINS commented that he voted against the original derelict vessel bill partly because of concerns like this. He said he is glad to see [HB 28] which will relieve a lot of vessel owners of that headache.

REPRESENTATIVE ORTIZ concurred with the aforementioned reasons.

[11:30:03 AM](#)

REPRESENTATIVE VANCE concurred as well. She requested that Mr. Brouwer speak to the fiscal notes for the public record and observed that the bill's effective date is 2022.

MR. BROUWER specified that there are two fiscal notes, one from the Alaska Department of Fish and Game (ADF&G) where the CFEC is housed and one from the Department of Administration (DOA) where the DMV is housed. He drew attention to the CFEC fiscal note and said the revenue in fiscal year 2022 would be \$17,600, with the revenue going up as the years progress. He explained that this is because it is staggered so that someone who has already paid his or her DMV registration fee for three years does not have to pay for the two years going out, thus it will be fully implemented by 2025. He deferred to the CFEC and DMV to explain why the fiscal notes are different. He pointed out that the DMV fiscal note is a lost revenue, but is a different amount than what the CFEC thinks it will take in.

REPRESENTATIVE VANCE requested that an explanation of the fiscal notes be given by representatives from the DMV and CFEC.

[11:33:14 AM](#)

JEFFREY SCHMITZ, Director, Division of Motor Vehicles (DMV), Department of Administration (DOA), replied that DMV collects a fee over a three-year period. He explained that DMV calculated the amount by dividing the number of vessels registered in its system by three, which resulted in \$26,428. The bill proposes that DMV no longer collect those fees and that that be transferred over to a different agency. The fiscal note therefore reflects a negative income of one-third of the total amount that DMV would normally collect over a three-year period for the next three years.

CHAIR TARR requested Ms. Dale Kelley of the CFEC to answer the question and then continue with her invited testimony.

[11:34:20 AM](#)

DALE KELLEY, Commissioner, Commercial Fisheries Entry Commission (CFEC), Alaska Department of Fish and Game (ADF&G), related that the confusion with respect to the total numbers is because CFEC did not receive DMV's numbers prior to CFEC having to meet the timeline for submitting the fiscal note. She explained that the CFEC bases its number on DMV's number, therefore she was aware that CFEC's fiscal note would have to be adjusted after receiving DMV's numbers.

REPRESENTATIVE VANCE asked whether the committee could expect an updated fiscal note.

MS. KELLEY replied yes, she would put together an updated fiscal note in time for the next hearing on the bill.

[11:35:50 AM](#)

MS. KELLEY began her invited testimony via a PowerPoint presentation titled, "Commercial Fishing Vessel Licensing in Alaska," dated March 2021. She first noted that she is one of the CFEC's two commissioners. She turned to slide 2, "Licensing Requirements," and said owners and operators of commercial vessels used by the seafood industry are subject to many state, federal, and international requirements. Each state and country handles licensing according to their unique needs. The CFEC has licensed Alaska's commercial fishing fleet for decades and has

amassed a significant amount of information about these vessels and their owners. The CFEC hopes that its experience and extensive vessel database will assist the state in achieving the goals and objectives of the derelict vessel prevention program.

MS. KELLEY moved to slide 3, "2021 Commercial Fishing Vessel Licensing Rules," and specified that generally all commercial fishing vessels, tenders, floating processors, and transporters must be licensed annually by CFEC. However, she pointed out, some vessels are exempt, like those used solely at setnet sites or in (indisc.) Alaska waters. Fees for commercial vessel licenses are based on the overall length of the vessel as defined by the USCG. A commercial vessel license consists of a triangular metal ADF&G numbered plate issued when the vessel is first licensed with CFEC. A color-coded sticker and receipt are issued each year. If a vessel owner is licensed for salmon net fishing, the vessel license will include an area tag specific to the fishing permit.

MS. KELLEY displayed slide 4 and stated that the agencies involved in licensing commercial vessels are the DMV, the CFEC, and the USCG. Each has a unique responsibility under the law depending on the type of vessel involved, she said. Either USCG documentation or a state registration is required for all motorized vessels used in commercial fishing activities, which includes fishing, tendering, and floating processing. The USCG registers and titles documented vessels and the DMV registers and titles undocumented vessels that require registration. Each year the CFEC licenses roughly 5,000 documented and 4,000 undocumented vessels. The USCG requires documentation for any U.S. vessel over five net tons that engages in commerce between two U.S. ports. Documented vessels are generally over 32 feet. All owners must prove that U.S. citizens own a 75 percent interest in the vessel and that the vessel meets all U.S. build requirements. The USCG documentation includes an abstract of title which tracks the full history of the vessel. Undocumented vessels are generally under five net tons and less than 32 feet in length. These vessels must be registered and titled by the DMV. To be eligible for an annual vessel license, vessel owners must first provide USCG documentation or DMV title and registration to the CFEC.

[11:39:26 AM](#)

REPRESENTATIVE KREISS-TOMKINS offered his recollection that Senate Bill 92 was amended to provide that those vessels under a

certain length, which he thinks was 22 feet, did not need to register with the DMV.

MS. KELLEY replied, "Vessels under 24 feet would be exempt under ... the bill."

REPRESENTATIVE KREISS-TOMKINS requested confirmation from Ms. Kelley that under present law no vessels under 24 feet need to register.

MS. KELLEY responded, "I believe that's the case."

MR. BROUWER interjected that he will get a clear answer in writing, but said he believes motorized vessels under 24 feet are still required to register with the DMV but are not required to be titled with the DMV.

REPRESENTATIVE KREISS-TOMKINS said it would be helpful to be able to consider this differentiation at a future hearing.

MR. BROUWER reiterated that he will provide a written response.

MS. KELLEY concurred with getting confirmation on the answer from the DMV because the CFEC does not deal with those vessels.

MS. KELLEY resumed her presentation and continued addressing slide 4. She said vessel licenses must be renewed annually. Fees are based on the USCG definition of length and with few exceptions all permitted commercial fishing activities in state waters must be associated with a CFEC licensed vessel. Due to COVID-19 fewer vessels were licensed in 2020 than normal, so 2019 provides a more typical snapshot of recent year vessel numbers and in that year the CFEC licensed 8,806 vessels and took in over \$629,000 in fees.

[11:42:08 AM](#)

MS. KELLEY spoke to slide 5, a screenshot of the Commercial Fisheries Entry Commission webpage where commercial fishermen and commercial vessel owners can access all CFEC licensing forms. She explained that vessel owners have two options: 1) download and submit CFEC licensing application forms; or 2) apply through CFEC's online license portal. She drew attention to slide 6, a screenshot of the list of CFEC vessel license forms that are available. Ms. Kelley then addressed slides 7, 8, and 9, screenshots respectively of the CFEC 2020 Commercial Vessel License Application, the CFEC 2020 Commercial Fishing

Permit Application, and CFEC's online licensing system. She explained that both paper and online applications are signed by the applicant under penalty of perjury. The yellow highlights on the [license and permit] forms specifically reference vessel ownership. Whether the owner or an agent secures the vessel license, it is necessary for them to provide all the requested information to prove ownership. Ms. Kelley turned to slide 8 and noted that vessel information is also required on the Commercial Fishing Permit Application. The name of the vessel is embossed on the permit card, which is not printed until the permit is associated with a vessel for the fishing season. It is not unusual for one person in fishing operation to own the permit and the other to own or lease the vessel. In reference to slide 9, Ms. Kelley stated that the LEON online licensing renewal system requires the applicant to state whether he or she is the owner or agent of the vessel before the applicant can advance to the licensing documents.

[11:45:55 AM](#)

MS. KELLEY moved to slide 10, a depiction of the various documents commercial fishermen and vessel owners might receive from the CFEC during the annual licensing process. She explained that all permit cards and associated paperwork are color coded every year for ease of enforcement. The permit card (lower left of slide) includes essential information about the permit holder and vessel and is used in making fishery landings. She reiterated that a fishermen will not receive a card until the permit has been linked to a properly licensed vessel for the fishing year in question. She said the triangular shaped and numbered ADF&G vessel plate must be prominently placed on the side of the vessel. A licensing sticker is affixed to it as visible proof of current year licensing, like the DMV's vehicle license and registration stickers. The Vessel License Receipt includes key information about the vessel and its owner. If the vessel is used in a salmon net area there will be a letter designating the permitted fishing area. If the license holder has a salmon net license for another region and wishes to change areas during the season, the license holder must first contact CFEC and possibly ADF&G to work through a process to trade the area tag. Ms. Kelley noted that slide 11 depicts a sampling of color-coded permit cards that CFEC issues every year.

MS. KELLEY displayed slide 12, a screenshot of the CFEC online Public Search Application, and stated that the CFEC developed and maintains a sophisticated online public permit and vessel lookup system. With the use of a few key pieces of information,

a great deal can be found out about both documented and undocumented vessels. She drew attention to the tabs along the top of the screenshot that help guide the researcher to select search options. In this screenshot, she noted, information was used to search for the documented fishing vessel "Ida Lee" that was owned by [former state senator Richard Eliason]. The data that can be found includes such information as vessel weight, engine type, whether the vessel has refrigeration, and so forth. She displayed slide 13, another screenshot of CFEC's online Public Search Application, and noted that it is an example of a search for an undocumented vessel that used only the owner's name. She showed slide 14, yet another screenshot of CFEC's online Public Search Application, and stated that people who want even more information on vessels and owners can use the tab labeled "Yearly Downloads" to obtain spreadsheets that can be sorted to meet specific data needs.

MS. KELLEY concluded with slide 15. In summary, she stated that with few exceptions, all commercial fishing vessels, tenders, floating processors, and transporters must be licensed by CFEC every year; the USCG requires registration and title for documented vessels; DMV titles and registers undocumented vessels; and the CFEC requires both title and registration documents from the USCG or DMV before issuing an ADF&G plate and annual vessel license.

[11:48:28 AM](#)

REPRESENTATIVE KREISS-TOMKINS suggested that it would be helpful to have DNR or ADF&G available to testify to get a sense of where the fees are going in terms of how they are solving the problem of derelicts. He said he is supportive of the bill but could benefit from a refresher on how the money flows and how the derelict problem is trying to be solved.

CHAIR TARR apologized that no one from either department was available online for this hearing. She asked whether Ms. Kelley would like to add a comment in this regard.

MS. KELLEY noted that she was specifically asked to provide an overview of CFEC's program for her presentation today. In terms of the fund, she noted that CFEC already collects fees for the Fishermen's Fund as a passthrough and so CFEC is familiar with handling this type of a (indisc.).

MR. BROUWER assured committee members that representatives from DNR would be online at the bill's next hearing. He offered his

understanding that the new titling requirement for undocumented vessels as established under Senate Bill 92 is intended to support the derelict vessel fund, which is housed within DNR but administered by DOA. He stated that the money from vessel license fees, which have long been established for undocumented vessels and just newly established with Senate Bill 92 for documented vessels, has traditionally often gone to DNR to the boating safety program as well as to other programs within DNR. He pointed out that there cannot be a dedicated fund and therefore some flexibility in how the money is spent.

[11:50:51 AM](#)

CHAIR TARR opened invited testimony.

REPRESENTATIVE KREISS-TOMKINS asked about the total sum of fees that DMV has collected pursuant to passage of Senate Bill 92.

MR. SCHMITZ replied he will get back to the committee with that figure.

[11:52:11 AM](#)

FRANCES LEACH, Executive Director, United Fishermen of Alaska (UFA), provided invited testimony in support of HB 28. She noted UFA represents 37 commercial fishing groups across Alaska. She recounted that UFA was extremely supportive of the derelict vessel bill when it was first introduced because fishermen well know the navigational hazards and environmental issues caused by derelict vessels. She said UFA supports the registration of vessels so that owners may be linked back to vessels in the case of abandonment. However, she noted, at the inception of [Senate Bill 92], UFA asked that vessels registered with CFEC be exempt from having to take the extra step of registering with the DMV, but it did not happen. The purpose of [Senate Bill 92] was to have a state-managed database to track vessel owners, and this is exactly what the CFEC already does. Commercial fishermen register their boats annually with the CFEC, all details are housed in a state-managed database, and vessels are required to display their registration sticker on the outside of the vessel, making them easy to identify. Requiring commercial fishermen to register with the CFEC and the DMV is recreating the wheel and making fishermen jump through more hurdles and pay more money. She offered her thanks to those who have been involved in correcting this issue so that boat owners may be held liable for abandonment while not having to duplicate what they already do.

[11:54:27 AM](#)

RACHEL LORD, Executive Secretary, Alaska Association of Harbormasters and Port Administrators, provided invited testimony regarding HB 28. She noted that the association, currently representing 43 ports and harbors and over 60 companies from related support industries, works to maintain and drive Alaska's port and harbor facilities to benefit Alaska's economy and intermodal transportation system. She related that from 2014-2016 she was the facilitator of the Statewide Derelict Vessel Task Force, whose work was the underpinning of Senate Bill 92.

MS. LORD stated that the association's primary goal on the issue of derelict vessels is to work with the state to better track the ownership of vessels using public waters, and to hold owners responsible for their boats. While active fishermen are responsible boat owners, she said, it's about what happens once they sell their boats, and those vessels leave the fishery.

MS. LORD acknowledged the challenging rollout of the new registration requirements following passage of Senate Bill 92 and expressed the association's understanding of the commercial fleet's frustrations given that the CFEC already has a similar annual vessel registration. She said the association supports efforts that continue to meet the goals and create lifetime vessel tracking while reducing bureaucratic burden.

MS. LORD stressed that every working vessel will one day see an end of its useful life as with cars and trucks, but with an arguably higher public liability in cost and potential for navigational and environmental hazard. To balance that reality with reducing paperwork and burden, she related, in fall 2019 the association's membership fully supported an automatic registration of CFEC vessels with the DMV, thus meeting both goals - reducing that paperwork burden on the commercial fleet while also maintaining a single tracking system for vessels over the course of their lives, both in the active commercial fleet and beyond. The association's board of directors has heard that there are logistical barriers to this concept of automatic registration. At this time with this understanding and direction from its membership, she continued, the association does not oppose HB 28 and will continue to offer its support and expertise to the legislature as this bill is considered.

[11:57:21 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked whether the real-world application of Senate Bill 92 has resulted in owners being held accountable for derelict vessels that would not have happened prior to passage of that bill.

MS. LORD replied that she could get some real-world examples from her board of directors, harbormasters, and port directors to provide to the committee. Many old boats are out of active fishing and have already gone down that path, she said. This increased tracking and holding vessel owners accountable - while they are active and after - is a long-term game and the point of this is to be able to stop the hot potato from happening. She related that the City of Homer just recently authorized over \$100,000 to dispose of a large vessel abandoned in the municipal harbor. The public bore this cost through the city's enterprise fund, she said, and the story is the same throughout the state.

REPRESENTATIVE KREISS-TOMKINS stated that the Homer example is exactly at the heart of his question. He asked why the City of Homer paid for that and why the owner of the vessel was not held accountable given there are now titling and registration requirements. He said he would like to have a better understanding of the tools that now exist and how effective they are in both the short term and the long term.

CHAIR TARR said it would be helpful if Ms. Lord could collect that information from her members.

[11:59:53 AM](#)

CHAIR TARR opened public testimony on HB 28.

[12:00:12 PM](#)

SUSAN DOHERTY, Executive Director, Southeast Alaska Seiners Association (SEAS), testified in support of HB 28 and its intent to rectify the unintended consequences of the passage of the derelict vessel bill. Regarding the issues addressed in HB 28, she explained that it was a real compliance issue for many vessel owners who didn't have DMV offices in their communities. It was also an issue for permit holders who lived outside the state to obtain proper documentation in coastal communities that did have DMV offices. The restricted hours of the DMV offices created a nightmare for permit holders who were trying to prosecute their limited fisheries with very strict openings and closings. All the while, the information they were trying to obtain was already available through the CFEC licensing process.

Ms. Doherty offered appreciation for addressing the concerns and needs of Alaska fishermen and urged the passage of HB 28.

12:01:49 PM

CHAIR TARR closed public testimony on HB 28 after ascertaining that no one else wished to testify.

CHAIR TARR announced that HB 28 was held over.

12:03:04 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 12:03 p.m.