

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

March 15, 2021

3:33 p.m.

MEMBERS PRESENT

Senator Joshua Revak, Chair
Senator Peter Micciche, Vice Chair
Senator Click Bishop
Senator Gary Stevens
Senator Natasha von Imhof
Senator Jesse Kiehl

MEMBERS ABSENT

Senator Scott Kawasaki

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 8

Urging the Alaska delegation in Congress, the United States Department of the Interior, and the Governor to facilitate the completion of a land grant endowment to the University of Alaska.

- MOVED CSSJR 8(RES) OUT OF COMMITTEE

SENATE BILL NO. 79

"An Act relating to sport fishing, hunting, and trapping identification cards."

- HEARD & HELD

SENATE BILL NO. 64

"An Act relating to management of enhanced stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish enhancement projects; relating to application fees for salmon hatchery permits and shellfish enhancement project permits; allowing the Alaska Seafood Marketing Institute to market aquatic farm products; and providing for an effective date."

- MOVED SB 64 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 8

SHORT TITLE: COMPLETION OF UNIVERSITY LAND GRANT

SPONSOR(s): SENATOR(s) STEVENS

02/03/21	(S)	READ THE FIRST TIME - REFERRALS
02/03/21	(S)	EDC, RES
02/15/21	(S)	EDC AT 9:00 AM BUTROVICH 205
02/15/21	(S)	Moved SJR 8 Out of Committee
02/15/21	(S)	MINUTE(EDC)
02/17/21	(S)	EDC RPT 5DP
02/17/21	(S)	DP: HOLLAND, HUGHES, STEVENS, MICCICHE, BEGICH
03/12/21	(S)	RES AT 3:30 PM BUTROVICH 205
03/12/21	(S)	-- MEETING CANCELED --
03/15/21	(S)	RES AT 3:30 PM BUTROVICH 205

BILL: SB 79

SHORT TITLE: HUNTING/TRAPPING/FISHING: DISABLED VETS

SPONSOR(s): SENATOR(s) KIEHL

02/12/21	(S)	READ THE FIRST TIME - REFERRALS
02/12/21	(S)	RES, FIN
03/15/21	(S)	RES AT 3:30 PM BUTROVICH 205

BILL: SB 64

SHORT TITLE: SHELLFISH PROJECTS; HATCHERIES; FEES

SPONSOR(s): SENATOR(s) STEVENS

1/29/21	(S)	READ THE FIRST TIME - REFERRALS
1/29/21	(S)	RES, FIN
2/22/21	(S)	RES AT 3:30 PM BUTROVICH 205
2/22/21	(S)	Heard & Held
2/22/21	(S)	MINUTE (RES)
3/15/21	(S)	RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

TIM LAMKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SJR 8 on behalf of the sponsor.

ED FOGELS, Advisor to the Land Management Office
University of Alaska, Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SJR 8.

MARK RICHARDS, Executive Director
Resident Hunters of Alaska
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 79.

MARIA GLADZISZEWSKI, Deputy Director
Division of Wildlife Conservation
Alaska Department of Fish and Game
Juneau, Alaska.

POSITION STATEMENT: Answered questions during the hearing on SB 79.

TIM LAMKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief recap of SB 64 on behalf of the sponsor.

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

POSITION STATEMENT: Testified in support of SB 64.

ALAN PARKS, representing self
Homer, Alaska

POSITION STATEMENT: Testified in opposition to SB 64.

NANCY HILLSTRAND, Owner
Pioneer Alaskan Fisheries
Kachemak Bay, Alaska

POSITION STATEMENT: Testified in opposition to SB 64.

SAM RABUNG, Director
Division of Commercial Fisheries
Alaska Department of Fish and Game
Juneau, Alaska

POSITION STATEMENT: Provided feedback to testimony on SB 64.

GINNY ECKERT, Professor of Fisheries and Ocean Sciences
University of Alaska
Alaska Sea Grant, Director
Juneau, Alaska

POSITION STATEMENT: Addressed concerns regarding SB 64.

ACTION NARRATIVE

[3:33:20 PM](#)

CHAIR JOSHUA REVAK called the Senate Resources Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Stevens, Kiehl, von Imhof, Micciche, Bishop, and Chair Revak.

SJR 8-COMPLETION OF UNIVERSITY LAND GRANT

[3:34:13 PM](#)

CHAIR REVAK announced the consideration of SENATE JOINT RESOLUTION NO. 8 Urging the Alaska delegation in Congress, the United States Department of the Interior, and the Governor to facilitate the completion of a land grant endowment to the University of Alaska.

He requested a motion to adopt the committee substitute (CS).

[3:34:29 PM](#)

SENATOR MICCICHE moved to adopt the CS for SJR 8, work order 32-LS0420\B, as the working document.

[3:34:43 PM](#)

CHAIR REVAK objected for discussion purposes.

[3:34:53 PM](#)

SENATOR GARY STEVENS, speaking as sponsor of SJR 8, stated the University of Alaska (UA) refers to its situation as being "land deficit." He encouraged the committee to read the resolve section of the resolution which urges the Alaska congressional delegation to create a permanent land endowment.

[3:35:31 PM](#)

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, stated that SJR 8, version B, is the result of a collaborative effort between the University of Alaska and the Department of Natural Resources (DNR) to craft language to help resolve the university's ongoing "land deficit" situation.

CHAIR REVAK found no questions and asked him to proceed with the summary of changes.

[3:36:19 PM](#)

MR. LAMKIN briefly mentioned that changes No. 1 through No. 7 were a collaboration between UA and DNR to find mutually

agreeable language. Mr. Lampkin then highlighted the more substantive change No. 8. The Summary of Changes from version A to version B read as follows:

[Original punctuation provided.]

Change #1

Page 1, Line 2, following "facilitate"

Delete: "the completion of"

Insert: "urging the Alaska delegation in Congress to reintroduce the University of Alaska Fiscal Foundation Act; and urging the Department of Natural Resources to work with the University of Alaska to identify lands suitable for the land endowment."

Change #2

(Version A) Page 1, Lines 13-15

Delete: "Whereas, the United States Congress intended for the Alaska State Legislature to provide the University of Alaska with a land endowment from Alaska Statehood Act land;"

Change #3

Page 2, line 16, following "government,"

Delete: "and the land grant deficit remains unremedied;"

Insert: "leaving the University of Alaska with an inadequate and deficit land endowment;"

Change #4

Page 2, Line 26, following "which"

Delete: "lands"

Insert: "up to 360,000 acres of land"

Change #5

Page 3, line 1, following "resolution"

Insert: "as soon as possible"

Change #6

Page 3, lines 1-2, following "will"

Delete: "facilitate the creation of a permanent land endowment for the University of Alaska,"

Insert: "address this long-standing land endowment issue,"

Change #7

Page 3, line 3, following "requirements"

Delete: "and will remedy the university's longstanding land grant deficit

Insert: "and provide the University of Alaska with an appropriately sized land endowment proportionate to the great natural resources of the state;"

Change #8

Page 3, two new sections inserted as follows:

FURTHER RESOLVED that the Alaska State Legislature respectfully urges the Alaska delegation in Congress to reintroduce the University of Alaska Fiscal Foundation Act; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully urges the Department of Natural Resources to continue to work cooperatively with the university of Alaska to prioritize identification of lands suitable for the land endowment.

Change #9

Page 3, under "**Copies**"

Delete: "Scott de la Vega, Acting"

Insert: "Deb Haaland"

[3:37:31 PM](#)

CHAIR REVAK turned to invited testimony for SJR 8.

[3:37:43 PM](#)

ED FOGELS, Advisor to the Land Management Office, University of Alaska, Anchorage, stated he was retained and specifically tasked with obtaining the UA's remaining land grant entitlements.

MR. FOGELS gave a slide presentation titled "University of Alaska Land Grant Status (Senate Joint Resolution 8)." He explained the problem is the university has not received its full land grant entitlement from the federal government.

MR. FOGELS provided a brief history of land grants promised the university on slide 2. Under the Morrill Act and the 1915 Wickersham Act, there was an expectation of 90,000 acres and 270,000 acres, respectively. These two federal acts were superseded by the Alaska Statehood Act, so the university's 270,000 acres were rolled into the state's 103 million acre endowment.

MR. FOGELS stated, to date, the university received 111,000 acres of federal land. This along with state and municipal sources, private gifts and bequests, and UA land acquisitions, puts the university's current land portfolio at 151,000 acres, which leaves the land grant deficit at 360,000 acres.

MR. FOGELS displayed a synopsis of the university's 151,000-acre land holdings on slide 3. The charts indicate two percent (12,000 acres) of the holdings are in an educational category which includes campuses, research sites and other facilities. Twenty-seven percent (139,000 acres) of the holdings generate revenue and are invested in sales/leases, forest resources, mining and material, mitigation management, oil, gas and coal. The chart also indicates that a majority of the endowment, 71 percent or 360,000 acres of university holdings is missing, which essentially translates into lost revenue, as seen on the next slide.

MR. FOGELS turned to slide 4 that compared the university land grant acreage to that of the University of Texas and the Alaska Mental Health Trust Authority (AMHTA). Despite an incomplete land endowment, UA has generated more than \$220 million from its trust land assets since the 1980s. The chart indicates that while UA's investments did proportionately well in 2019 compared to AMHTA, UA lacked in cumulative earnings compared to the University of Texas. The chart emphasizes the effect the missing 360,000 acres has had on UA's ability to generate revenue over time.

[3:40:55 PM](#)

SENATOR REVAK requested Mr. Fogels pause for a question from Mr. Lampkin.

MR. LAMPKIN clarified a misstatement. He said the University of Texas generated \$21.4 billion, not 21.4 billion acres.

MR. FOGELS apologized for the misstatement and advanced to slide 5 regarding fulfilling the university's land grant. He stated that without question, UA could generate more revenue over time with the infusion of a robust land endowment. The state attempted to remedy the land deficit with a 250,000-acre conveyance to the university in 2000. However, in 2009 an Alaska Supreme Court decision ruled the conveyance violated the "prohibition on dedicated funds," so the land was reconveyed to the state. Mr. Fogels stated the federal government's position is that its obligation to the university has been satisfied; the

university land was included in the Alaska Statehood Act land grant.

MR. FOGELS advanced to slide 6 and recapped roadblocks to the land deficit problem. Mainly, he restated that state land dedications are unconstitutional, and remedies that rely solely on additional federal lands are resisted by the federal government. He suggested a solution which bypasses both these obstacles, uses an alternate land conveyance mechanism, and works in cooperation with the Alaska congressional delegation, the governor, DNR and the Department of the Interior.

MR. FOGELS introduced the University of Alaska Fiscal Foundation Act on slide 7:

University of Alaska
Fiscal Foundation Act

- Federal legislation by Alaska's Congressional Delegation
- Establishes program within Bureau of Land Management to identify and convey available lands to UA from lands selected by State of Alaska

MR. FOGELS stated that this federal legislation establishes a federal program by which the Department of the Interior conveys 360,000 acres of federal land to the University of Alaska.

MR. FOGELS reiterated that 105 million acres of land was granted the state in the Alaska Statehood Act, 5 million of which has yet to be conveyed. Under this federal program, the Department of the Interior would deduct 360,000 acres from the outstanding 5 million and convey it directly to UA instead of DNR for management.

- Framework for UA and State to jointly identify up to 360,000 acres
- U.S. Dept. of Interior will provide technical assistance identifying lands for inclusion in program
- Delegation working towards reintroduction in 117th Congress

MR. FOGELS stated that although this legislation did not succeed last year, the intention is to reintroduce it in this Congress.

3:45:11 PM

SENATOR MICCICHE questioned why it says "up to 360,000 acres" on page 2, line 25 of the bill. He also asked for verification that 360,000 was the maximum acreage to be conveyed.

MR. FOGELS confirmed that the maximum allotment in this program is 360,000 acres; it is the sum total of the Morrill Act endowment and the 1915 Wickersham Act endowment. He stressed that the university's goal is to receive the full 360,000 acres, but for drafting purposes "up to" allows room to negotiate.

3:46:32 PM

SENATOR KIEHL noted that the state has already applied for a great deal more than 5 million acres and the university's land is to be derived from these acres. He asked if the federal legislation which SJR 8 encourages, pertains strictly to lands for which the state has already applied, or if the federal legislation proposes to change priority orders or areas from which an application may be submitted.

MR. FOGELS confirmed the state has already filed selections on 5 million acres, and added, the state actually over-selected about 10 million acres. In addition, the state has another 10 million acres in top filings. He explained the federal government has the authority to preclude land from conveyance, known as withdrawals, but can later decide to lift the withdrawal. Perchance the federal government lifts a withdrawal, the state is then free to choose from its selection of top filed lands.

MR. FOGELS stated the state's role is to submit requests for conveyance from the Department of the Interior. He thinks the current policy is to wait a bit, request the federal government lift some top filings, and try to obtain land of greater value.

SENATOR KIEHL asked if the Alaska Fiscal Foundation Act operates within the current framework that exists between the state and the federal government (the one notable exception being that the 360,000-acre conveyance travels directly to UA as opposed to through DNR), and if not, would the Act alter top filing, selection and withdrawal procedures.

MR. FOGELS answered correct, although the Alaska Fiscal Foundation Act would redirect 360,000 of the state's remaining 5 million acres directly to the university, it does not affect the foundation of the state's land grant.

[3:50:14 PM](#)

CHAIR REVAK removed his objection to the adoption of CSSJR 8, work order 32-LS0420\B. There being no further objection, CSSJR 8 was adopted. Senator Revak offered the floor to Senator Stevens for final remarks.

[3:50:40 PM](#)

SENATOR STEVENS said the resolution was a big step forward for the university and it was long awaited.

[3:50:48 PM](#)

CHAIR REVAK opened public testimony on SJR 8; finding none, he closed public testimony.

CHAIR REVAK stated that it is important to make the university whole and solicited a motion to move the bill from committee.

[3:51:42 PM](#)

SENATOR MICCICHE moved to report CSSJR 8, work order 32-LS0420\B, from committee with individual recommendations and attached fiscal note(s).

[3:51:55 PM](#)

CHAIR REVAK stated, without objection, CSSJR 8(RES) is reported from the Senate Resources Standing Committee.

[3:52:07 PM](#)

At ease.

SB 79-HUNTING/TRAPPING/FISHING: DISABLED VETS

[3:54:14 PM](#)

CHAIR REVAK reconvened the meeting and announced the consideration of SENATE BILL NO. 79 "An Act relating to sport fishing, hunting, and trapping identification cards."

[3:54:44 PM](#)

SENATOR KIEHL, speaking as sponsor of SB 79, commented that this bill appreciates veterans who acquired a disability of 50 percent or greater in service to the nation. He said a free hunting and sport fishing license is currently available annually to service-disabled veterans that reside in Alaska. He contrasted this to Alaskans over the age of 60 who are eligible for a free, permanent hunting, fishing and trapping license. Senator Kiehl said a constituent, who acquired a disability of 50 percent or greater in service to the nation, approached him

and requested the same courtesy be extended to eligible veterans. This made eminent sense.

SENATOR KIEHL pointed out that this bill does not materially move away from the great North American tradition of license fees which contribute to fish and game management, and wildlife conservation. This bill honors service-disabled veterans with minimal fiscal change as noted in the Sponsor Statement:

Only a small number of disabled veterans currently purchase a trapping license each year, so making disabled veterans eligible for a free trapping license will have a miniscule fiscal impact. For this minimal cost, Alaska will provide real value to veterans injured during their service to America.

[3:56:30 PM](#)

CHAIR REVAK asked whether the only change to the current hunting and fishing license for service-disabled veterans is the addition of a trapping benefit.

SENATOR KIEHL answered correct and in the process the bill also trues-up issuance of licenses, so they are issued permanently instead of annually.

[3:57:20 PM](#)

SENATOR BISHOP questioned how the aforementioned 50 percent or greater disability was derived.

SENATOR KIEHL stated for the free hunting and fishing license, 50 percent or greater disability is the existing rule. That requirement was copied over into this bill.

[3:57:45 PM](#)

SENATOR VON IMHOF asked about disability documentation and if a doctor's disability assessment is required to apply for the license.

SENATOR KIEHL answered correct, the bill uses the existing system, which is a federal government determination. The state does not second guess the determination, but the state does require documentation.

[3:58:18 PM](#)

SENATOR MICCICHE offered a supposition and asked whether a permanent card remains valid if the veteran later fully rehabilitates.

SENATOR KIEHL expressed his belief that once issued, the card is permanently valid, but said he needs to confirm the current practice with the department.

[3:58:56 PM](#)

SENATOR REVAK made a last call for questions, then proceeded to public testimony.

[3:59:22 PM](#)

MARK RICHARDS, Executive Director, Resident Hunters of Alaska (RHAK), Fairbanks, Alaska, testified in support of SB 79. He stated RHAK is a hunting conservation group with nearly 3,000 members. It advocates for resident hunting priority and prudent, sustainable wildlife management policies in accordance with Article VIII of the Alaska Constitution. It is RHAK's view that just like Alaska residents who are 60 years of age or older are eligible for a permanent identification card (PID) in order to hunt, sport fish, or trap for free, the same benefit should be extended to Alaska's veterans who are 50 percent or greater disabled. As eligible veterans are currently allowed a free hunting and fishing license, the only change to statute is the addition of a trapping license and issuance of a permanent card. He stressed that 50 percent or greater disabled veterans need all the help the state can offer to get them back out participating in the field.

MR. RICHARDS said being 50 percent disabled does not mean one cannot walk, hike, or get out in the field. He knows of a couple of 50 percent disabled veterans that run trap lines. For others that are more disabled or are wheelchair bound, there are organizations that help get them out in the field. This also applies to activities like predator calling in winter using a firearm or bow which sometimes requires a trapping license to take certain fur bearers.

MR. RICHARDS concluded his testimony by stating the Division of Wildlife Conservation expects no fiscal impact if this bill passes and this bill has a zero fiscal note. RHAK fully supports the passage of the bill.

[4:01:32 PM](#)

CHAIR REVAK asked Maria Gladziszewski the cost of a trapping license.

MARIA GLADZISZEWSKI, Deputy Director, Division of Wildlife Conservation, Alaska Department of Fish and Game, Juneau,

Alaska, apologized and stated that she did not have the cost of a trapping license at-hand.

SENATOR BISHOP chimed-in that the trapping license fee is \$25.

[4:02:27 PM](#)

CHAIR REVAK determined no one else wished to comment and closed public testimony on SB 79.

[4:02:48 PM](#)

SENATOR STEVENS asked Senator Kiehl to clarify why this bill references a loan on page 1, line 7 of the original bill.

SENATOR KIEHL answered this is an alternate way to qualify for the disabled veterans annual free hunting and fishing license. He said the verbiage was copied from current statute and he thinks it mirrors the eligibility language for the AHFC veterans' loan program.

[4:03:37 PM](#)

CHAIR REVAK asked how many of these licenses the department expects to issue.

SENATOR KIEHL said he does not know how many of Alaska's service-disabled veterans are interested in a trapping license. He conjectured as there are only 900 trapping licenses currently issued in the state, and fewer yet would qualify under this bill, it is not a material hit to the fish and game fund.

[4:04:39 PM](#)

CHAIR REVAK held SB 79 in committee.

SB 64-SHELLFISH PROJECTS; HATCHERIES; FEES

[4:05:01 PM](#)

CHAIR REVAK announced the consideration of SENATE BILL NO. 64 "An Act relating to management of enhanced stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish enhancement projects; relating to application fees for salmon hatchery permits and shellfish enhancement project permits; allowing the Alaska Seafood Marketing Institute to market aquatic farm products; and providing for an effective date."

CHAIR REVAK stated SB 64 was previously heard on February 22 with invited testimony and testimony from industry representatives. The intention today is to hear a recap of the

bill, ascertain if there are further questions and engage the will of the committee.

[4:05:43 PM](#)

SENATOR GARY STEVENS, speaking as the bill sponsor, stated SB 64 provides the legal framework for a large-scale fishery project. The goal is to nurture young shellfish, such as king crab, razor clams and geoducks in their earliest formative stages to improve their odds of survival in the wild.

[4:06:15 PM](#)

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, affirmed Senator Stevens' comments and added that this bill strengthens Alaska's fisheries portfolio. He noted many stakeholders want this bill to move forward.

[4:06:50 PM](#)

CHAIR REVAK opened public testimony on SB 64.

[4:07:10 PM](#)

FRANCES LEACH, Executive Director, United Fishermen of Alaska, Juneau, Alaska, testified in support of SB 64. She stated the United Fishermen of Alaska (UFA) is the largest commercial fishing organization in Alaska, composed of 37 multi-gear and regional commercial fishing groups. She spotlighted significant points from the 2014 UFA "Alaska Mariculture Initiative" resolution which correspond to this bill:

- UFA supports environmentally sound programs for the aquatic farming of shellfish and marine plants.
- UFA supports large-scale aquatic development projects which will open the door to renewable economic development. It will give the Alaska Seafood Marketing Institute (ASMI) an opportunity to promote aquatic farm products and a platform to grow consumership.
- UFA supports economic development for Alaska. Ms. Leach described Washington state's financial success to illustrate Alaska's earnings potential:
 - * Largest producer of farmed shellfish in the United States with an annual sales value over \$100 million.
 - * Directly and indirectly the industry employees over 3200 people.

- * Industry payroll over \$27 million.
- * Total economic contribution of \$270 million.

MS. LEACH shared the environmental concerns of previous speakers and agreed scientific studies, due diligence and safe permitting practices are necessary for sustainable development. She expressed her belief that these concerns are adequately addressed in the bill's environmentally friendly protocols, and the methods to increase a sustainable shellfish harvest are sufficiently delineated.

Ms. LEACH stated in wrap-up that mariculture production is proven to ameliorate some environmental challenges, like ocean acidification. She thanked Senator Stevens for introducing the bill.

4:09:36 PM

ALAN PARKS, representing self, Homer, Alaska, testified in opposition of SB 64. He stated he fished commercially for 38 years, the bulk of which was community-based with local vessels and crews that delivered to shore-based processors and markets. Fishing was his primary source of income. He served as a member of many local committees, including the North Pacific Fisheries Management Stellar Sealion Committee and 10 years on the Alaska Marine Conservation Council.

MR. PARKS requested due diligence of this bill on the following two points:

First, a forensic audit of all salmon hatcheries prior to inserting mariculture loan language into the current Fisheries Enhancement Loan Program. He stated that the language in SB 64 is to be written into the statute that governs salmon hatcheries, which includes rules governing aquaculture association formation, how cost recovery is conducted, and access to the Fisheries Enhancement Loan Program. Mr. Parks stated that to simply remove salmon and insert crab into the statute creates concerns about loan and cost recovery. He brought up the Cook Inlet Aquaculture (CIAA) Association to illustrate how the Fisheries Enhancement Loan Program works, with the disclaimer that his intention was not to pick on the CIAA, but rather, it was the only hatchery for which he had data.

MR. PARKS stated loans are to be secured with collateral. The CIAA January 15, 2021 balance sheet had \$14 million in assets and \$16 million in debt from the Alaska Fisheries Loan

Enhancement Program. The state leases the Tutka Bay Hatchery for \$25 per year to the CIAA. On the balance sheet, the lease is valued at \$484,000 and infrastructure is valued at \$2 million. He stated the details of the lease were unknown to him, but the infrastructure included buildings with foundations. The point is if the CIAA leaves the Tutka Bay Hatchery, it is hard to determine which property belongs to the CIAA and which belongs to the state, because 3 out of every 5 fish produced at the Tutka Bay Hatchery go to the hatchery and 2 go to common property. He recommended the state do its due diligence prior to incurring more loans, basically, verify current loan programs are viable prior to the addition of more loans.

Second, he clarified that he is not opposed to the promotion and enhancement of crab but urges the legislature to verify the science is valid prior to the issuance of new mariculture loans. He stated a cookie-cutter approach to different types of fishery loans is not good. In other words, verify the mariculture enhancement science is sound first, then offer loans. Do not offer loans first, then verify the science.

[4:15:01 PM](#)

CHAIR REVAK asked Mr. Parks to email additional testimony, if any, to [sres@akleg.gov].

[4:15:35 PM](#)

NANCY HILLSTRAND, Owner, Pioneer Alaskan Fisheries, Kachemak Bay, Alaska, testified in opposition of SB 64. She stated that the Pioneer Alaskan Fisheries was incorporated in 1964; it fished crab and shrimp for over 50 years and still does. She also worked 21 years for the Division of Fisheries Rehabilitation, Enhancement, and Development (FRED) hatchery program. She said at that time, 120 people worked for FRED whose purpose was to oversee the statutes.

MS. HILLSTRAND stated the FRED Division no longer exists. ADFG does not have the capability to provide adequate oversight for a project of this scale nor is ADFG able to provide stopgap measures for blunders. She submitted an ADFG internal review publication which details the noncompliance of salmon hatcheries in Prince William Sound and resulting problems. She encouraged committee members to read the internal review and although the report is a decade old, the internal review is still relevant as the same issues persist, such as, straying. She warned that expensive remediation is inevitable when a lack of oversight is coupled with a potential mariculture experiment that went bad.

With only an attached zero fiscal note, the state has underestimated the cost of the bill, she said.

MS. HILLSTRAND stated salmon hatchery statutes are underutilized and cited a mismanaged permit issue as an example of this problem. Although the Hatchery Committee and the Board of Fisheries are at work to correct this problem, the Board of Fisheries is supposed to amend permits. She stated that it is a struggle to resolve problems because no one will come to the table and talk it out. She requested a review made up of impartial people, so group talks lead to sound decisions and not to rely on an appointee for a balanced point of view.

[4:19:15 PM](#)

CHAIR REVAK closed public testimony on SB 64 after discerning nobody else wanted to speak.

[4:19:51 PM](#)

SAM RABUNG, Director, Division of Commercial Fisheries, Alaska Department of Fish and Game, Juneau, Alaska, provided feedback on today's testimony regarding SB 64, specifically:

- ADFG owns Tukta Lagoon Bay Hatchery. It is not leased and there is no \$25 per month lease fee. The hatchery is contracted to CIAA at no cost to the state. The state maintains ownership of the hatchery while CIAA operates it and pays associated expenses.
- The internal review was written in 2006. Since that time, ADFG worked with the operator to resolve the internal review concerns. This issue has been resolved in writing.
- All of the hatcheries that operate in the State of Alaska as private nonprofits have been individually reviewed; all of these documents are published and available on the ADFG website. He stated all hatcheries comply with statutes, regulations, and policies.
- Straying is a valid concern which is why ADFG established straying safeguards. He pointed out that Prince William Sound king salmon releases began in the mid-1970s. And since the mid-1990s, the king salmon wild stock returned three of the fourth highest wild stock returns in the entire history of Prince William Sound in the last 10 years. So, while straying occurs, it does not

seem to have a significant negative effect on natural productivity.

MR. RABUNG explained that SB 64 is primarily designed to enable restoration, rehabilitation, and enhancement and he offered these definitions:

- Restoration - bringing a depressed stock back to its normal level of productivity that can be naturally sustained; re-establishing a depleted stock or an extirpated stock, so it returns to its natural productivity.
- Enhancement - providing additional harvestable surplus above what can be naturally produced in that area. So, if you stop the efforts, it drops back down to normal levels of productivity. For example, Kodiak king crab were overfished coincident with a regime change. Those crab stocks never recovered. They still exist in low numbers, too low to have fisheries for well over 30 years. The only action ADFG can take is to keep the fishery closed.

MR. RABUNG stated this bill gives ADFG another tool to restore, rehabilitate and enhance stocks. This applies not only to king crab in Kodiak, but abalone in Southeast, and razor clams in Cook Inlet, all examples of projects that could be permitted if this bill were to pass.

[4:24:22 PM](#)

GINNY ECKERT, Professor of Fisheries and Ocean Sciences, University of Alaska, and Director, Alaska Sea Grant, Juneau, Alaska, said she provided scientific input to this bill for years and wanted to pass on some of her scientific work which addresses concerns. She described her credentials which include work on The Alaska King Crab Research and Rehabilitation Biology Program, active for 10 years. The program produced 30 peer reviewed publications which focus on aspects of king crab biology. The publications are useful to understand king crab biology and king crab fishery management in general, but equally important is to understand potential detrimental impacts of enhancement.

MS. ECKERT stated much of the programs work has been done in Kodiak where king crab are not recovering. Outplanting experiments have yet to produce naturally recurring recruitment.

So, there is evidence that king crab in Kodiak are recruitment limited and this appears to be true in many other king crab areas that have crashed. To better understand the lack of recruitment, further research is needed, and this bill allows the research to occur. The next phase of the project is to do larger scale outplanting, but until this bill passes, that project is on hold.

MS. ECKERT said she hears the environmental concerns. She agreed restrictions are necessary; not just anything should be placed in the ocean at any time. She stated that safety protocols and a review period are written into the bill, both of which address safety concerns. She stated she is happy to participate in the process in the future to make sure enhancement is implemented in a sustainable manner.

[4:27:12 PM](#)

CHAIR REVAK thanked the testifiers and asked if members had questions.

[4:27:23 PM](#)

SENATOR MICCICHE stated that he shares Ms. Hillstrand's concerns pertaining to pink salmon releases, however, he does not see the connection between pink salmon releases and this shellfish enhancement bill. He clarified that he does not speak against Ms. Eckert's testimony, but views pink salmon releases and this bill as two separate issues that are not directly related.

[4:28:18 PM](#)

SENATOR STEVENS harkened back to the robust king crab industry in Kodiak 50 years ago that has since markedly declined. He asked Ms. Eckert whether it is possible to restore king crab fishing in an area like Kodiak.

MS. ECKERT answered that Russia and Norway introduced king crab in the Barents Sea successfully in the 1960s. She stated that she was uncertain how Russia and Norway did it, but larvae and adults were released which resulted in a vibrant king crab industry in both areas. Based on the successful king crab fishery in the Barents Sea, it is possible the Kodiak king crab industry has recovery potential. She emphasized that king crab were not native to the Barents Sea, and she does not recommend the release of non-native species into the environment.

[4:30:32 PM](#)

CHAIR REVAK found no further questions or comments and solicited the will of the committee.

[4:30:44 PM](#)

SENATOR MICCICHE moved to report SB 64, work order 32-LS0421\A, from committee with individual recommendations and attached fiscal note(s).

[4:30:58 PM](#)

CHAIR REVAK found no objection and SB 64 was reported from the Senate Resources Standing Committee.

[4:31:04 PM](#)

At ease.

[4:32:23 PM](#)

CHAIR REVAK reconvened the meeting.

[4:32:49 PM](#)

There being no further business to come before the committee, Chair Revak adjourned the Senate Resources Standing Committee meeting at 4:32 p.m.