

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

March 26, 2024

10:05 a.m.

**MEMBERS PRESENT**

Representative Sarah Vance, Chair  
Representative Kevin McCabe  
Representative Ben Carpenter  
Representative Craig Johnson  
Representative Louise Stutes  
Representative Rebecca Himschoot

**MEMBERS ABSENT**

Representative CJ McCormick

**COMMITTEE CALENDAR**

HOUSE BILL NO. 329

"An Act relating to state tideland leases; and relating to aquatic farming or related hatchery operation site leases."

- MOVED CSHB 329 (FSH) OUT OF COMMITTEE

HOUSE BILL NO. 195

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

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 329

SHORT TITLE: AQUATIC FARM AND HATCHERY LEASES

SPONSOR(S): REPRESENTATIVE(S) VANCE

02/15/24	(H)	READ THE FIRST TIME - REFERRALS
02/15/24	(H)	FSH, RES
02/27/24	(H)	FSH AT 10:00 AM GRUENBERG 120
02/27/24	(H)	<Bill Hearing Canceled>

03/05/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/05/24 (H) <Bill Hearing Canceled>  
03/07/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/07/24 (H) Heard & Held  
03/07/24 (H) MINUTE(FSH)  
03/14/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/14/24 (H) -- MEETING CANCELED --  
03/19/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/19/24 (H) <Bill Hearing Rescheduled to 03/21/24>  
03/21/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/21/24 (H) -- MEETING CANCELED --  
03/26/24 (H) FSH AT 10:00 AM GRUENBERG 120

BILL: HB 195

SHORT TITLE: COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK  
SPONSOR(S): REPRESENTATIVE(S) RUFFRIDGE

05/08/23 (H) READ THE FIRST TIME - REFERRALS  
05/08/23 (H) FSH, RES  
02/06/24 (H) FSH AT 10:00 AM GRUENBERG 120  
02/06/24 (H) Heard & Held  
02/06/24 (H) MINUTE(FSH)  
02/13/24 (H) FSH AT 10:00 AM GRUENBERG 120  
02/13/24 (H) Heard & Held  
02/13/24 (H) MINUTE(FSH)  
02/27/24 (H) FSH AT 10:00 AM GRUENBERG 120  
02/27/24 (H) <Bill Hearing Canceled>  
03/14/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/14/24 (H) -- MEETING CANCELED --  
03/19/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/19/24 (H) <Bill Hearing Canceled>  
03/21/24 (H) FSH AT 10:00 AM GRUENBERG 120  
03/21/24 (H) -- MEETING CANCELED --  
03/26/24 (H) FSH AT 10:00 AM GRUENBERG 120

**WITNESS REGISTER**

JAKE ALMEIDA, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Vance, prime sponsor, introduced Amendment 1 to HB 329.

KATE DUFAULT, Program Manager  
Aquatic Farms Leasing Program  
Department of Natural Resources

Anchorage, Alaska

**POSITION STATEMENT:** Answered committee questions.

BOB BALLINGER, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Vance, prime sponsor, explained Amendment 2 to HB 195.

GLENN HAIGHT, Commissioner  
Alaska Commercial Fisheries Entry Division  
Juneau, Alaska

**POSITION STATEMENT:** Answered committee questions regarding HB 195.

REPRESENTATIVE JUSTIN RUFFRIDGE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor of HB 195, answered questions from the committee.

#### **ACTION NARRATIVE**

[10:05:04 AM](#)

**CHAIR SARAH VANCE** called the House Special Committee on Fisheries meeting to order at 10:05 a.m. Representatives McCabe, Carpenter, Stutes, Himschoot, and Vance were present at the call to order. Representative C. Johnson arrived as the meeting was in progress.

#### **HB 329-AQUATIC FARM AND HATCHERY LEASES**

[10:05:42 AM](#)

CHAIR VANCE announced that the first order of business would be HOUSE BILL NO. 329, "An Act relating to state tideland leases; and relating to aquatic farming or related hatchery operation site leases."

[10:05:54 AM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 1 to HB 329, labeled 33-LS0552\R.6, Bullard, 3/19/24, which read:

Page 1, following line 3:

Insert a new bill section to read:

**\* Section 1.** AS 38.05.070(e) is amended to read:

(e) The director may renew a lease issued under this section, AS 38.05.075, 38.05.083, or 38.05.810 upon its expiration if the lease is in good standing and the lease renewal is determined to be in the best interests of the state. A renewal issued under this subsection is not subject to AS 38.05.035(e). A lease under this section, AS 38.05.075 [, 38.05.083,] or 38.05.810 may be renewed only once for a term not longer than the initial term of the lease. The director shall provide notice of the lease renewal decision."

Page 1, line 4:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 2, lines 23 - 25:

Delete all material and insert:

"(1) If the director finds that it is in the best interests of the state, the director shall preference the lessee of a site leased under this section in renewing the lease for the site or in issuing a new lease for the site. A lessee under this section is not eligible for a preference to purchase the site under AS 38.05.102."

Page 2, line 30:

Delete "Notwithstanding AS 38.05.070(b), a lease negotiated"

Insert "A lease issued"

Page 2, line 31:

Delete "issued"

Insert "renewed"

Delete "25"

Insert "20"

Page 2, following line 31:

Insert a new bill section to read:

**\* Sec. 6.** AS 38.05.102 is amended to read:

**Sec. 38.05.102. Lessee preference.** Except for a lease under AS 38.05.081 or 38.05.083, if land within a leasehold created under AS 38.05.070 - 38.05.105 is

offered for sale or long-term lease at the termination of the existing leasehold, the director may, upon a finding that it is in the best interest of the state, allow a holder in good standing of the existing leasehold to purchase or lease the land for its appraised fair market value at the time of the sale or long-term lease."

Renumber the following bill section accordingly.

Page 3, line 3:  
Delete "sec. 1"  
Insert "sec. 2"

Page 3, line 4:  
Delete "sec. 2"  
Insert "sec. 3"

REPRESENTATIVE CARPENTER objected for purposes of discussion.

[10:06:13 AM](#)

JAKE ALMEIDA, Staff, Representative Sarah Vance, Alaska State Legislature, addressed Amendment 1 to HB 329. He noted there were many questions and concerns regarding the length of the lease and expounded on lease terms. He emphasized the language inserted on page 2 stated that a lease could be renewed for up to 20 years.

[10:09:44 AM](#)

REPRESENTATIVE CARPENTER restated the lease terms and asked whether he was correct.

MR. ALMEIDA confirmed he was correct.

REPRESENTATIVE CARPENTER discussed the process of timing for businesses to start being able to sell their products and asked what would happen to the lease if the business is insolvent.

[10:11:26 AM](#)

KATE DUFAULT, Program Manager, Aquatic Farms Leasing Program, Department of Natural Resources, explained that if a leaseholder's business failed within two to three years following the lease renewal, they can request lease closure, or

the Department of Natural Resources (DNR) could take steps to close the lease.

REPRESENTATIVE CARPENTER asked to be pointed to the statute that guided the decision whether a lease could be closed.

MS. DUFAULT replied that she could provide it in writing after the committee hearing. She gave a brief description of the lease closure process.

[10:13:06 AM](#)

REPRESENTATIVE HIMSCHOOT asked for discussion on the section that referred to "preference."

[10:13:35 AM](#)

MR. ALMEIDA answered that it was a preference to provide security for the lessee and in the best interest of the industry to provide security to those who have been invested into the first 10 years of the lease.

REPRESENTATIVE CARPENTER withdrew his objection. There being no further objection, Amendment 1 to HB 329 was adopted.

[10:14:59 AM](#)

REPRESENTATIVE STUTES moved to adopt Amendment 2 to HB 329, as amended, labeled 33-LS0552\R.2, Bullard, 3/12/24, which read:

Page 2, line 28, following "product.":  
Insert "The department may terminate a lease under this section if the leased site is not actively used for aquatic farming or related hatchery operations for more than a year."

REPRESENTATIVE CARPENTER objected for purposes of discussion.

REPRESENTATIVE STUTES noted several conversations recently with farmers and others in the mariculture industry, and because it was such a new industry, she withdrew Amendment 2.

[10:15:46 AM](#)

CHAIR VANCE asked for clarity on what DNR does if someone goes out of business and encouraged them to look into what they can do about "squatting."

[10:16:59 AM](#)

REPRESENTATIVE STUTES pointed out that she assured individuals and growers that if squatting became a problem, they should come to the committee for help.

[10:17:27 AM](#)

REPRESENTATIVE STUTES moved to adopt Amendment 3 to HB 329, as amended, labeled 33-LS0552\R.1, Bullard, 2/26/24, which read:

Page 1, line 1, following "**leases;**":  
Insert "**relating to geoduck seed transfers;**"

Page 1, following line 3:  
Insert a new bill section to read:  
"**\* Section 1.** AS 16.40.145 is amended to read:  
**Sec. 16.40.145. Geoduck seed transfer between a certified hatchery and an aquatic farm.** Consistent with AS 16.40.140(b) - (d), a hatchery certified under AS 16.40.100 may transfer geoduck seed to an aquatic farm located in a fisheries management area established under this title that is contiguous to **an island in the Aleutian Chain or to** the Gulf of Alaska."

Page 1, line 4:  
Delete "**Section 1**"  
Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 3, line 3:  
Delete "sec. 1"  
Insert "sec. 2"

Page 3, line 4:  
Delete "sec. 2"  
Insert "sec. 3"

REPRESENTATIVE CARPENTER objected for purposes of discussion.

REPRESENTATIVE STUTES said Amendment 3 was "simple," and included geoducks in the Aleutian chains.

[10:18:10 AM](#)

REPRESENTATIVE CARPENTER removed his objection. There being no further objection, Amendment 3 to HB 329 was adopted.

[10:18:26 AM](#)

REPRESENTATIVE HIMSCHOOT [moved to withdraw] Amendments 4 and 5. [There being no objection, it was so ordered.]

[10:19:29 AM](#)

REPRESENTATIVE STUTES commented that the bill was good for the economy in the state and for new industries.

CHAIR VANCE added that she was excited for the new legislation and Alaska mariculture. She added that there is a lot of new territory and looked forward to seeing it grow, as well as there being more certainty for fisherman to stay in the industry.

[10:21:20 AM](#)

REPRESENTATIVE MCCABE moved to report HB 329, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 329(FSH) was reported out of the House Special Committee on Fisheries.

[10:21:45 AM](#)

The committee took an at-ease from 10:21 a.m. to 10:30 a.m.

**HB 195-COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK**

[10:30:58 AM](#)

CHAIR VANCE announced that the next order of business would be HOUSE BILL NO. 195, "An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial set net entry permits; establishing a buy-back program for certain set net entry permits; providing for the termination of state set net tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

[10:31:14 AM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 1 to HB 195, labeled 33-LS0807\A.2, Bullard, 3/4/24, which read:

Page 1, lines 4 - 5:

Delete "closing certain water to commercial fishing;"

Page 7, line 27:

Delete "(1)"

Page 7, line 29, following "section":

Delete "; and"

Insert "."

Page 7, line 30, through page 8, line 8:

Delete all material.

Reletter the following subsections accordingly.

Page 8, lines 11 - 13:

Delete "and of the geographic boundaries of the water that will be closed to commercial salmon fishing under (h) of this section"

REPRESENTATIVE CARPENTER objected for purposes of discussion.

[10:31:19 AM](#)

CHAIR VANCE explained the deletion in Amendment 1 and that the bill directly dealt with fishermen in the Cook Inlet.

REPRESENTATIVE CARPENTER removed his objection. There being no objection, Amendment 1 to HB 195 was adopted.

[10:32:31 AM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 2 to HB 195, labeled 33-LS0807\A.4, Bullard, 3/20/24, which read:

Page 1, line 11, through page 2, line 5:

Delete all material and insert:

"\* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS. (a) The Alaska State Legislature finds that there is a clear and legitimate state purpose in addressing the dire predicament faced by commercial set net fishers on the east side of Cook

Inlet. The predicament stems primarily from the following:

(1) the recent return of king salmon to the Kenai River, which resulted in the 2023 closure of commercial set net fishing on the east side of Cook Inlet;

(2) management restrictions adopted in 2024 that limit the use of commercial set nets in the region that serve to almost close the east side of Cook Inlet to commercial set netting;

(3) the Department of Fish and Game's treatment of the incidental catch of king salmon by commercial set netters fishing for sockeye salmon as a significant challenge to conservation efforts;

(4) the importance of Kenai River king salmon to the residents of the state for personal use and to the sportfish guiding industry on the Kenai River; and

(5) long-term allocative changes made by the Board of Fisheries to how the state's fishery resource is allocated, with data from the Department of Fish and Game indicating a substantial reduction in commercial set netter fishing times on the east side of Cook Inlet over the years, from upward of 500 hours annually in the late 1980s to an average of 200 hours annually in recent years; while the management changes may be intended to balance fishery interests statewide, the commercial set net fishery on the east side of Cook Inlet is uniquely vulnerable because of its location amid the state's largest and expanding population base.

(b) The Alaska State Legislature finds that, for over 150 years, generations of commercial set netting families have been central to the legacy of the historic commercial set net fishery on the east side of Cook Inlet. Since the 1840s, commercial set netters have harvested salmon that has sustained local communities and reached tables worldwide. Commercial set netting is a long tradition in the region, used in early international fishing expeditions to the water on the east side of Cook Inlet and generating salmon for the first cannery at the mouth of the Kasilof River in 1882. From the founding of that cannery, the cannery industry expanded rapidly, with 37 canneries along the state's coast by 1892. When fish traps were prohibited, set nets were essential for independent fishers, ensuring the continuation of commercial

salmon harvesting for canneries. Commercial set net fishing has been a sustainable tradition that has profoundly influenced the cultural and economic fabric of the east side of Cook Inlet.

(c) The Alaska State Legislature finds that this Act, including the limitations on eligibility for the buy back of a commercial limited entry permit for the set net fishery on the east side of Cook Inlet, is rooted in the specific challenges these particular commercial fishers face. Unlike other fisheries, the commercial set net fishery on the east side of Cook Inlet has been subject to targeted closures, severely limiting the ability of commercial set net fishers to fish commercially in recent years. This fishery relies on sockeye salmon returns to the Kenai and Kasilof Rivers, which are experiencing management pressures generated by the demands of the region's growing population.

(d) The Alaska State Legislature finds that the Department of Fish and Game's 2023 Upper Cook Inlet Commercial Salmon Fishery Season Summary sheds light on the stark realities faced by commercial set netters fishing the east side of Cook Inlet. The fishery was closed throughout the 2023 season because of a dismal forecast for Kenai River late-run large king salmon. Consequently, there was no commercial salmon harvest in the commercial set net fishery on the east side of Cook Inlet, further exacerbating the economic challenges confronting these fishers. In contrast, other fisheries in the region and around the state were able to operate under varying conditions. Some even experienced bountiful seasons.

(e) The Alaska State Legislature finds that it is significant that the Upper Subdistrict of the Cook Inlet Central District area remained completely closed throughout the summer of 2023. While other districts and subdistricts operated under different management conditions, the closure of commercial set net fishing in this subdistrict underscores the unique challenges faced by this segment of the fishing industry. As such, the Alaska State Legislature finds that it is imperative to address the specific needs and concerns of commercial set netters operating on the east side of Cook Inlet through targeted legislative measures, such as those proposed in this Act.

(f) The Alaska State Legislature finds that the buy-back program established by this Act addresses the

inadequacies of applicable existing statutory provisions. The existing buy-back provisions, which allow for the establishment of taxes on existing operators, do not address the specific needs of commercial set netters operating on the east side of Cook Inlet. Taxing permit holders who operate outside the east side of Cook Inlet to fund buy backs for commercial limited entry permits fished on the east side of Cook Inlet is not viable. Therefore, this Act's establishment of a smaller management area exclusively for commercial set netters fishing on the east side of Cook Inlet is crucial to ensuring the effectiveness and fairness of this Act's buy-back program.

(g) The Alaska State Legislature finds that allowing certain qualified commercial limited entry permit holders to sell their permits to the Alaska Commercial Fisheries Entry Commission while excluding other commercial fishers is essential to the integrity and effectiveness of the buy-back program. By restricting eligibility to those with a demonstrated history of involvement in the fishery, this Act prevents opportunistic speculation and ensures that only individuals who were genuinely invested in the fishery on the east side of Cook Inlet are eligible. That portion of this Act prevents a person from acquiring a limited entry permit solely for the purpose of profiting from this Act's buy-back provisions."

[10:32:42 AM](#)

REPRESENTATIVE CARPENTER objected for purposes of discussion.

[10:32:42 AM](#)

BOB BALLINGER, Staff, Representative Sarah Vance, Alaska State Legislature, explained the purpose of the intent language in Amendment 2. He said the nature of the legislation brings into question issues such as local legislation that is prohibited, or equal protection. He expounded on permits and timeframes.

[10:35:31 AM](#)

REPRESENTATIVE STUTES asked for clarification why an amendment is needed to explain why there is a buy-back program.

MR.BALLINGER replied that most of the time you do not put legislative intent on a bill; however, there were concerns about violation of equal protection.

REPRESENTATIVE STUTES expressed that it seemed to be a lot of extra paperwork, and it is not the first buy-back program that the state had been involved in. She added that she understood the portion on the permit timeframe but opined that the rest was superfluous.

[10:38:25 AM](#)

CHAIR VANCE pointed out that the bill had been seen more than 6 years and it always received the same outcome. There are constitutional questions in the legislative intent, and she offered her belief it would be more appropriate that the findings be in writing.

[10:40:14 AM](#)

REPRESENTATIVE HIMSCHOOT referred to the last page, Section (f), regarding taxation. She further questioned the dollar amounts of the permits, and asked why net setters cannot tax themselves.

MR.BALLINGER responded that the problem would be that there is not a large enough population in this group to sustain such a tax.

CHAIR VANCE added that Commissioner Haight was available online to answer questions.

[10:41:51 AM](#)

GLENN HAIGHT, Commissioner, Alaska Commercial Fisheries Entry Division, explained that it was a question of value. He briefly explained other buy-back programs and the affordability of paying taxes.

REPRESENTATIVE HIMSCHOOT asked whether the taxes were paid in one season or spread over many years.

COMMISSIONER HAIGHT said he did not have specifics, but it took several years to pay off.

REPRESENTATIVE HIMSCHOOT observed it would be taxpayers funding this in one way or another.

COMMISSIONER HAIGHT answered that participants would not have the kind of resources or assurance that they would catch more fish to pay it off.

REPRESENTATIVE HIMSCHOOT, speaking to the main bill, asked Commissioner Haight if he could speak to the current value versus the buyback price.

COMMISSIONER HAIGHT said he did not think the permit value was the best measure right away, and the price has remained very low. He recommended looking at a fishery when it is healthy and do a business valuation.

REPRESENTATIVE HIMSCHOOT asked whether the amendment was seen as a friendly amendment by the bill sponsor.

[10:47:25 AM](#)

REPRESENTATIVE JUSTIN RUFFRIDGE, Alaska State Legislature, confirmed it was a friendly amendment.

[10:48:00 AM](#)

REPRESENTATIVE STUTES asked how many net set permits were in the Cook Inlet area, and how many permit holders there were.

COMMISSIONER HAIGHT responded there were roughly 740 permits, and 420 on the east side. In response to a follow up question, he said on the east side there were 340 permit holders.

[10:49:00 AM](#)

REPRESENTATIVE MCCABE noted that Representative Stutes raised an interesting question. He asked what the value of a permit was currently, and whether the state issued too many permits.

REPRESENTATIVE RUFFRIDGE, speaking to the underlying bill, said there was an assumption that if a person puts a permit into the pool, there must be an election that happens, and the permits must be drawn by a lottery. He addressed a previous comment about assessing value based on the business metrics versus the price of a permit. He clarified that part of the reason for the intent language is to address a very unique situation and offer more understanding of it.

[10:53:44 AM](#)

CHAIR VANCE asked for clarification on a Board of Fisheries decision regarding east side netters and allowable fishing.

REPRESENTATIVE RUFFRIDGE explained that the decision was to shut down the east side set net fishery.

REPRESENTATIVE MCCABE added that there was a risk in putting permits into the lottery.

[10:55:23 AM](#)

REPRESENTATIVE CARPENTER referenced intent language and asked whether the buyback was part of the state's management strategy.

MR.BALLINGER replied that if the bill passed, then absolutely.

REPRESENTATIVE RUFFRIDGE added clarification that the bill would not intend to override a management plan.

REPRESENTATIVE CARPENTER commented that if the current management plan did not include a buyback, the legislature would enact statute that would create a buyback, and it would override at least part of a management plan.

REPRESENTATIVE RUFFRIDGE said the current management plan in place is an allocation question.

[10:58:05 AM](#)

CHAIR VANCE asked for commentary on the management of permits.

COMMISSIONER HAIGHT said the management plan from the board is a dynamic plan that changes over time, and what is in front of the committee now is something new.

REPRESENTATIVE CARPENTER read from the amendment under discussion and questioned whether there was a recommendation to reduce the east side set net permits, thus that was why HB 195 was before the committee.

[10:59:53 AM](#)

CHAIR VANCE read from page 3, Section (f), and questioned whether the current buyback provision does not meet the needs of this set group of fishermen.

REPRESENTATIVE CARPENTER restated his inquiry.

[11:01:05 AM](#)

REPRESENTATIVE RUFFRIDGE explained that through the management plan, the intent of the Board of Fisheries is that the east side set net fishery shall remain limited at best and closed at worst. He stressed this is not due to the lack of the entirety of the salmon run, but due to one species.

REPRESENTATIVE CARPENTER commented that not all east side set netters agree that this is the right strategy to take, and there is a division in the user group whether the legislature should take the action on buybacks. He recognized there was likely a constitutional concern in prohibiting one user group from fishing. He expressed uncertainty that this [legislation] would solve the problem.

[11:04:51 AM](#)

CHAIR VANCE expounded on buyback and permit processes already available in statute, but that the current bill created a different mechanism for the same function. She added that this is not a guarantee; however, by having a buyback that reduces the permits, it allows those who remain to better optimize the fishery.

REPRESENTATIVE RUFFRIDGE acknowledged commentary that "this is a management issue," and it is an "out," not an answer. He spoke of economic disaster relief, and dollars actively being pushed into the fishery. He noted that the fisheries would have a chance to vote, and it is a democratic solution to a management problem.

[11:09:04 AM](#)

REPRESENTATIVE STUTES pointed out that most buyback plans were self-funded and bought out the other boat. She said the remaining permit holders have no stake at all, and there is a huge price on their permits. She offered personal examples as a liquor license holder. She said when you go into a fishing business, there are no guarantees, and a price of \$260,000 for a permit was overwhelming to her. She noted that she had trepidation with the proposed legislation.

[11:11:23 AM](#)

REPRESENTATIVE MCCABE explained that the permit system from the beginning was designed to limit the amount of fish taken. He opined the management issue is that there are too many permits out there and now we must find a way to get them back. He noted that the lottery system may be the fairest way to move forward and added that he supported the idea of there being a vote.

[11:13:22 AM](#)

CHAIR VANCE reminded the committee that intent language did not speak to the dollar value that is in the legislation, but merely addressed the constitutional questions why "this is a unique fishery."

REPRESENTATIVE HIMSCHOOT referred to the fish and whether they were there, or not there.

REPRESENTATIVE RUFFRIDGE clarified that the numbers of sockeye salmon that entered the area were well documented, and the escapement was clear. He stressed that the fish were most definitely there.

REPRESENTATIVE HIMSCHOOT observed there being no shortage of fish, but it could be a reallocation issue.

REPRESENTATIVE RUFFRIDGE clarified that sockeye salmon are there and that the decision to reallocate was for a different species.

REPRESENTATIVE HIMSCHOOT offered her understanding that the fish are there, but other fish are interfering. She questioned whether the state had a duty to restore "where we have messed up."

REPRESENTATIVE RUFFRIDGE offered to provide data and spoke to a study done over last 2 years, to which he gave a brief example of. He noted invited testifiers who could best speak to the issue.

[11:17:46 AM](#)

COMMISSIONER HAIGHT expounded on a study that was conducted and noted there was a report in the committee packet.

CHAIR VANCE asked Mr. Haight to speak to the purpose of the state doing those studies and looking at (indisc.) numbers.

COMMISSIONER HAIGHT responded it was to go back in time to see if the numbers were right, and if there were too few, more would need to be issued and if there were too many, there were provisions for buyback.

CHAIR VANCE questioned whether the study was based on the size of the run, or the allocation.

COMMISSIONER HAIGHT answered the size of the run.

[11:20:13 AM](#)

REPRESENTATIVE STUTES shared her concern about the lack of familiarity of fisheries from some of the legislators, and for the body to be making fishing policy when there are departments and boards alarmed her.

[11:21:15 AM](#)

REPRESENTATIVE CARPENTER maintained his objection.

A roll call vote was taken. Representatives Carpenter, C. Johnson, Himschoot, McCabe, and Vance voted in favor of Amendment 2. Representative Stutes voted against it. Therefore, Amendment 2 was adopted by a vote of 5-1.

[11:22:43 AM](#)

REPRESENTATIVE MCCABE moved to adopt Amendment 3 to HB 195, labeled 33-LS0807\A.5, Bullard, 3/20/24, which read:

Page 2, line 10:  
Delete "2023" in both places  
Insert "2024" in both places

Page 2, line 15:  
Delete "2023"  
Insert "2024"

Page 2, line 22:  
Delete "2024"  
Insert "2025"

Page 2, line 29:  
Delete "2023"  
Insert "2024"

Page 3, line 5:  
Delete "2023"  
Insert "2024"

Page 3, line 7:  
Delete "2024"  
Insert "2025"

Page 3, line 18:  
Delete "2024"  
Insert "2025"

Page 4, line 2:  
Delete "2024"  
Insert "2025"

Page 4, line 19, following "notice":  
Insert "on the Alaska Online Public Notice System  
(AS 44.62.175) and"

Page 6, line 7:  
Delete "2023"  
Insert "2024"

Page 9, line 2:  
Delete "2030"  
Insert "2031"

Page 9, line 11:  
Delete "2030"  
Insert "2031"

Page 9, line 17:  
Delete "2024"  
Insert "2025"

Page 9, line 22:  
Delete "2023"  
Insert "2024"

REPRESENTATIVE CARPENTER objected for purposes of discussion.

[11:23:01 AM](#)

CHAIR VANCE explained that Amendment 3 was to adjust the dates in the bill related to implementation.

REPRESENTATIVE CARPENTER removed his objection. There being no further objection, Amendment 3 to HB 195 was adopted.

[11:24:11 AM](#)

REPRESENTATIVE CARPENTER, referring to the previous assumption that there were too many permits, asked whom the majority of those opinions were held by.

COMMISSIONER HAIGHT explained how permits and pounds of fish related to one another, and he said it was fair to say there were too many permits on the east side. He said there appeared to be more permits out there than the fish that are able to be caught.

REPRESENTATIVE CARPENTER questioned whether there was an official recommendation from stakeholders of the fisheries that a reduction in the number of permits on the east side was called for or was the legislature making that assumption.

COMMISSIONER HAIGHT responded that he did not have an official stance, but opined it was the latter.

[11:27:00 AM](#)

CHAIR VANCE clarified departments and what they dealt with, and that the legislature made policy decisions, as well as stakeholders having recommendations.

REPRESENTATIVE RUFFRIDGE added that the bill was a result of stakeholder input. He mentioned "fish wars," and the east side set net community had too many nets in the water which was not sustainable. He noted the complexity of user groups that all demand more fish, and this could be a tool used by a particular user group to make decisions.

CHAIR VANCE referenced page 6, line 24, and whether the number of permits to be removed was satisfactory.

REPRESENTATIVE RUFFRIDGE said the number could increase and it could be acceptable to all stakeholders.

[11:30:05 AM](#)

REPRESENTATIVE MCCABE commented that the state has already interfered in the free market and was forced to do that because

the resources cannot be controlled. It is a conundrum, he said, and he spoke to the complications.

[11:31:40 AM](#)

CHAIR VANCE inquired about the dollar value associated with the buyback.

REPRESENTATIVE RUFFRIDGE reiterated that the purpose and intent of the bill was to be framework language. The buyback would be managed by the Commercial Fisheries Entry Commission (CFEC), and the east side set net community had an intention to fund the buyback through disaster relief dollars or through private funding. He noted his intent is that the dollar figure is made clear to those entering the lottery.

[11:36:05 AM](#)

REPRESENTATIVE HIMSCHOOT asked for clarity that no matter how many permits one holds, they only fish one net.

CHAIR VANCE shared her understanding that it was one set net per permit, plus the use of a dip net.

REPRESENTATIVE HIMSCHOOT asked the bill sponsor whether those who held permits since 2020 were eligible to enter the lottery. She further questioned the value of permits over recent years and that she struggled with the current number.

REPRESENTATIVE RUFFRIDGE answered that the value of the permit is not the question to be asked, but the value of being able to fish.

REPRESENTATIVE HIMSCHOOT asked whether there was a way of looking at the election, lottery, and lastly, the value of the fish.

REPRESENTATIVE RUFFRIDGE answered that the fishery under discussion is a fishery that has not been able to fish, and if you look at a production amount in relation to the permit, he said east side set netters would be very clear.

[11:42:35 AM](#)

REPRESENTATIVE CARPENTER opined that it was a fairness issue. The discussion was about permits, not permit holders. He gave examples of the lottery system and a management and allocation

issue around permits. He further opined that the legislature was "kicking the can" over to someone else to make the decision.

CHAIR VANCE asked about permit holders that do not want to participate in a proposed voluntary lottery and how it would be fair to them.

REPRESENTATIVE CARPENTER said that was an open-ended question on an alternative solution. He explained there is a process in place for permit buybacks not being used, and now a second process is being created. He noted he was on board with the allocation issue on the Kenai River.

CHAIR VANCE commented that the fishermen want to fish, and the area in the Cook Inlet has been a concern for quite some time. She said fishermen feel discriminated against and it has been a decades long issue. She stressed that it was the state's responsibility to find a solution that works with management. The current buyback structure requirement is not doable for this set of fishermen because their allocation has been continually reduced; therefore, they could not fulfill the requirements of the taxation to meet the buyback. She said the nuances must be worked through and must continue to be discussed.

[11:49:13 AM](#)

REPRESENTATIVE RUFFRIDGE noted that this was a relatively regional concern, and for those who are not bordered by the Cook Inlet, it may seem foreign. He shared his concerns about the bill due to the issue of fairness, and one component that helped him was that the bill offered the allowance to elect a lottery. It gives fishermen an opportunity to somewhat control their own destiny, he said.

[HB 129 was held over.]

[11:52:14 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:52 a.m.