

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

February 21, 2022

3:32 p.m.

MEMBERS PRESENT

Senator Joshua Revak, Chair
Senator Peter Micciche, Vice Chair
Senator Natasha von Imhof
Senator Jesse Kiehl
Senator Scott Kawasaki

MEMBERS ABSENT

Senator Click Bishop
Senator Gary Stevens

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 28(FIN)

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

- MOVED SCS CSHB 28(RES) OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 2

Supporting the Alaska Ocean Cluster in its mission, efforts, and vision for a vibrant coastal economy in the state, its promotion of a diversified and resilient state economy that creates value from ocean resources, and its building of a statewide integrated ecosystem of innovation and entrepreneurship relating to the state's ocean economy.

- 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
 03/23/21 (H) Heard & Held
 03/23/21 (H) MINUTE(FSH)
 03/25/21 (H) FSH AT 10:30 AM GRUENBERG 120
 03/25/21 (H) -- MEETING CANCELED --
 03/30/21 (H) FSH AT 10:00 AM GRUENBERG 120
 03/30/21 (H) Moved CSHB 28(FSH) Out of Committee
 03/30/21 (H) MINUTE(FSH)
 03/31/21 (H) FSH RPT CS(FSH) 5DP 1NR
 03/31/21 (H) DP: STORY, STUTES, KREISS-TOMKINS,
 ORTIZ, TARR
 03/31/21 (H) NR: MCCABE
 04/22/21 (H) FIN AT 9:00 AM ADAMS 519
 04/22/21 (H) Heard & Held
 04/22/21 (H) MINUTE(FIN)
 04/26/21 (H) FIN AT 1:30 PM ADAMS 519
 04/26/21 (H) Heard & Held
 04/26/21 (H) MINUTE(FIN)
 04/30/21 (H) FIN AT 1:30 PM ADAMS 519
 04/30/21 (H) Moved CSHB 28(FIN) Out of Committee
 04/30/21 (H) MINUTE(FIN)
 05/03/21 (H) FIN RPT CS(FIN) 6DP 2DNP 2NR
 05/03/21 (H) DP: ORTIZ, EDGMON, WOOL, JOSEPHSON,
 MERRICK, FOSTER
 05/03/21 (H) DNP: CARPENTER, JOHNSON
 05/03/21 (H) NR: LEBON, THOMPSON
 05/15/21 (H) TRANSMITTED TO (S)
 05/15/21 (H) VERSION: CSHB 28(FIN)
 05/17/21 (S) READ THE FIRST TIME - REFERRALS
 05/17/21 (S) RES, FIN
 02/07/22 (S) RES AT 3:30 PM BUTROVICH 205
 02/07/22 (S) Heard & Held
 02/07/22 (S) MINUTE(RES)
 02/21/22 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HCR 2

SHORT TITLE: SUPPORTING ALASKA OCEAN CLUSTER

SPONSOR(s): STUTES

02/18/21 (H) READ THE FIRST TIME - REFERRALS
 02/18/21 (H) FSH, RES
 04/08/21 (H) FSH AT 10:00 AM GRUENBERG 120
 04/08/21 (H) Heard & Held
 04/08/21 (H) MINUTE(FSH)
 04/13/21 (H) FSH AT 10:00 AM GRUENBERG 120
 04/13/21 (H) Moved HCR 2 Out of Committee
 04/13/21 (H) MINUTE(FSH)

04/14/21 (H) FSH RPT 4DP 2NR
 04/14/21 (H) DP: STORY, KREISS-TOMKINS, ORTIZ, TARR
 04/14/21 (H) NR: MCCABE, VANCE
 05/03/21 (H) RES AT 1:00 PM BARNES 124
 05/03/21 (H) Heard & Held
 05/03/21 (H) MINUTE(RES)
 05/05/21 (H) RES AT 1:00 PM BARNES 124
 05/05/21 (H) Moved HCR 2 Out of Committee
 05/05/21 (H) MINUTE(RES)
 05/06/21 (H) RES RPT 3DP 5NR
 05/06/21 (H) DP: FIELDS, HANNAN, SCHRAGE
 05/06/21 (H) NR: MCKAY, CRONK, RAUSCHER, GILLHAM,
 PATKOTAK
 02/11/22 (H) TRANSMITTED TO (S)
 02/11/22 (H) VERSION: HCR 2
 02/15/22 (S) READ THE FIRST TIME - REFERRALS
 02/15/22 (S) RES
 02/21/22 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE GERAN TARR
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Sponsor of HB 28.

THATCHER BROUWER, Staff
 Representative Geran Tarr
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Reviewed changes contained in the Senate
 Committee Substitute to HB 28.

KERRY CROCKER, Staff
 Representative Louise Stutes
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Presented HCR 2 on behalf of the sponsor.

GARRETT EVRIDGE, Managing Director
 Alaska Ocean Cluster
 A Program of the Bering Sea Fishermen's Association
 Palmer, Alaska
POSITION STATEMENT: Sought support for HCR 2.

EDWARD MARTIN, JR., Representing Self
 Kenai, Alaska

POSITION STATEMENT: Testified in support of HCR 2.

LEE COOPER, Representing Self
Healy, Alaska

POSITION STATEMENT: Cautioned members about HCR 2.

ACTION NARRATIVE

[3:32:20 PM](#)

CHAIR JOSHUA REVAK called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Kiehl, Micciche, Kawasaki, von Imhof and Chair Revak.

HB 28-REGISTRATION OF BOATS: EXEMPTION

[3:33:11 PM](#)

CHAIR REVAK announced the consideration of CS FOR HOUSE BILL NO. 28(FIN) "An Act relating to the registration of commercial vessels; and providing for an effective date."

This is the second time the bill has come before the committee. Previously, there was discussion about updating the effective dates.

[3:33:25 PM](#)

SENATOR MICCICHE moved to adopt the Senate committee substitute (SCS) for CSHB 28, work order 32-LS0229\G, as the working document.

CHAIR REVAK objected for discussion purposes.

[3:33:52 PM](#)

REPRESENTATIVE GERAN TARR, Alaska State Legislature, Anchorage, Alaska, sponsor of HB 28, stated Mr. Brouwer would review the changes to the bill.

[3:33:59 PM](#)

THATCHER BROUWER, Staff, Representative Geran Tarr, Alaska State Legislature, Juneau, Alaska, reviewed changes contained in the SCS to HB 28. The bill did not pass last year. So, the SCS advances several effective dates in Sections 3 and 4 by one year. It also updates the fee transition period for commercial fishermen who previously paid and registered with the Division of Motor Vehicles.

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CHAIR REVAK removed his objection; he found no further objection, and SCS CSHB 28 was adopted.

CHAIR REVAK found no further questions or comments and solicited a motion.

[3:35:23 PM](#)

SENATOR MICCICHE moved to report the SCS for CSHB 28, work order 32-LS0229\G, from committee with individual recommendations and attached fiscal note(s).

CHAIR REVAK found no objection and SCS CSHB 28(RES) was reported from the Senate Resources Standing Committee.

[3:35:54 PM](#)

At ease.

HCR 2-SUPPORTING ALASKA OCEAN CLUSTER

[3:38:10 PM](#)

CHAIR REVAK reconvened the meeting and announced the consideration of HOUSE CONCURRENT RESOLUTION NO. 2 Supporting the Alaska Ocean Cluster in its mission, efforts, and vision for a vibrant coastal economy in the state, its promotion of a diversified and resilient state economy that creates value from ocean resources, and its building of a statewide integrated ecosystem of innovation and entrepreneurship relating to the state's ocean economy.

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KERRY CROCKER, Staff, Representative Louise Stutes, Alaska State Legislature, Juneau, Alaska, presented HCR 2 on behalf of the sponsor. He stated that this resolution supports the growth of Alaska Ocean Cluster (AOC) in Alaska. The Bering Sea Fishermen's Association initiated AOC in 2017 to promote and grow Alaska's sustainable ocean economy by utilizing existing strengths while supporting innovative and new opportunities. AOC is dedicated to fostering the full potential of the state's seafood, mariculture, transportation, renewable energy, tourism, and research industries. The goal of the resolution is to obtain legislative buy-in so that AOC has increased influence when seeking support in other places. HCR 2 promotes legislative support focused on working together to solve issues facing Alaska's oceans; he emphasized AOC is not seeking financial aid.

MR. CROCKER stated that AOC has groups working on new technology to research bycatch in Alaska waters. This research may prove

useful to the Governor's newly appointed Alaska Bycatch Review Task Force. The possibilities to utilize Alaska waters are endless as Alaska is home to half of the nation's coastline. AOC could build off current industries such as fisheries, offshore oil and gas, exploration, shipping, and tourism. It could expand to new areas like hydro, harnessing tidal energy, utilizing fish by-products, marine recreation, and more. Passage of HCR 2 would give AOC the legislative recognition it needs to thrive.

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GARRETT EVRIDGE, Managing Director, Alaska Ocean Cluster, A Program of the Bering Sea Fishermen's Association, Palmer, Alaska, sought support for HCR 2. He stated that AOC is not seeking funding today. Instead, it is seeking recognition for its work which will improve the credibility of AOC as an organization that supports the development of a modern, environmentally responsible, and resilient ocean economy here in Alaska.

MR. EVRIDGE said that AOC operates today as an innovation cluster. This term describes a group of companies, non-profits, investors, and public institutions that work collaboratively, and sometimes organically, towards innovation within a specific sector or market. Silicone Valley is the best example of a thriving innovation cluster. Other examples across the globe include clusters focused on health care, manufacturing, and energy. Name a sector, and there is probably an innovation cluster associated with it. AOC focuses on the ocean sector, which includes the sectors mentioned above as well as seafood harvesting, mariculture, maritime transportation, remote sensing, and others. Ocean-focused peers of AOC include Norway, Iceland, Seattle, and elsewhere.

MR. EVRIDGE said that AOC's portfolio currently includes eleven ocean companies. These companies are actively working to reduce bycatch, enable precision fishing, and reduce the cost and hassle of maritime transportation while simultaneously growing Alaska's nascent mariculture industry and improving sea ice forecasting in the Bering Sea and the Arctic Ocean. The companies range in stages from pre-seed to series C funding, with one startup recently closing a \$100 million funding round. AOC offers its companies refinement of business strategy, market development, introduction to customers, sourcing of mentors, and other general professional support. In addition to the eleven ocean companies mentioned above, AOC assists about ten early-stage entrepreneurs and startups that may someday join the

portfolio. AOC is also working on about nine other projects in the ocean sector.

MR. Evridge said AOC's work is exciting, speaking as someone who grew up fishing in Kodiak and working in the industry most of his life. One of AOC's companies helps crab fishermen predict the location of sea ice in the Bering Sea five to fourteen days out. Another company currently has smart buoys in the water gathering ocean data. Alaska Ocean Cluster will collaborate with the community development quota (CDQ) group during the pollock B season starting in June and with another company to test novel bycatch reduction devices to reduce salmon bycatch. The organization has helped connect startups with investors, which has resulted in private sector investment. The organization supports the development of at least three Small Business Innovative Research (SBIR) programs; this is one of the primary ways startups develop and prove their business concepts. AOC collaborates with Sandia National Laboratories to identify commercially valuable compounds in Alaska shellfish. AOC is also working with engineering students at the University of Alaska - Fairbanks to improve crab offloading methods which have not changed in the past 70 years. This and other work describe what an innovation cluster does. He expressed his belief that HCR 2 has significant potential to encourage technological innovation, entrepreneurship, private investment, and economic development in the state.

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CHAIR REVAK asked for some of examples of innovations that reduce bycatch.

MR. EVRIDGE answered that Safety Net Technology, a company based in the United Kingdom, is piloting a bycatch reduction device called a Pisces light. Academic research indicates that placing light strategically in a trawl net can reduce salmon and halibut bycatch and potentially other bycatch. AOC is working on a project to get the lights tested this summer in Alaska. Alaska Ocean Cluster also keeps an eye on startups around the globe that offer bycatch reduction technology, such as Hookpod, which has a device that clips onto hooks and reduces bird interactions. Another somewhat novel way to approach the bycatch topic is through ocean data. Tracking concentrations of bycatch could occur if better ocean data were available about what is in the ocean.

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SENATOR VON IMHOF asked whether ocean seeding was related to the decarbonization of the ocean.

MR. EVRIDGE answered yes. The idea is to reduce emissions; a concept that falls under the umbrella of carbon sequestration. A potential solution to reduce emissions involves locking into and sinking emissions to the ocean floor. A lot of activity exists in this space in response to climate change, such as seeding to prompt algal blooms, growing seaweed, and other activities. Significant funds, both philanthropic and venture, are flowing into this space and are focused on climate solutions.

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CHAIR REVAK found no further questions and opened public testimony on HCR 2.

[3:49:15 PM](#)

EDWARD MARTIN, JR., Representing Self, Kenai, Alaska, testified in support of HCR 2. AOC is a non-profit entity that has, no doubt, lobbied the legislature for support. He noted that HCR 2 has a zero fiscal note and hopes it stays that way but questioned the bottom line. He reviewed Alaska Ocean Cluster's website and found no indications of state contributions. He saw that the Alaska Railroad Corporation supported an AOC seminar presentation on Facebook. He is certain AOC has approached other Alaska state entities for funding. He surmised that Alaska has over 3,000 non-profits and cautioned legislators that AOC might seek state funding in the future. He expressed his belief that there is plenty of private industry that would support AOC. He reiterated his support for HCR 2, stating bycatch is a serious problem that has gone on too long.

[3:52:15 PM](#)

LEE COOPER, Representing Self, Healy, Alaska, cautioned members about HCR 2. He stated AOC is not for profit which essentially means it uses its money to pay staff, advisors, and whomever to ensure the organization does not make a profit. He coined the phrase "Danger, Will Robinson, danger," cautioning members that AOC's future financial needs will involve asking the legislature for money. Private initiatives will fund AOC's forward momentum if the organization is serious. Bycatch is not new; Alaska fishermen have the solutions. Fishermen need the support of initiatives from tax rebates. Alaska is good at giving oil companies tax rebates, so incentivize fisheries as well. He questioned how many fishermen are local, and not controlled by Seattle. This question goes hand-in-hand with the sequestration

initiative. Continue the good work but ask hard questions before giving the state's money away, he said.

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CHAIR REVAK closed public testimony on HCR 2 and asked whether Mr. Crocker or Mr. Evridge would like to respond to the public testimony.

MR. CROCKER responded no.

MR. EVRIDGE responded no.

[3:54:49 PM](#)

SENATOR MICCICHE asked about the funding source for Alaska Ocean Cluster.

MR. EVRIDGE answered that the organization receives federal funding through an Economic Development Administration (EDA) grant.

SENATOR MICCICHE asked how many state dollars have gone into the Alaska Ocean Cluster organization since its inception.

MR. EVRIDGE replied, to the best of his knowledge, zero state dollars.

SENATOR MICCICHE stated that his research indicates zero state dollars as well. He had neither been lobbied by the sponsor of HCR 2 nor staff.

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CHAIR REVAK stated those were his questions, and he could not have expressed Senator Micciche's comments better. He reiterated that HCR 2 is just a resolution supporting AOC's work; the resolution does not require funding.

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SENATOR VON IMHOF sought confirmation that Alaska Ocean Cluster could accept corporate donations as a non-profit entity.

MR. EVRIDGE answered yes, that is correct.

SENATOR VON IMHOF said the purpose of entities like AOC is often to do work that is not profitable but is necessary to move an industry forward. Often corporations will support entities that solve industry-specific issues. She asked whether Alaska Ocean Cluster makes the data it collects, through research,

innovation, and development, public for corporations and others to view.

MR. EVRIDGE answered it depends on the project, but generally, the data is publicly available.

SENATOR VON IMHOF stated Mr. Evridge's answer speaks to her point.

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SENATOR MICCICHE stated that he shares a couple of interests with Alaska Ocean Cluster as per AOC's mission statement. One interest is to utilize the industries that Alaska does best to expand the state's economy. Another interest is to employ as many in the private sector as possible so Alaskans can reach their full potential, thus reducing dependence on state services with associated costs. He quoted the following from AOC's opening statement, "We are dedicated to realizing the full potential of the state's seafood, mariculture, transportation, renewable energy, tourism, and research industries."

SENATOR MICCICHE asked whether the goal of Alaska Ocean Cluster is for Alaska to reach its economic potential, as Japan, Norway, and other countries have done for decades.

MR. EVRIDGE answered that AOC and Senator Micciche are pretty closely aligned. AOC is trying to help in a somewhat narrow way. There are a number of different ways to approach the topic of innovation. Alaska Ocean Cluster's approach is to help entrepreneurs and startups. He reiterated Senator von Imhof's comment that this type of work is not immediately profitable. However, to grow sectors, source new ways of doing business, and attract startups and entrepreneurs from all over the globe, this work needs to happen. AOC approaches innovation by strengthening its entrepreneurs and startups and connecting them with global customers.

[4:00:30 PM](#)

[CHAIR REVAK held HCR 2 in committee.]

[4:00:31 PM](#)

There being no further business to come before the committee, Chair Revak adjourned the Senate Resources Standing Committee meeting at 4:00 p.m.