1973-1974

HOUSE RESOURCES COMMITTEE

LIST OF FILES (PAGE 1)

FISHERIES: REPORT ON MEETINGS OF HOUSE INTERIM COMMITTEE ON FISHERIES AND SENATE SPECIAL COMMITTEE ON FISHERIES (SEPT.-DEC.1973)

HB 1

HB 14

HB 39

HB 40

HB 59

HB 71

HB 73

HB 82

HB 101

HB 109

HB 110

HB 126 (SEE LIMITED ENTRY FILES AT END OF HOUSE RESOURCES 1973/74)

HB 135

HB 138

HB 294

HB 363

HB 499

HB 516

HB 524

HB 525

HB 529

HB 531

HB 613

HB 628

1973-1974

HOUSE RESOUCES COMMITTEE

LIST OF FILES ( PAGE 2)

HB 634

HB 724

HB 748

SB 39 (SEE LIMITED ENTRY FILES AT END OF HOUSE RESOURCES 1973-1974)

SB 268

# REPORT ON THE MEETINGS OF THE HOUSE INTERIM COMMITTEE ON FISHERIES AND THE SENATE SPECIAL COMMITTEE ON FISHERIES

(September - December 1973)

# ALASKA LEGISLATIVE COUNCIL

## LEGISLATIVE AFFAIRS AGENCY

REPORT ON THE MEETINGS OF

THE HOUSE INTERIM COMMITTEE ON FISHERIES

AND THE SENATE SPECIAL COMMITTEE

ON FISHERIES

(September - December 1973)

JANUARY 1974

REPRESENTATIVE
JOE McGILL
BOX 218
DILLINGHAM, ALASKA 99576

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99801

Alaska State Legislature

House of Representatives

Interim Committee
On Fisheries

Joe McGill, Chairman
Haugen
Eliason
Tillion
Gardiner
Barber
Specking

# REPORT ON THE HEARINGS OF THE HOUSE INTERIM COMMITTEE ON FISHERIES AND THE SENATE SPECIAL COMMITTEE ON FISHERIES

September - December 1973

Joe McGill

Joe McGill

Chairman

# I. INTRODUCTION

The Joint House-Senate Interim Committee on Fisheries has completed its series of hearings on fisheries and submits herewith a summary of the testimony it received, with attached legislative proposals. The committee traveled widely throughout the state, holding hearings in Anchorage, Nenana, Soldotna, Juneau, Sitka, Wrangell, Petersburg, Ketchikan, Cordova, Kodiak, Naknek, Dillingham and Bethel. Attendance was generally good, providing a cross section of the thinking on the major subjects concerning the particular area.

Generally, attention was directed to local problems, although comments frequently were made in most areas on the following:

1. the limited entry program
2. problems of protection and enforcement
3. rehabilitation of salmon streams
4. the U.S. contiguous fisheries zone limit and its extension
5. the International North Pacific Fisheries Convention
6. sea mammal predation
7. the harvest and sale of herring roe commercially
8. the fuel crisis and its application to fishermen
9. the tagging of salmon in areas of intermingling stocks
10. the conflict between commercial and subsistence fishing
11. the potential pipeline impact on fisheries
12. the effect of logging on fisheries
13. the need for expanded research programs in all areas

The testimony heard in each community will be summarized and then drawn together more concisely in a conclusion, followed by attached proposals for legislation.

## II. SUMMARY BY LOCAL AREA

Anchorage (7 persons testifying) - October 11

Mr. Tasher and Mr. M. Taylor commented on limited entry with Tasher in opposition, feeling that it is socialistic, monopolistic, and impractical and will result in expensive litigation, with prohibitively high prices developing for permits. Mr. Taylor was concerned with persons who had bought boats who would not be able to get a permit.

The Cook Inlet fishery was discussed by Sam McDowell, with emphasis on the economic importance of sport fishing. He supported the department's closure of N. District streams this year and stated that the highest and best use for Cook Inlet king salmon was sport fishing.

The prime importance of sport fishing to the tourist industry was stressed by Mike Hershberger. He opposed eradicating char to protect salmon, claiming that if the salmon is managed properly the char will take care of itself. He also felt more research should be done on char before any controls are implemented for fear that other predators could become dominant.

The need for increased enforcement efforts was stressed by Bill Martin, particularly in salmon spawning areas. He cited a case in point of Natives fishing 35 miles up the Togiak River with gill nets. Also the small fines imposed by magistrates was of great concern; he advocated strong minimum fines for violations.

The need for an expanded boundary for the U.S. contiguous fisheries zone was supported by Joe Graham, with the desire for uniform rules for all nationals.

Nenana (14 persons testifying) - October 12

The quota system set up by the Department of Fish and Game for the upper Yukon River was criticized by Senator John Sackett and Mr. Sterling True, fish processor and buyer, with reference to an August closure in the upper waters but not at the mouth. (The conflict appeared to be a discrepancy of quota between the upper and lower regions.) The comment was made that the basis for the quota was wrong as the upper Yukon (central Yukon and Tanana River) fishery has always been in reality a commercial fishery although it has been called subsistence; commercial because dried salmon were bartered and traded and a relatively small percentage went into human consumption. Historically, up to 80 tons were utilized (1 ton = 2000 dried fish).

Others commented on the lack of fish traveling upstream due to lower river fishermen catching them first.

Ron Regnart, Regional Supervisor for Commercial Fisheries, explained the quota system, citing great breakthroughs in marketing and transportation which in the last few years have contributed to an early exceeding of the quota. Increased pressure downriver also has resulted in the early closure upriver for 1973 (from a high of one million fish in the 30's and 40's to a low of 150,000 fish in 1973). There has been a decline in effort (400 fish wheels in the 1930's to 56 in 1973). So most testimony was concerned with the allocation problems between the upriver and downriver take and cited departmental staff proposals before the Nov.-Dec. 1973 board meeting to split the area into three smaller districts in an effort to better manage it.

The Canadian commercial fishing efforts on the Yukon this year were discussed with the extent of their recently developing commercial fishery not known, but sure to increase in the future. It was brought out that the U.S. and Canada are negotiating on the subject presently.

Edmond Gilbert testified that Natives were destroying 800-900 pounds of eggs, polluting the rivers with them. He strongly advocated that "subsistence eggs" be allowed to be sold commercially.

Mr. Robert A. Coghill substantiated commercial selling of dried salmon in the area in the past (3-4 tons just 10 years ago). He cited declines occurring with the lack of need for dog food, less initiative, etc. Welfare has provided an easier substitute now.

Rep. Wilson supported the premise that past fishing efforts, called "subsistence", were really commercial in nature. He called for a new quota system to be devised as fishing divisions are not presently equitable, i.e. a quota is needed for each district.

Rearing salmon will be the answer to the problem ultimately, according to Mike Combs. More thought should be given to the Interior as a viable commercial fishery. Rivers like the Yukon certainly have the capability of producing artificially produced fish, particularly with such close proximity to sources of heat. Development of a sheefish and whitefish commercial fishery was suggested also.

Amena Lord thought each area should have its own regulations, and that the Natives should be permitted to sell commercially to supplement their meagre incomes.

Soldotna (11 persons testifying) - October 13

Testimony concentrated on two areas: the incursion on Alaska fishing grounds by foreign nationals (many examples cited), and the great expansion of gear in the Cook Inlet area. Concern for the setnetters and whether their fishery would be classified as "distressed" under the limited entry regulations was voiced also.

Juneau Public Hearing (9 persons testifying) - December

Mike McNiven urged that funds accruing to the state from U.S. Forest Service timber sales should go to rehabilitation of fisheries.

Several persons testified that additional hatcheries, fish farms and other rehab measures were needed to boost the present declining runs. In addition, money was urged for the purchase of new vessels for enforcement purposes and for research into herring stocks.

Bruce Lewis opposed private fish farming as developing into too restrictive a scheme and urged curtailment of sea mammals and eagles were their numbers were affecting the fisheries.

Comments regarding the raw fish tax were made by Ed Johnson, fish processor, and Ray Mathews, gill netter. Johnson opposed increasing it, as several communities such as Kake and Metlakatla were not now subject to the tax. Mathews recommended an increase if he could be sure it would get back into the fishery.

Herring received some attention, with testimony generally deploring the dwindling stocks. Bill Carr urged that the legislature appropriate funds for herring research vessels and that herring numbers merit commercial harvest. Charles Whitey, troller, opposed the commercial harvest of herring, citing decreased stocks.

Juneau Testimony by Board of Fish and Game Members - December 2

Testimony before the committee by board members centered around internal problems relating to the makeup of the board and its advisory committees (and associated staff problems) on the one hand, and external matters such as the increased protection needs, the revision of the penalty structure in the statutes, and an increase in revenues by moderate license fee increases, on the other.

Oscar Dyson and Jim Reardon stressed the need for expanded enforcement efforts, particularly in the area of vessel and equipment purchase. As a measure to increase funds for this and other concerns the feeling was unanimous that sport and commercial fishing license fees should be increased. This was personally endorsed by the commissioner. It was stated that the general fund appropriation for fish and game amounted to less than two per cent of the state's budget; small in relation to the economic benefit the state derives from it.

Gordon Jensen asked that the legislature explore all possible ways that the high seas fisheries problems could be alleviated, especially the off-shore bottom fishery. Pete Lovseth added that the state might impose economic sanctions on Japan, for example, in other areas.

The problem of the mobile processor was brought forth as a serious one: the fact that shore-based processors, who pay local taxes, are shortchanged and that mobile processors can stand outside the territorial waters and harvest the product without controls.

Penalties in the fisheries statutes needed strengthening, according to most board members. Certain misdemeanors deserve felony status and more sentences should be mandatory.

Testimony was heard on the need for a permanent fish and game attorney attached solely to the department, the need for a full-time board staff or secretary, and the revitalization of advisory committees.

Kodiak (9 people testifying) - December 4

Testimony in Kodiak ran heavily to considerations of foreign nationals fishing in Alaska waters, with numerous violations cited, much foreign monofilament net located, and the consensus being that the U.S. territorial limit be extended to 200 miles. Mr. Lloyd Canon urged support for S. 1988, designed to accomplish this. Harold Jons stressed the psychological value attached to a unilateral move on the part of a state extension of its fishing limits, citing the efforts of Massachusetts and Maine. It was stated that the 12-mile limit is not worth patrolling since so much of the fleet works outside it. Jons also explained that the 200-mile limit was designed mainly to protect stocks other than salmon as they tend to "mill" outside the 200-mile limit. It was recommended that the U.S. pursue a policy of the 200-mile limit extension and maintenance of the 175° W. abstention line of the I.N.P.F.C.

In conjunction with extension limits, beefed-up enforcement efforts were urged. Although the past year's efforts in the Kodiak area were applauded, it was felt that, considering the size of the fishery in the Kodiak area and the amount of money it produces, efforts should be strengthened even more. Others felt the vessel Resolution was the only saving feature for Kodiak and that others like it were needed, particularly in the Adak and Dutch Harbor areas of the Aleutian Chain. Most applauded the prospect of "T-boats" coming in (requested in latest budget request) but felt the larger vessels like the Resolution were required for offshore patrol.

Mr. Mike Revard emphasized that many violations that are presently misdemeanors should be classified as felonies and that perhaps monetary penalties should be geared to the value of the illegal catch (i.e. petty and grand larceny division), and also that license revocation should focus on the boat license not individual commercial fishing license.

Testimony also referred to the need for increased expenditure for stream clearing (Diwitt Fields), the Afognak Island logging contract and the desire to have it cancelled for fear of potential degradation (by tannic acid) of crab and shrimp spat.

Mr. Canon testified on the need for research funds generally, and particularly to establish rehab measures: salt water rearing pens, gravel incubators, etc.

Sitka (13 persons testifying) - November 13

Initially, questions were asked about limited entry; these were answered very generally, with direction to address specific questions to the limited entry commission in Juneau.

Protection was a frequent subject, with several persons citing both the need for more adequate patrolling offshore and problems associated with illegal harvest at the mouths of salmon streams and abuse on the spawning grounds (shooting, snagging and roe stealing). The case of abuse in Stargaven Creek by the ferry landing was given by way of example. John Dapcevich, Mayor, urged the committee to push for a high endurance Coast Guard cutter for the Sitka area.

Herring and herring roe were discussed at length with much concern at the general lack of feed for salmon. Also, opposition to the harvest and local sale of herring roe to the Japanese, with the subsequent waste of the fish carcasses, was expressed. The creation of a state department of salmon hatcheries was suggested to accord proper emphasis to this subject.

Concern for the ebbing halibut fishery was voiced by Ann Hansen; quotas have been dropped each year. The need for extra research to rebuild the halibut fishery was stressed.

Other testimony urged adoption of a 200-mile limit (John Boyles, Mr. Brookman), more coordination of advisory committees (Art Petroboard, Jr.), longer terms for regular board members, a fish hatchery located in Sitka (Brookman, Dapcevich), the emerging fuel crisis, state subsidies for bottom fishery exploration, salt water rearing pens, and an expanded stream rehabilitation program in all of Southeast, with the salmon rearing program under the direction of an independent expert not associated with the Department of Fish and Game.

Wrangell (8 persons testifying) - November 14

The committee heard testimony from members of the ANB-ANS convention. Many persons were concerned with the effect of limited entry on them, particularly whether the canneries would monopolize the permits, and that the maximum 7 per cent buy-back assessment of the gross would work a hardship on the poor people. They suggested that the maximum be 7 per cent of the net, and that children be able to buy permits within their family.

Enforcement was criticized from the standpoint that officers check licenses during fishing periods and while sets are being made, thereby creating loss of fishing time and profits. Also criticized was the lack of vessels to properly cover the Lynn Canal area, particularly in the Sumner Straits and Haines areas (Gill Gunnerson). Mr. Herb Bratley stressed greater high seas protection.

Concern was voiced over the recent influx of Canadian fishermen sport fishing in the Haines area (586 of them).

Several persons urged the committee to stop the harvest of herring eggs for commercial purposes (Diane Nelson).

Andy Hope urged Native-administered fish farms on land owned by the Native corporations. This was cited as an excellent opportunity for both Native and white to coordinate efforts in this area.

Petersburg (10 persons testifying) - November 14

Testimony was strong on the present fuel shortage and whether fishermen would occupy a preferred category as far as allocation was concerned, and also the problem of new entry into the fisheries and whether new boats would qualify for fuel supplies.

Herring was in need of more attention, according to several persons present. Displeasure with the type of equipment the Department of Fish and Game is using to determine magnitude of herring stocks was voiced. It was felt that no one really knows their numbers and that research and management techniques be perfected (Bob Thortenson, Fred Haltiner, Lay Petersen). There was opposition to taking herring roe on kelp and to disposing of herring after removing eggs.

Gordon Jensen advocated the initiation of tagging studies in areas where salmon fishing occurs on intermingled stocks (Icy Straits, west coast of Prince of Wales Island).

Concern was expressed for increased enforcement efforts, with reference to Canada's 62 protection vessels in B.C. compared with our own 3 or 4 (Jensen). Complaints were heard that Public Safety enforcement personnel lack an expertise and working knowledge of the fishery (F. Haltiner). W. Alex mentioned problems with suspended sentences and weak fines, and the need for mandatory punishment for intentional violations. Mr. Don Power reiterated that enforcement officers need more training on the technical aspect of the fisheries: how to check and measure nets, etc. He commented: "most people feel they will never show up."

Mr. Geralt Lynd felt that Alaska should provide a "Dr. Kissinger" on fisheries who would confer on international fisheries problems, as apparently the Governor's Office has been unsuccessful.

Testimony covered extending the U.S. zone of fisheries jurisdiction to 200 miles or the edge of the continental shelf (Chris Christensen), a policy whereby the Board of Fish and Game could review the department budget so that it would have input and influence, the prospect of imposing economic sanctions on the Japanese if they persist in devastating our stocks offshore (Christensen), better guidelines on what procedures advisory boards should follow (Haltiner), the full-scale implementation of a gravel incubation program (Haltiner), an exploratory king crab location program in Southeast (Lay Petersen), and investigation of the economic climate for rockfish and red snapper.

Some concern was also directed to the predator problem, specifically sea lions in September offshore out of Yakutat (John DeBoer) and generally in all of Southeast at certain times of the year.

Ketchikan (6 persons testifying) - November 15

Rehabilitation of salmon streams occupied more time than any

other subject, with recommendations that programs be increased and research be expanded. Mrs. Holman (Deer Mountain hatchery) urged that the legislature appropriate more money for incubators. Support was indicated for a bill authorizing private fish farming.

Mr. D. Hassingan advocated the establishment of rangemarkers in fishing zones and areas to lessen the possibility of violations.

Other areas touched on in testimony were problems relating to the fuel crisis, inadequate protection (Rollo Bray), the proliferation of drag web, drift web, and monofilament showing up on our coastline, the repeated instances of trawling within our coastline, the conflict with Canada over whether Canadian fish are intercepted at Fox Pass, the recommendation for more "biologists without desks" (Jensen), and extension of fisheries jurisdiction to 200 miles.

Cordova (10 persons testifying) - December 2

Among the main topics stressed here was a statutory change to stiffen penalties for fisheries violations, making the more serious intentional ones felonies with stiff fines and mandatory sentences (Mr. P. Isleib). Also mentioned were protection problems in the Copper River Delta area with the lack of manpower for adequate enforcement cited, combined with the lack of aircraft for implementation of enforcement. The statement was made that protection is a "big laugh" here (Pete Blake). The opinion surfaced that protection was much better 10 years ago and that prospects for the future were dim with the pipeline requirements for security personnel (William Smith).

Subsistence fishing problems received comment, particularly the upper Copper River dip net fishery where many persons drive great distances, seeking the recreational value of the fishery more than subsistence use. Much abuse in this area was cited.

Sea mammal predation was of concern in the Cordova area, with seals cited as a major problem. Several thousand are "barred-up" in mid-May and they travel 100 miles up the Copper River after hooligan, taking salmon out of the nets, etc. (Isleib). "In five years the seals will have reproduced to the numbers they were in the early 1940's, approximately 40-50 thousand." (C. Sempler).

Rehabilitation was high on the list of priorities but aquaculture in the private ownership realm was feared, particularly in view of the problems of disease in Oregon and Washington establishments. The feeling was to approach it with caution (Isleib).

Limited entry was discussed, with specific reference to 7 per cent assessment of the gross provision and the six-month transfer provision. Testimony was received that the former was suspect as overheads vary among the fishermen and so many intangibles are involved. Regarding the latter (transfer provision), six months was questioned as too long to be workable. Thirty-sixty days was recommended as more realistic (Bill Hall).

Other recommendations were for the establishment of a major fisheries college in Alaska since it contributes so much to the economy (Bruce Massey), an I.M.S. research station in Cordova, the concept of "regional budgeting" by the Department of Fish and Game (W. Smith), the establishment of more salt water rearing pens and gravel incubators, and more stream clearing and cleaning operations (Newt Johnson), a bond issue for expansion of the Cordova boat harbor with seaplane stalls (J. Poor), and concern over the present unavailability of fuel.

Naknek (7 persons testifying) - December 5

Support for the advisory board concept was voiced, with special reference to the importance of maintaining a board in the Naknek area (G. Bergram). It was also recommended that the legislature should approve funds for the Board of Fish and Game to travel to Bristol Bay and, in fact, to each of the "prime concern" areas.

Testimony was received on the raw fish tax, that the Bristol Bay borough has in the past been so dependent on this, and that it was only $15,000 this year and may be zero next. Recommended was a plan whereby tax could be received based on an average of what the borough got over the last five years. This would minimize the "up and down" effect (J. Hammond).

Much concern was voiced over stopping the False Pass salmon fishery in an effort to protect Bristol Bay stocks (G. Bergram, T. Mitchell). The proposal was made to adopt a management policy whereby "no fishing occur in areas where adequate escapement needs are not met", even if it means a complete closure of an area or the Bay itself (J. Hammond, T. Mitchell).

The limited entry program was discussed, with concern that all fisheries in an area be considered collectively when being considered for the distressed category, i.e. not just drift gill net in Bristol Bay, but the total impact of gill nets, set nets and hand-lines on the fishery (J. Hammond).

The results of the sliding gear scale in Bristol Bay were noted, with reference to the drastic diminishing of gear from 1972 to

1973. Also recommended was that the sliding gear scale be modified in relation to set nets, and that favoritism of drifters be stopped. The idea should be that both have the same fees, quotas and length of gear fished (A. Ashman).

Other reference was made to: the disastrous employment conditions in Bristol Bay from poor fishing seasons and that the state should not import non-local persons for local jobs if the locals are qualified (R. Johnson); enlisting support from the environmentalists for fisheries improvements (Al Menasplin); the reduction of interim-use permit fees for fishermen in distressed areas, with cost-of-living differentials related to the area a fisherman fishes, not to where he resides (H. Shauback); the need for more enforcement vessels (A. Ashman); and the need for an effort to be made to directly confer with Japan and Canada on foreign fisheries matters since I.N.P.F.C. is ineffective.

Dillingham (7 persons testifying) - December 6

Among top priority for discussion in the Dillingham area was the predator issue. The frequency and number of beluga whales in the bay was noted, with much opposition to the federal sea mammal protection bill in this regard. The Nushagak area was specifically referred to as a problem area for belugas. An immediate control program was urged, employing, if possible, the latest sound scaring devices. This would require several species being exempted from control of the marine mammal commission. (G. Bartman, H. Samuelson, J. Bennett, L. Smith, F. Roberts, A. Ball) Trout as predators were emphasized with similar comments on their control as with the beluga problem. Some advocated placing a bounty back on trout and imposing one on belugas (H. Samuelson). J. Nicholson urged more research be done on trout and char predation, as they are taking large numbers of smolt.

The high seas fishing abuse by other nationals was covered, with urging of a 200-mile limit that would start at the edge of the continental shelf, not the shoreline (H. Samuelson).

Limited entry was mentioned, with concern that members of a permit holder's family will be excluded from the fishery when they should have the right to participate (H. Samuelson).

The need for increased enforcement was stressed, particularly in the closed areas and with more frequent gear inspection.

Other comments suggested a closure of the False Pass fishery and the need for an expanded hatchery program.

Bethel (6 persons testifying) - December 7

Much of the problem in the Bethel area revolves around the change from a subsistence economy to a cash economy; specifically, whether, by regulation change, to allow the commercial sale of subsistence harvested salmon roe. Local testimony supported this, but the difficulty of framing the regulation change in the right manner was emphasized by the regional supervisor of the Department of Fish and Game. Testimony supported the subsistence sale of roe on the Kuskokwim only. Comments were received that now the roe is either wastefully destroyed or sold illegally (an estimated $15,000-25,000 worth sold illegally). ($175,000 worth of salmon roe is taken from the subsistence fishery in the commercial area at $1.25 a lb.) Generally, authority for sale of subsistence roe and fish skins on the Kuskokwim is recommended. It was not felt that this would result in a harvest of salmon only for the roe. The people need both, it was emphasized. (R. Baxter, A. Edge, E. Hoffman, Sr., C. Kairaiuak, T. Williams)

The problem of no continuous year-round enforcement officer was discussed. Local people feel protection is too spotty at the present.

Testimony was heard on sheefish, that their numbers are declining and that more department research is needed on their patterns of movement and population fluctuations. There is a possibility that, properly managed, sheefish could support a commercial fishery.

C. Kairaiuak supported more funding for research in the upper Kuskokwim, particularly spawning studies. T. Williams advocated change in license issuing procedure for Bethel so that licenses are issued for a longer time prior to the opening of the season; the situation at present is very burdensome as persons must wait in long lines all at the same time.

## III. CONCLUSION

From the previous discussion, several problems appear to run statewide. Such a consensus is at least some indication of their importance and it is the hope of the committee to meet these problems and issues satisfactorily during the 1974 legislative session. Not necessarily in order of priority they are as follows:

A. Protection and enforcement: Nearly all communities visited by the Joint Committee, with the exception of Kodiak, presented testimony regarding the lack of adequate enforcement of present state statutes and regulations. The following were central to the problem:

(1) limited personnel;

(2) personnel not familiar with the particular fishery that the law applies to;

(3) obsolete or inadequate numbers of inspection and patrolling vessels;

(4) grossly lenient statutory sentencing structure;

(5) inability of the state to procure convictions, local juries unwilling to convict, etc.

B. Unilateral extension of the U.S. contiguous fisheries zone to 200 miles: The universal agreement among the communities visited was that the U.S. should unilaterally extend its fisheries limits to at least 200 miles. In line with this, it was urged that

(1) S. 1988 (W. Magnuson's bill (U.S. Senator, Washington) advocating a 200-mile limit on all species of fish and protection anadromous fish wherever they range) be given full support;

(2) U.S. Coast Guard cutter numbers be increased to adequately patrol the extended fisheries zone;

(3) if possible, state economic sanctions be imposed on Japan unless it ceases its flagrant violations of I.N.P.F.C.;

(4) bottom fish be included under the category of fish that cannot be fished east of 175° under I.N.P.F.C.;

(5) Bristol Bay stocks of red salmon be given protection west of 175° under I.N.P.F.C.

C. Predator control: Testimony frequently included concern for increasing predation on herring and salmon stocks by sea mammals and, in some areas, by trout and char. Generally, the relaxation of bounties and less independent harvest pressure on these species, combined with decreasing salmon and herring stocks, has produced a situation of alarm in some communities. The recent passage of federal legislation to protect sea mammals has further complicated the problem. The main concerns were as follows:

(1) increased research on and control of trout and char predation on salmon smolt in inland lake systems;

(2) seal and sea lion predation in Southeast Alaska;

(3) beluga whale predation, particularly in the Northwest;

(4) that Alaska be exempted from the prohibitions of the federal Act against taking the above species of sea mammals.

D. Research and rehabilitation: Of top priority in most communities was the need for expanded rehabilitation programs for salmon, particularly for development of the new rearing and incubation programs, and the restocking of barren streams. Associated with this was support for more funding for research into new developing fisheries, specifically bottomfish, sheefish, whitefish, and shellfish. Central to this general area were the following concerns:

(1) support for an extensive program of stream clearing;

(2) the adequate funding of a maximum effort to implement present salt-water rearing and travel incubation programs;

(3) funding of research into an exploratory king crab location program in Southeast Alaska;

(4) investigation of the economic climate for the commercial marketing of rockfish and red snapper;

(5) feasibility of authorizing private fish farming;

(6) establishment of a major fisheries college or department of fisheries within the University of Alaska.

E. Commercial sale of (1) herring roe and (2) salmon roe, by subsistence users.

(1) Testimony heard in Southeast Alaska communities generally opposed the commercial sale of herring roe in view of what was felt to be declining salmon stocks and the lack of a concrete determination on herring population due to inadequate herring research and management techniques.

(2) Sale of salmon roe commercially by subsistence users was supported by Bethel and Nenana area residents, and presumably would be by other Northwest Alaska communities on the Yukon or Kuskokwim Rivers where the economy is shifting from a subsistence to a cash one. It was universally felt among the people that all salmon would be utilized and no waste would occur. As things stand now, much of the roe is either destroyed or sold illegally. The recommendation was for the Department of Fish and Game to classify, on a permanent regulatory basis, particular limited areas where subsistence roe or dried salmon could be sold.

F. Changes relating to the Board of Fish and Game: Comments pointed to concern that

(1) new lifeblood be infused into advisory committees, in an attempt to make them more effective management tools; increased coordination with the board was suggested as a means to effect this result;

(2) there is a need for a board staff or, at the very least, a full-time board secretary;

(3) board input to the department regarding the department budget is needed;

(4) the legislature appropriate funds to allow the board, prior to each board meeting, to visit so-called "prime concern" areas, to allow each board member more familiarity with priority problems.

G. Sport and commercial fishing license fee increase: Comments from the board, the commissioner, and the general public indicated a need and willingness to increase license fees for both sport and commercial fishing licenses.

HB 1

"An Act relating to guides; and providing for an effective date."

# Committee Report

H O U S E  O F  R E P R E S E N T A T I V E S

_____
Date

Mr. Speaker

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

☐ recommends it do pass

☐ recommends it do not pass

☐ recommends it do pass with attached amendment(s)

☐ recommends it be replaced with CS for _____ and that CS for _____ do pass

☐ (and) recommends it be referred to the _____ committee

☐ reports it back without recommendation

☐ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

# HOUSE RESOURCES COMMITTEE - Minutes

January 11, 1973
3:30 p.m.

| Present | Absent |
|---|---|
| McGill, Chairman | Randolph |
| Hartig, Vice-Chairman | Eliason |
| Guy | |
| Gardiner | |
| Degnan | |
| Huber | |
| Naughton | |
| Wilson | |
| Laktonen | |
| Parker | |

Chairman Joe McGill called the meeting to order. HB #1 will he held until Mr. Specking is present to give testimony on the Bill.

Orsini - Public speaker on HB #39 "An Act relating to the regulation of entry into Alaska commercial fisheries; and providing for an effective date."

MOTION - Wilson/Naughton to table House Bill #39.

Oppose - Huber, Hartig, J. Miller and McGill IN FAVOR - Degnan, Guy, Naughton, Parker, Gardiner, Laktonen and Wilson. MOTION CARRIED.

MOTION Huber/Hartig ask unanimous consent to bring back on table.

Naugton objects.

Oppose - Guy, Degnan, Maughton, Laktonen, Parker, Wilson In Favor - Gardiner, J. Miller, McGill, Huber, Hartin. MOTION DEFEATED.

HOUSE BILL #1 - Specking - Public Speaker "An Act relating to guides; and providing for an effective date."

Consensus of committee members to hold public hearings on bill January 17, 1973, Wednesday at 3:30 p.m.

Motion to adjourn. Meeting adjourned at 5:20 p.m.

Signed: Diann L. Nelson, Secretary

Joe McGill, Chairman
House Resources Committee

HB 14

"An Act relating to fishing, hunting, and trapping licenses; and providing for an effective date."

# Committee Report

## H O U S E  O F  R E P R E S E N T A T I V E S

_____
Date

Mr. Speaker

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

☐ recommends it do pass

☐ recommends it do not pass

☐ recommends it do pass with attached amendment(s)

☐ recommends it be replaced with CS for _____ and that CS for _____ do pass

☐ (and) recommends it be referred to the _____ committee

☐ reports it back without recommendation

☐ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

# A M E N D M E N T

Offered in the HOUSE By _____

To: _____ HOUSE BILL NO. 14

_____ SENATE BILL NO. ____

AMENDMENT: Page 1 Line 11

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

Resources Committee Report
on
House Bill 14

The intent of House Bill 14 as passed on by this committee is to allow residents 65 years of age or older, to sport fish, hunt or trap without the need of a license, as long as he remains a resident.

Joe McGill, Chairman
House Resources Committee

HB 39

MINUTES OF THE

STATE BOARD OF EDUCATION

THIRTY-FIRST REGULAR SESSION

January 31 and February 1, 1974

Anchorage, Alaska

Marshall L. Lind
Commissioner of Education

CONTENTS


| | |
|---|---|
| Department Activities | 1 |
| Budget Status | 2 |
| Vocational Education | 2 |
| Graduating Requirements | 3 |
| Educational Broadcasting - ERIC | 3 |
| Kobuk Unified District | 3 |
| Regulations | 4 |
| Reports | 5 |
| Reviews | 7 |

# STATE BOARD OF EDUCATION

The meeting was called to order in the Vocational Rehabilitation Conference Room, Ninth Floor, MacKay Building, Anchorage, Alaska, by Chairman Katherine T. Hurley, on January 31, at 9:15 a.m. Board Members present were Mrs. McLean, Mrs. Cuddy, and Mr. King. Mr. Borbridge and Mrs. Horn would be joining the meeting later. Mr. Wanamaker was not present.

Staff members from the Department of Education present for all or portions of the meeting included Commissioner Lind; Dr. Cole; Deputy Commissioner for Educational Programs; Robert Isaac, Special Assistant to the Commissioner; Pat Darby, Boarding Home Program; Jeff C. Jeffers, Instructional Services Director; Richard Engen, Director of the State Library; Gerald Hiley, Director of Vocational Education; and Charlotte Richards, Secretary to the Board.

Others in attendance for all or part of the meeting included:

| | |
|---|---|
| Terry D. Stimson | NEA-Alaska |
| Thelma P. Langdon | President, Alaska PTA |
| Robert Lintott | Professional Teaching Practices Commission |
| Sue Green | Association of Alaska School Boards |
| Mike Freeman | Vocational and Adult Education Advisory Council |
| Bob Thwing | Vocational and Adult Education Advisory Council |
| Louis Licari | Vocational and Adult Education Advisory Council |
| Betsey McGuire | Office of Child Advocacy |
| J. W. Ellis | District One Education Association |
| Frances H. Rose | Vocational and Adult Education Advisory Council |
| Stowell Johnstone | Anchorage School District |
| Les Wells | Anchorage School District |
| June Nelson | NANA Corporation-Kotzebue |
| Robert Arnold | Educational Broadcast Commission |
| Sue Linford | Alaska PTA |
| Harold Savage | Alaska High School Activities Association |
| Elden King | Alaska High School Activities Association |
| Harold C. Ostrosky | Self |
| Roy Helms | Alaska State Council of the Arts |
| Jon Bucholtz | Consultant |
| Mike Harper | RurAL Cap |

The minutes of the Thirtieth Regular Session of the State Board of Education were approved.

Commissioner Lind discussed the SEED Project at Dillingham. Board members were asked to visit and review the program with the idea that this type of project be encouraged in other areas of the State. Mrs. Hurley and Mrs. Horn indicated their intention of reviewing the program.

Deputy Commissioner Thomas recently attended a meeting in Washington D. C. relative to financial support systems. As there is presently interest and concern about altering the financial support programs that Alaska is operating under, Mr. Thomas' report will be sent to Board members. As there are certain inequities in the organized and unorganized borough areas of Alaska alternative approaches to state funding should be considered. This very complex matter would have to be studied and reviewed by the Legislature. At this point the Department is simply trying to lay out a sequence of events. As data is developed it will be sent to Board Members.

The Department of Education will be producing a newsletter R.E.A.D. This short, very readable pamphlet will be sent to schools, board members, administrators, and education personnel. This newsletter is designed to keep education policy makers informed as to what is happening in education in general and particularly the activities of the Department. It will be published every month.

The Department is in the process of designing a system for conducting an evaluation of the Department. This will be to assess the Department's services to districts and will be discussed at the Superintendents Meeting February 14 and 15.

At 9:45 a.m. Mr. Cole gave a status report on the Budget, as approved by the Governor's Budget Review Committee. He indicated that there has been a cut in the financial support programs although this was due to enrollment projection changes and should not result in any decrease from the present level of support. Three new positions were eliminated in the Library budget request. It was pointed out that it will be very difficult to get material out around the State with the increased book and postage costs. There were reductions in the mini-grants for the Educational Broadcast Commission. Present proceeds for the the PTPC do not allow for office space or secretarial support and only $7,600 was received from the $20,000 request. This will allow for a half-time secretarial position and office space.

The State Museum budget was not prepared by the Department and there was no information available at this time.

Board members expressed their desire that the budget reflect all of the the needed services to the students of the State. Education related appropriations represents 25% of the State's total budget.

Representatives of the Vocational and Adult Education Advisory Council appeared before the Board. For informational purposes Mr. Freeman brought the responsibilities of the Council to the attention of the Board and recounted some of the history of the Council, noting that they had been in existence since 1969 working as advisors to the State Board and the Department of Education. Commissioner Lind indicated that a plan of service approach for vocational education, similar to that for special education, is being developed. This approach will involve local districts working with communities and the local advisory boards to have them identify their vocational education needs and make plans to implement programs to meet those needs.

On the subject of career education it was noted that Dr. Cole is a member of a national consortium for career development projects. The consortium is developing 15 films and training materials for career education for ages 9-12. It is hoped that some of this material will be available in Alaska by June of this year. Dr. Cole also indicated that he is trying to get a broad spectrum from around the State to study what is happening in and outside of the state in the field of career education.

Mr. Jeffers gave a status report on graduation requirements indicating that there were some problem areas but a package was being developed that would satisfy most needs. There will be a meeting March 18 for interested people that wish to contribute to the drafting of these requirements. The Oregon State plan was pointed out as one that would be very similar to the Alaskan attempt. The standards would be primarily up to each district to determine and each district would be encouraged to review the needs of individual students. There are no immediate changes planned.

At Noon the Board recessed and reconvened in the Fifth Floor Conference Room at 1:30 p.m. Board members present at this time included Chairman Katherine T. Hurley, Mrs. McLean, Mrs. Cuddy, Mr. King and Mr. Borbridge.

The Board was brought up to date on the activities of the Southcentral Educational Television by Mr. Robert Arnold. It was reported that they would cover three boroughs at a cost of approximately $770,000 for equipment. The Alaska Public Television group has been meeting monthly and are seeking funding that would release the state funds previously appropriated.

Other areas discussed included the ATS-F satellite and it was noted that the satellite is scheduled for launching in April will provide for instructional programs from September through May of 1975. Due to the expressed interests of the state and developments of ATS-F, it is likely that Alaska will get some use of the CTS satellite which is scheduled for launching within the next few years.

The metric system was discussed next. The Department of Education has reviewed information through ERIC and surveyed districts for their activities on this matter. In-service work for teachers will require a considerable amount of time when this system is implemented. The DOE is to continue studying this issue and keep the Board informed as to how to best meet this need.

June Nelson of the NANA Corporation gave a presentation on the Kobuk Unified School District Proposal. Representing the Education Department of the NANA Regional Corporation, Mrs. Nelson said that the proposals had been presented to the Interim Committee of House Health, Education, and Social Services Committee of the Legislature as well as to the Center for Northern Educational Research meetings and the Alaska State-Operated School System. The Kobuk Unified School District calls for three inter-dependent units. The first and most important is the local school board, the second the school administration and third, in a supportive role only is the Kobuk Unified District Office. The District Office would be a service area and function as an expediting center to assist all the schools

in the area with central bookkeeping, purchasing, local long range planning and other technical aspects. With the coming of three rural high schools in the area, it was felt that the unified district would be even more important. It was hoped that the BIA and SOS would continue on the same funding level. Other funding areas that will be sought will be JOM and the different Title monies as well as any applicable RurALcap and Headstart Programs. Enabling legislation was requested along with transitional grants to be made to create incentives for unified rural school districts If this should materialize and appropriate legislation come into effect, NANA will do a very comprehensive study which would take about one year. Some of the advantages of forming a third class borough for educational purposes were pointed out. It was the recommendation of the Department that representatives from the Departments of Community and Regional Affairs and Education meet with NANA Regional representatives to explore this possibility.

At 2:40 p.m. the Board took up the subject of regulations. All of the items reviewed had been discussed at previous Board meetings. Approval for promulgation under the Administrative Procedures Act was required. The regulations must be advertised for 30 days, public hearings held and the results of the hearings brought back to the Board at the meeting following this period. With no substantial changes the regulations can be adopted at that time.

Mr. Wanamaker moved that the Board approve for promulgation 4 AAC 06.010 (a) Secondary Education to be repealed and re-enacted. The motion was seconded by Mrs. McLean. ACTION

Mr. Borbridge expressed his concern that while recognizing the implications of the Hootch Case, many people may miscontrue what the Hootch Case will do with respect to the broad policy direction that is being set by the Board and Department in providing education for people in rural areas. The case decision requires that this action be taken and it was explained that the substance was not changed and has been rewritten to remove the ambiguities of the previous regulation. It also is removing a section which was probably unenforceable. Mr. Borbridge asked to be assured by the Department and the Commissioner that in the process of clarification that the language would not change the policy commitment of the Board, that being to do everything possible to provide educational opportunities for the people of Alaska.

With no additional discussion the motion was carried unanimously.

It was moved that the State Board approve for promulgation to repeal 4 AAC 06.025, Guidelines for Secondary Education Levels by Mr. Wanamaker. Mrs. McLean seconded the motion. This section is no longer required in view of provisions in Section 4 AAC 06.020 (a). With no opposition the motion carried. ACTION

It was pointed out that Board approval was necessary for a regulation to cover the establishment of guidelines and procedures for students rights and responsibilities. Mr. Borbridge moved and Mrs. McLean seconded the motion to approve for promulgation 4AAC.07 Students Rights and Responsibilities.

Discussion relative to the necessity of such a regulation followed and it was pointed out that by way of the hearing process the Board would become aware of the concerns and suggestions of the public.

At this point with no further discussion the motion carried with no opposition.. ACTION

Mrs. McLean moved that the Board approve for promulgation Chapter 4 AAC 29 Evaluation of Professional Workers. The motion was seconded by Mr. Borbridge and it was explained that this chapter provides for an evaluation procedure for certificated public school personnel. It was carried with no opposition. ACTION

At 4:00 p.m. Mrs. Peg Benkert made a presentation relative to the Quinter System. Mrs. Benkert appeared before the Board at the request of Board Member Mrs. Cuddy. Mrs. Benkert was conducting a study for the Anchorage Borough School District on the year round school system.

The Board recessed at 4:45 p.m. and reconvened February 1 at 9:15 a.m. with Mrs. Hurley calling the meeting to order. Board members present included Mrs. Cuddy, Mrs. McLean, Mrs. Horn, Mr. King and Mr. Borbridge.

The Board took up the unfinished business of approving for promulgation certain regulations.

Mrs. McLean moved and Mrs. Horn seconded that Section 4 AAC 18.010, Teachers and Administrators Contracts, be amended by adding sub-paragraph (12) which provides for a clause in professional contracts requiring observance of a code of ethics and teaching standards and Chapter 4 AAC 20 Professional Teaching Practices Commission be adopted. This chapter is promulgated by the PTPC and pertains to the adoption of the code of ethics and standards as well as provides for the adoption by reference of the "Handbook for Alaskan Educators." ACTION

The motion carried unanimously.

At this time, Mr. Mike Harper, Director of RurALcap, discussed the community education project. This project is in conjunction with RurALcap, the Department of Education, State-Operated Schools, Alaska Federation of Natives and the Alaska Native Foundation as well as several other agencies. The Community Education Project is a task force that has been putting information together and making it available to the public relative to the Claims Settlement Act. It was noted that many people do not understand many of the issues that will affect them nor the basic concepts of the Settlement Act. The group is trying to put the material already available into

a sequential order to serve as a guideline for teachers throughout the State to use in teaching courses on the subject. Funds will be sought to make this a regular part of the school program in the State. This sort of information will not only be taught to the rural students but at the community college level as well.

At 10:00 a.m. Mr. Les James, Director of the Division of Vocational Rehabilitation spoke to the Board. The Federal-State Vocational Rehabilitation program is 53 years old and is the oldest public service program with the exception of public education. It is one of the most successful programs because of the philosophy and method of delivering rehabilitation services, the basic goal being that the disabled person has the right and the need to go back to work and this is made possible through self help and rehabilitation services. One issue that is coming up is that of an advisory board for vocational rehabilitation which includes consumers. Additional information will be forthcoming on this matter.

Mr. Richard Arndt, Mr. Harold Savage, Mr. Elden King, and Mrs. Les Wells appeared before the Board to discuss matters relative to the Alaska Activities Association. The Association promotes, organizes and implements activities in which high school students are involved. Mr. Arndt pointed out that Alaska is the only state that does not have a full time executive secretary to handle the necessary business involved, and it was felt that activities have reached a point whereby it will be necessary to have some basis in statutes in Alaska. It was noted that the Activities Association covers more than just the athletic events. The Alaska High School Activities Association Funding proposal was presented for the Board's information. The representatives expressed their desire to have legislation introduced relative to the Association. It was noted that activities are an essential part of the high school education and the Association will continue to grow. The possibility of having authority granted under regulation was mentioned. At this point Mr. King moved that the Board direct the Commissioner to investigate the matter by meeting with the Association and the Attorney General's Office to see what kind of proposal would fiscally and legally work. The report would be brought back for the the Board. Additionally, that the Board supports the proposal for funding as presented Mrs. Cuddy seconded the motion and it carried unanimously. ACTION

Mrs. Sue Green gave the Board some additional information about the quinter system which was discussed on the previous day. Mrs. Greene had visited some school districts in the states that operate under a re-scheduled system. One problem that she noted would be to insure that districts that developed plans of this type for a year round school should not be penalized under the foundation support funding.

As President of the Alaska Association of School Boards, Mrs. Green discussed the AASA resolutions. Relative to one resolution that spoke to state-level policy decisions that erode the statutory responsibilities of locally elected board in deciding educational and operational policy it was explained that this was not directed toward the Department of Education but rather to the legislative interim committee. Other areas

discussed related to the prerogative of local districts to determine policy and the feeling was strong against mandating certain functions by legislation. Continued evaluation of in-service sessions was desired as well as keeping the same number of in-service days as provided for in the law. Computation of instructional units and the role of vice-principals, principals and coordinators or directors as they relate to teacher bargaining units were some of the other points covered.

The Board recessed at 12:15 and reconvened at 1:30 at which time Mrs. McLean, Mrs. Horn, Mrs. Cuddy and Mr. Borbridge were present. Mrs. Hurley brought the meeting to order.

The Board reviewed the resolutions of the Alaska Association of School Administrators, the Association of Secondary School Prinicpals and NEA-Alaska. These resolutions were presented for the Board's information and possible reaction.

There was some discussion relative to full state funding and Commissioner Lind indicated that although there would probably not be any statutory change this year the Legislature might be reviewing this matter. The Department would be analyzing various alternatives for foundation funding.

In regard to pending legislation one concern that was mentioned was putting curriculum items in statute. It has been the position of the Board that most items can be taken care of locally and it is better to handle curriculum matters by way of regulation. Discussion continued on legislation with Commissioner Lind noting that not many bills had been introduced at this time other than a new funding proposal for special education.

School finance trends were brought to the attention of the Board and it was indicated that two years of study would probably be necessary before any new programs would be implemented.

At this time, Mr. Lintott brought the Board up to date on some of the activities and concerns of the PTPC. He indicated that the PTPC is requested $20,000 of general fund money in addition to the money that accrues through the certificate fees. It is not possible to fund the operation desired without additional money. The PTPC is presently working with districts to design evaluation systems and they are in the process of promulgating regulations for the educators' PTPC handbook. One concern that Mr. Lintott brought to the Board's attention was that of assurance that the minimal levels of competency be met by the Bureau of Indian Affairs teachers. With many areas probably changing over from the BIA to state or local systems the magnitude of the problem needs to be ascertained. Commissioner Lind pointed out that discussions have taken place with the BIA and the Department would be working with them on this matter.

The Board did express their support of the request by the Commission for general fund money in order to provide adequate office space and secretarial support.

Mr. Roy Helms, of the Alaska Council on the Arts spoke to the Board about the Artists in the School Project. It was hoped that districts would have the opportunity to be involved with this project and Mr. Helms was invited by the Commissioner to meet with the Superintendents at their meeting in Juneau in February. The Board indicated their support to the activities of the Council for their activity in the school project.

Mrs. Hurley said that in reading of salary increases and noting the salaries of superintendents around the State she felt it appropriate that the Board direct to the proper channels their concern that the salary of the Commissioner of Education for the State of Alaska be increased. This would have to be directed to the Finance Committees of the Legislature.

Mrs. Horn moved that the State Board in recognizing the contributions that Commissioner Lind has made to Education and to the State that a salary increase is in order, particularly since an increase has not beer. forthcoming for several years. The motion was seconded by Mr. McLean. Under discussion Mr. Borbridge wanted to include the comment that the Board commends the Commissioner for the high quality of his educational leadership in light of the burgeoning responsibilities of Alaska in this area with the impending changes that are facing the State. ACTION

The motion carried unanimously.

At 3:20 p.m. the Board adjourned.

HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO 39 DATE 1/24/75 PAGE TITLE SPONSOR FURTHER REFERRALS

3/20/74

This Bill If Enacted Would:

When Bill Considered by RA Committee:

Action Taken by Committee: Motion adopt C.S.

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Strain - go over Revised - "in a vehicle" add upgrade it more - Come up with Sponsor Substitute - Amendment to Am. #3 - Revision of original Bill

McNeil - would like to appoint subcommittee to rewrite A bill on Volunteers 82 decimals

Jo Ann Wilbert, Wilson, Hinson,

Jo Ann Miller Moved to appoint Committee to write A bill on rural fellowship. Huber objects - withdrawals

HB 39 - review

(3) ope is an internal combustion engine, ~~except~~ aircraft and military equipment, which emits noise in excess of 90 decibels (A) ~~at a distance~~ at maximum power, exclusive of ~~stationary~~ at a distance of 50 feet. Sound pressure levels in decibels shall be measured on the "A" scale of a sound level meter having characteristics defined by American Standards Association S1, 4-1966 "General Purpose Sound Meter." The engine shall be tested in normal operating condition while the vehicle is immobile. Local ordinance may supercede this provision if the ordinance requires the same or lesser maximum decibel output.

notes:

1. generally follows Noise law for snowmobiles (except 73 db(A))
2. Federal noise standards should be defined by end of 1973
* 3. Components
   a. jet @ takeoff : 100 db @ 1000'
   b. single engine prop @ takeoff : 75 - 90 db @ 1000'
   c. diesel truck w/silenced exhaust : 89 db @ 50' (< 30 mph)
   d. auto (@ 35 mph) : 60 db @ 50'
   e. motorcycles
      i. small highway (< 350 cc) : 64 - 85 db @ 50'
      ii. large " (> 350 cc) : 74 - 95 db @ 50'
      iii. off road : 80 - 105 db @ 50'
   f. snowmobiles : 70 - 86 db @ 50'
   g. boats
      i. outboards : 62 - 90 @ 50'
      ii. inboards : 70 - 85 @ 50' (stern, non-ski)
   h. generators : 52 - 77 @ 50'
   i. lawn mowers : 59 - 85 @ 50'
   j. chain saws : 64 - 86 @ 50' [23' 80 - 9 db] [inches 103 - 113 db]

* Transportation Noise & Noise From Equipment Powered by Int Comb Eng
US EPA 12/31/71 NTID 300.13

HOUSE RESOURCES COMMITTEE - Minutes

January 11, 1973
3:30 p.m.

| Present | Absent |
|---|---|
| McGill, Chairman | Randolph |
| Hartig, Vice-Chairman | Eliason |
| Guy | |
| Gardiner | |
| Degnan | |
| Huber | |
| Naughton | |
| Wilson | |
| Laktonen | |
| Parker | |

#39

Chairman Joe McGill called the meeting to order. HB #1 will he held until Mr. Specking is present to give testimony on the Bill.

Orsini - Public speaker on HB #39 "An Act relating to the regulation of entry into Alaska commercial fisheries; and providing for an effective date."

MOTION - Wilson/Naughton to table House Bill #39.

Oppose - Huber, Hartig, J. Miller and McGill IN FAVOR - Degnan, Guy, Naughton, Parker, Gardiner, Laktonen and Wilson. MOTION CARRIED.

MOTION Huber/Hartig ask unanimous consent to bring back on table.

Naugton objects.

Oppose - Guy, Degnan, Maughton, Laktonen, Parker, Wilson In Favor - Gardiner, J. Miller, McGill, Huber, Hartin. MOTION DEFEATED.

HOUSE BILL #1 - Specking - Public Speaker "An Act relating to guides; and providing for an effective date."

Consensus of committee members to hold public hearings on bill January 17, 1973, Wednesday at 3:30 p.m.

Motion to adjourn. Meeting adjourned at 5:20 p.m.

Signed: Diann L. Nelson, Secretary

Joe McGill, Chairman
House Resources Committee

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. HB 39 DATE 73 PAGE 1 TITLE Noise Nuisance SPONSOR Orsini FURTHER REFERRALS

This Bill If Enacted Would:

When Bill Considered by EA Committee: 3-18-74 3-20-74

Action Taken by Committee: pass out with CS

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

HB 40

"An Act appropriating to the Department of Public Safety; and providing for an effective date."

# Committee Report

HOUSE OF REPRESENTATIVES

SENATE

FINANCE

1-[illegible]-73

Feb 12, 1973

Date

Mr. Speaker

Mr. President:

The Committee on RESOURCES has had HOUSE BILL NO. 40 under consideration. A majority of the members of the Committee

☐ recommends it do pass

☐ recommends it do not pass

☐ recommends it do pass with attached amendment(s)

☐ recommends it be replaced with CS for _____ and that CS for _____ do pass

☐ (and) recommends it be referred to the _____ committee

☐ reports it back without recommendation

☐ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 40 DATE 2/ PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would: provide funds for bounty on wolves. Wolverine & Wolves ON.-

When Bill Considered by RA Committee: _____

Action Taken by Committee: _____

Amendments: Amended to Provide That: _____

Witnesses Testifying Before Committee: (summary of testimony)

Rep. Oral Freeman - Dist 1,2,3 - Anti wolf
$3,000 - 61 wolves - 1 man collected
Wants for 20 wolves
Total taking of wolves Getting red
of 150 wolves a year.

Rep Mike Kelly
Commissioner Thiele, Public Safety
Take this w. with Fish & Game people
Huber moves to take this bill → Ellison objects - Huber (1)
All oppose (9-) How many certified pelts on hand? Fish & Game testimony Tomorrow on HB 40 and funds.

# House Bill #40

number of wolf pelts sealed by Dept of fish and Game from July 1, 72 to feb 5, 73

| | | |
|---|---|---|
| Game Unit #1 | — | 16 |
| " " #2 | — | 3 |
| " " #3 | — | 1 |
| | | 20 sub total |
| also Game Unit #5* | — | 2 |
| | | 22 total |

Southeast Alaska Unit are the only units open to Bounty.

(* Game Unit #5 is yakatak)

20 # of pelts
× 50. Bounty
1,000.00 total Bounty moneys

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 40 DATE 2/n PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would: Provide $6.00 for bounty on wolves

When Bill Considered by RA Committee: _____

Action Taken by Committee: _____

Amendments: Amended to Provide That: _____

Witnesses Testifying Before Committee: (summary of testimony) _____

Hansen - Predator Control

Fred Jones, Director of Game Control

1959 to present 1971 - 172 Amended 1972 - 174

# Seals last list of July - No problem with Predator Control.

Sealing were in 1970 -

FORM 9A-2
(Rev. 8-80)

# STATE OF ALASKA
## Inter-Department Route Slip

**TO:**
**DEPT.:** Alaska State Legislature
**ATTN.:** Representative Jan McKee

| | |
|---|---|
| ☐ Approval | ☐ Note & Return |
| ☐ Signature | ☐ Initial & Return |
| ☐ Comment | ☐ Return As Requested |
| ☐ Contact Me | ☐ Return For Approval |
| ☐ Prepare Reply | ☐ Necessary Action |
| ☐ For Your File | ☒ Your Information |

**Remarks:** Attached is a draft Fish & Game's discussion of wolf harvest & control of the regulatory process that is required for adoption of the alternative Department predator control plans. The report and the attached maps will be finalized

**From:** the attached maps will be finalized
**Dept.:** Fish and Game **Date** 5 Feb 85

**By:** Tom McKnight

ALASKA DEPARTMENT OF FISH AND GAME
JUNEAU, ALASKA

STATE OF ALASKA
William A. Egan, Governor

DEPARTMENT OF FISH AND GAME
James W. Brooks, Commissioner

DIVISION OF GAME
Frank Jones, Director

# THE HISTORY OF PREDATOR CONTROL IN ALASKA

by

Donald E. McKnight

This report was compiled for interdepartmental use only.

(Printed February, 1973)

# PREDATOR CONTROL IN ALASKA

## The History of Organized Predator Control Programs in Territorial Alaska

Alaska has a history of intermittent control of predatory animals by the Fish and Wildlife Service and its predecessor agency, the Bureau of Biological Survey, that dates back some 40 years. In 1927, appropriations were made by the territorial legislature to hire a man to make general investigations and to teach trappers how to trap wolves and coyotes.[1] This program was renewed in the mid 1930's on a similar basis, and in the late 1930's another agent was assigned to do wolf control work on the reindeer ranges of Northwestern Alaska.

During the early 1940's, as a result of increasing concern over predation on game animals, reindeer and domestic stock by wolves, effort was expended by the Fish and Wildlife Service on investigations into control methods suitable for use under Alaska conditions. By 1946, the matter of wolf predation became a prime concern of the Alaska Game Commission, nonresident sportsmen hunting in Alaska, and several national conservation organizations. As a result of the efforts of these groups, Congress in 1948 made an appropriation of $100,000 to the Fish and Wildlife Service for the purpose of inaugurating a predatory animal control program in the Territory of Alaska. In September, 1948, an agent of the Branch of Predator and Rodent Control was assigned to Alaska to organize and direct the program.

The territorial legislature in 1953 enacted legislation providing for a cooperative control program between the Territory of Alaska and the Fish and Wildlife Service, and appropriated funds for this purpose.[2] Originally the cooperating agency was the territorial treasurer, but in

1957, responsibility for territorial cooperation was shifted to the newly formed Alaska Department of Fish and Game.

Although wolf control operations received greatest attention during territorial times, control of other predators was also extensive. Sheep ranchers on Umnak and Unalaska islands demanded control of foxes in the late 1950's, and considerable effort was expended to aid these individuals. The brown bear-cattle conflict on Kodiak Island required the assistance of predator control agents throughout the 1950's and has recurred since statehood.

In addition to the previously mentioned predator control activities of federal and territorial agencies, the 1951 territorial legislature appropriated $50,000 to the Alaska Department of Fisheries for the control of hair seals, sea lions and other predators on fish during the 1951-53 biennium.[3] The Stikine and Copper River districts were selected for initial experiments on hair seal control. Expert hunters were hired in each area during 1951; and at the Copper River area, seal control using dynamite "bombs" was started. In 1952, the seal control program was expanded to include the Taku River district. From 1951 to 1958, approximately 36,000 seals and 90 sea lions were killed by personnel of the program.[4]

In the Department's 1954 and 1955 Annual Reports a statement of policy was formulated regarding predator control. It was stated that no animal would be hunted to a point that threatened it with extinction. It was recognized that predators provide benefits to their prey as well as being detrimental and that an overenthusiastic control program could easily result in unfavorable circumstances for the species being protected. Since control programs lack residual benefits, it is necessary that the

most efficient methods are used. Thus, rather than widespread control programs or bounties, an intensive program localized in time and space to where the depredations occur should be used.

In 1954, a joint control-biological investigation program was initiated with beluga whales in Bristol Bay.[5] Several hundred of these marine mammals were killed during the summers of 1954 and 1955, but this program's direction was changed when it was determined that salmon depredations by belugas were inconsequential to overall salmon populations. Research has been done recently that indicates that belugas can be kept out of rivers by the playing of tapes of killer whale vocalizations.[6]

## The History of Bounty Payments in Territorial Alaska

In 1915, the first territorial legislature established a $10 bounty on wolves.[7] Subsequent to that time, eight other species of birds, mammals and fish were placed on the bounty list. In 1917, the bald eagle was included on this list.[8] But in 1953, public sentiment resulted in federal legislation which made killing of eagles unlawful.[9] During the bounty period approximately 93,000 eagles were killed.

Hair seals were placed on the bounty list in 1927,[10] coyotes in 1929,[11] Dolly Varden char in 1931[12] and wolverines in 1953. Bounties on Dolly Varden were removed in 1941, when it was determined that many salmon were being bountied as Dolly Varden. The total cost of bounties from the time of their establishment to statehood in 1959 was nearly $3,000,000 apportioned to the various species as shown in Table 1.

Table 1. Expenditures for bounties from their establishment to 1959.

| Species Bountied | Total Cost |
|---|---|
| Wolf and coyote | $1,530,743 |
| Bald eagle* | 164,561 |
| Hair seals | 1,174,084 |
| Dolly Varden char* | 96,344 |
| Wolverine | 31,875 |
| Total | $2,997,607 |

*Bounties on eagles and Dolly Varden were repealed before statehood.

Data in Table 2 show bounty appropriations and claims for coyotes and wolves in Alaska from 1915 to 1958. This information was published in the 1958 Annual Report of the Alaska Department of Fish and Game.

Policies of the Alaska Department of Fish and Game in regard to predator control with the bounty system were initially reported in the Annual Report for 1958. In this report, Calvin Lensink, a biologist for the Department, stated: "Predator control is a necessary and valuable tool of wildlife and fisheries management. To be most useful, this tool should be applied at the right place, at the right time, and in the most efficient way possible. All of these requirements can be met by a carefully designed program, but none of them is achieved with the bounty system."

## Predator Control in Alaska Since Statehood

### Formal Predator Control Programs

The Fish and Wildlife Service formally ended its programs to control wolves in Alaska in early 1960. In 1963, however, federal personnel accompanied by state technicians reinstituted a wolf control program on

Table 2. Bounty appropriations and claims for wolves and coyotes, 1915-1958.

| Biennium | Bounty Rate | | Regular Appropriation | Deficiency Appropriation | Total Appropriation | No. Wolves Bountied | No. Coyotes Bountied |
|---|---|---|---|---|---|---|---|
| | Wolf | Coyote | | | | | |
| 1915-16[1] | $10 | None | $ 20,000 | $ | $ 20,000 | | |
| 1917-18 | 15 | | 10,000 | | 10,000 | | |
| 1919-20 | 15 | | 7,500 | | 7,500 | | |
| 1921-22 | 15 | | 5,000 | 2,000 | 7,000 | 467 | |
| 1923-24 | 15 | | 8,000 | 2,500 | 10,500 | 700 | |
| 1925-26 | 15 | | 12,000 | 10,000 | 22,000 | 1,467 | |
| 1927-28 | 15 | | 30,000 | 12,000 | 42,000 | 2,800 | |
| 1929-30[2] | 10 | $ 5 | 25,000 | | 25,000 | | |
| 1931-32 | 15 | 15 | 40,000 | | 40,000 | | |
| 1933-34 | 15 | 15 | 25,000 | 4,000 | 29,000 | | |
| 1935-36 | 20 | 20 | 40,000 | 45,000 | 85,000 | | |
| 1937-38 | 20 | 20 | 80,000 | 85,000 | 165,000 | | |
| 1939-40 | 20 | 20 | 165,000 | | 165,000 | | |
| 1941-42 | 20 | 17.50 | 165,000 | | 165,000 | | |
| 1943-44 | 20 | 17.50 | 75,000 | | 75,000 | | |
| 1945-46 | 30 | 25 | 60,000 | 60,000 | 120,000 | 1,906 | 1,733 |
| 1947-48 | 30 | 25 | 60,000 | 1,213 | 61,213 | 2,356 | 2,342 |
| 1949-50[3] | 50 | 30 | 125,000 | 15,345 | 140,345 | 1,229 | 765 |
| 1951-52 | 50 | 30 | 100,000 | 1,185 | 101,185 | 1,360 | 844 |
| 1953-54 | 50 | 30 | 75,000 | 12,500 | 87,500 | 1,239 | 738 |
| 1955-56 | 50 | 30 | 75,000 | 22,500 | 97,500 | 1,531 | 922 |
| 1957-58 | 50 | 30 | 77,288 | 55,000 | 132,288 | | |
| TOTALS | | | $1,202,500 | $327,243 | $1,530,743 | | |

[1] Chapter 3, SLA 1915. Bounty on wolves established.
[2] Chapter 117, SLA 1929. Bounty on coyotes established.
[3] Chapter 18, SLA 1949. Present bounty law for wolves and coyotes.

the Seward Peninsula in response to reported depredations on domestic reindeer. This activity was started without prior state approval but was monitored in part by state personnel.

In 1961, the commissioner of the Department of Fish and Game issued a permit for the use of poison to Mr. William Waugaman of Fairbanks. The permit provided for the use of poison in killing wolves in drainages of the Wood River.

In 1963 and 1964, local wolf control programs were carried out in the Neets Bay and Chickamin River areas in Southeast Alaska concurrent with the release of elk and moose calves in experimental introductions.

In 1967, the Alaska State Legislature House Finance Committee directed the Division of Game to conduct wolf control programs in three areas and provided $13,400 for this specific purpose. This program was initiated in the vicinities of Petersburg and Wrangell in the spring of 1968 by animal control agents and biologists of the Department staff. Both steel traps and strychnine were employed to take wolves. Nine wolves and two wolverines were removed in this operation; but, since poisoned animals do not always die near enough poisoning sites to be located, more wolves may, in fact, have been killed. In addition, in 1967 an animal control agent was hired to work out of Fairbanks; several wolves were taken by aerial gunning and considerable study of wolves was undertaken in the Interior area.

In 1959, harbor seal control operations at the mouths of the Stikine and Copper rivers, originally initiated by the Territorial Department of Fisheries in 1951, were continued by the Alaska Department of Fish and Game. Approximately 1,500 seals were killed that year in the Stikine

area and 975 were removed from the Copper River area. Formal seal control programs were discontinued after 1959.

Other marine mammal control programs active since statehood have been a sea lion reduction of 4,000 animals on Sugarloaf Island in 1963, and a combination control-research program on beluga whales which resulted in the removal of 20 of these animals from the Kvichak River in 1958-59 and seven in 1965.

The Kodiak bear-cattle conflict, which started prior to statehood, continued after the Alaska Department of Fish and Game assumed regulatory and management jurisdiction of the state's wildlife. In 1963, Department personnel killed 35 bears on Kodiak Island in response to demands by cattlemen. This program was continued annually with five bears being removed by Department personnel in 1964, 18 in 1965, 5 in 1966, 9 in 1967, 5 in 1968 and one in 1969, the last year of Department involvement. In all instances, only bears actually thought to be involved in cattle depredations were destroyed.[13] After 1969 it was left up to the ranchers to control the bears. They are allowed to kill the bears only after exhausting all other means of protecting their cattle.

In 1961 and 1962, the Bureau of Sport Fisheries and Wildlife conducted limited control of black bears in the upper Little Susitna River valley. This control, designed to remove bears preying on cattle, was supported in part by the state.

A very limited control program on foxes at Kotzebue was initiated in 1968 by the Department as a result of a rabies scare in that area. The removal of less than 10 foxes resulted in the alleviation of the problem.

Bounty Policies

Current Alaska Statutes (Title 16, Chapter 35, Article 2) designate bounties on wolverines, wolves and coyotes of $15, $50 and $30, respectively. Article 3 of the same statute specifies that there is a bounty of $3 on every hair seal inhabiting the inland and coastal waters of Alaska west of 159 degrees west longitude or north of 69 degrees north latitude, except the waters south of 58 degrees north latitude.

The Alaska Board of Fish and Game has been delegated the authority to make rules and regulations it considers advisable in accordance with the Administrative Procedure Act (A.S. Title 16, Chapter 05, Article 2). Included in this authority is the designation of game management units or parts of game management units in which bounties for predatory animals shall be paid.

As far back as 1957 the Alaska Fish and Game Commission went on record as opposing the bounty system.[14] Since then there has been a gradual reduction in the number of game management units where bounties are paid. In 1967 Southeast and Southcentral Alaska were removed from the area where bounties are paid for seals. Table 3 presents seal bounty records from 1964 to the present and shows the effect of the 1967 restrictions.

In 1959 a "bounty information form" was made part of the certifying procedure for wolf, coyote and wolverine bounty claims. Resultant information concerning the annual harvest of these species was increased in quality and quantity by this means. Table 4 summarizes the number of wolves and wolverines bountied from 1959 to the present.

In 1968, the state legislature amended the bounty laws to specify that only wolves taken in the game management unit where a hunter lives

Table 3. Seal bounty records showing the effect of restricting bounty payments in 1967.

| Fiscal Year | Bounty Payments | No. Seals Bountied |
|---|---|---|
| 1964-65 | $155,025 | 51,675 |
| 1965-66 | 211,386 | 70,462 |
| (Legislation to restrict bounty area to Bering and Chukchi seas and the Arctic Ocean - July, 1967) | | |
| 1966-67 | 40,902 | 13,634 |
| 1967-68 | 21,442 | 7,147 |
| 1968-69 | 14,905 | 4,968 |
| 1970-71 | 17,328 | 5,776 |
| 1971-72 | 9,087 | 3,029 |

Table 4. Summary of wolves and wolverines bountied in Alaska - 1959 to present.

| Year | Number Wolves | Number Wolverine |
|---|---|---|
| 1959 | 227 | 213 |
| 1960 | 520 | 420 |
| 1961 | 725 | 441 |
| 1962 | 869 | 383 |
| 1963 | 757 | 445 |
| 1964 | 818 | 551 |
| 1965 | 825 | 420* |
| 1966 | 1,360 | 659 |
| 1967 | 1,679 | 694 |
| 1968 | 1,714 | 578 |
| 1969 | 1,008* | 242* |
| 1970* | 225 | |
| 1971 | 179 | |
| 1972 | 179 | |

*Bounty records incomplete.

could be bountied.

In 1969 bounty payments for coyotes and wolverine were discontinued in all units. At this time wolf bounty payments were discontinued in eight of the 26 units.

Currently wolf payments are available in theory in Game Management Units 1, 2 and 3; however, the legislature made no money available for bounty payments of any type so no bounties are being paid out.

## Literature Cited


[1]1927 Territorial Legislature Session Laws, Chapter 33 (HB 69).

[2]1953 Territorial Legislature Session Laws, Chapter 87 (SB 93).

[3]1951 Territorial Legislature Session Laws, Chapter 127 (SB 43).

[4]Annual Report. 1958. Alaska Department of Fish and Game.

[5]Annual Report. 1954. Alaska Department of Fisheries.

[6]Vania, John. 1971. Sea lion and beluga report. Federal Aid in Wildlife Restoration, Projects W-17-3 and W-17-2, Job Nos. 8.1R and 8.2R.

[7]1915 Territorial Legislature Session Laws, Chapter 3 (SB 11).

[8]1917 Territorial Legislature Session Laws, Chapter 12 (HB 39).

[9]Public Laws 86-70 and 87-884.

[10]1927 Territorial Legislature Session Laws, Chapter 48 (SE 36).

[11]1929 Territorial Legislature Session Laws, Chapter 74 (HB 116).

[12]1931 Territorial Legislature Session Laws, Chapter 117.

[13]Eide, Sterling H. 1965. The nature of brown bear predation on cattle, Kodiak Island, Alaska. Presented at 45th Annual Conference of Western Association of State Game and Fish Commissioners, Anchorage, Alaska.

[14]Alaska Fish and Game Commission Resolution No. 2. November 22, 1957.

# THE WOLVES OF CORONATION ISLAND

by

Harry R. Merriam [1]
Alaska Department of Fish and Game

## Introduction

On October 27. 1960, four timber wolves (Canis lupus ligoni), all approximately 19 months old, were released on Coronation Island in Southeast Alaska. At the time of the transplant deer were present on the island but there was no knowledge of prior occupancy by wolves. The wolves were taken from a den on Kuiu Island when about one month old and were held in captivity until their subsequent release.

Wolves are indigenous to most of Southeast Alaska with the exception of Admiralty, Baranof and Chichagof Islands. The Stika black-tailed deer (Odocoileus hemionus sitkensis) is present in varying degrees of abundance throughout Southeast Alaska and normally is the major food item for wolves. In areas where deer and wolves co-exist wolves must influence deer populations, but the importance of this relationship has not been demonstrated. Deer populations in this northern region fluctuate greatly depending on the severity of the winter. Many people feel wolves should be controlled to provide more deer for the hunter and a bounty system initiated by the Territorial Legislature in 1915 is still in effect.

The objectives of the project are to determine the impact of wolves on a deer population, factors which control wolf numbers and changes in the habitat induced by the introduction of a predator species.

---

[1] Presented at the 15th Alaskan Science Conference, Fairbanks, Alaska, September 2, 1964.

Transplant Site

Coronation Island is situated at the outer edge of the Alexander Archipelago in Southeast Alaska, approximately 80 miles southeast of the town of Petersburg (55° 53' North latitude, 134° 15' West longitude). It is about ten miles long by three and one-half miles wide containing an area of 30 square miles. The shore line is irregular, indented by several bays and exposed on the west and south to the sweep of the Pacific Ocean. The ground formation is predominantly limestone and the highest point on the island is 1,960 feet. About 80 per cent of the island is forested, 11 per cent muskeg, 6 percent subalpine and the remainder, rock, alder slide and water. Forest cover is primarily Sitka spruce (Picea sitchensis) and western hemlock (Tsuga heterophylla) with smaller amounts of yellow cedar (Chamaecyparis nootkatensis) present. The influence of the marine climate results in milder winters with less snow accumulation than in most other areas of Southeast Alaska.

Pre-wolf Conditions

In 1959 when the author first visited the island, deer densities were not high compared to many other areas of Southeast Alaska; however, because of mild winters the deer population had probably remained stable for many years. In spite of the low deer density utilization of food species was so great that available forest understory was almost completely removed. The more palatable food species such as red huckleberry (Vaccinium parvifolium), blueberry (V. ovalifolium), black current (Ribes bracteosum), elderberry (Sambucus racemosa), skunk cabbage (Lysichitum americanum), ground dogwood (Cornus canadensis) and deer heart (Fauria cristi-galli) were present only

in locations inaccessible to deer. Even unpalatable species as rusty menziesia (Menziesia ferruginea), sword fern (Polysticum munitum), devils club (Oplopanax horridus) and hemlock and spruce reproduction were missing from the forest floor.

Klein (1963) demonstrated that deer on Coronation Island (especially males) were about 20 per cent smaller than deer of equivalent age on better ranges of Southeast Alaska. He also showed that the nitrogen content of rumen samples from Coronation Island deer was significantly less (4.47 compared to 6.42 for gross sample) than from Woronkofski Island, one of the better deer ranges which also supported a wolf population.

Remains of deer carcasses within the beach fringe evidenced some annual mortality and examination of bone marrow indicated it was probably from malnutrition.

Post-wolf Conditions

In October, 1960, two male of two female wolves were placed on the island. At least one pup was born in the spring of 1961. In July, 1961, both of the original females were killed by a fisherman; only one was lactating. In June, 1962, positive evidence of only two wolves was found. In April, 1963, an additional adult female was placed on the island. In August, 1963, a family group of three pups and two adults was seen. Tracks indicated the presence of two additional adult wolves. In July, 1964, a family group of four adults and two pups, two groups of three adults each and a single adult were seen. Sone of these sightings may have been duplications; however, there are at least seven adults and two pups on the

island at the present time. In July, 1964, fresh wolf tracks were encountered on all beaches. A well-defined wolf trail was present in the beach fringe along the entire northern shore of the island and trails were also present on the island proper.

Wolf scats have been collected and analyzed each year since the transplant. Table 1 lists the food items identified.

Table 1. Food items contained in wolf scats from Coronation Island.

| | | Frequency of Food Items (% in total scats collected) | | |
|---|---|---|---|---|
| Year | No. Scats | Deer | Harbor Seal | Other |
| 1961 | 146 | 78 | 43 | 2 |
| 1962 | 18 | 89 | (checked only for deer) | |
| 1963 | 45 | 89 | 53 | 27 |
| 1964 | 77 | 95 | 32 | 14 |

The primary food item of the wolves has always been deer. The incidence of deer remains in scats has increased from 78 per cent in 1961 to 95 per cent in 1964. Harbor seal (Phoca vitulina) is the second most important food item. It is not known whether these animals are actually killed or are dead animals which wash up on the beaches. Seals are common in the area and have been observed hauled out on gravel beaches at least 100 feet from the waters edge. Under these circumstances wolves could probably kill them. Most scats contained some wolf hair and other miscellaneous food items including mink, land otter, mice, birds and crabs. A large number of freshly broken cockle clam shells (Clinocardium spp.) were noted in the timber immediately adjacent to the beach. Tooth marks indicated that wolves had broken and probably eaten the clams. These clams are usually

only a few inches below the surface in sandy intertidal areas and could easily be dug by wolves.

Since the introduction of wolves deer numbers have been reduced. In 1959 deer were not as abundant on Coronation Island as in most other areas of Southeast Alaska, however, evidence of deer was common. Table 2 lists deer observations per day before and after the wolf introduction.

Table 2. Deer observations on Coronation Island.

| Year | No. Man-Days | No. Deer | Deer per Day |
|---|---|---|---|
| 1959 | 6 | 49 | 8.2 |
| 1960 | Wolf Introduction | | |
| 1961 | 9 | 32 | 3.6 |
| 1962 | 3 | 6 | 2.0 |
| 1963 | 8 | 1 | 0.1 |
| 1964 | 7 | 1 | 0.1 |

In 1959 well-defined deer trails were present. By 1964 these trails had grown over with vegetation and were difficult to locate. However, some evidence of deer was present throughout the island and at least one fresh deer track was seen on each beach searched.

When the island was first visited in 1959 carcasses of deer were common within the beach fringe. Examination of the bone marrow showed that death was usually from malnutrition. In 1964 the remains of 11 deer were found. Only fragments of bone and hair were usually present, but in all instances except one the marrow was white and solid.

The most dramatic change on the island is the vegetative cover. Previously nearly every available plant was utilized by deer. The forest was open and park-like compared to the dense understory usually found in

Southeast Alaskan forests. Species which are generally unpalatable showed heavy use. This is the only site in Southeast Alaska where the writer has seen Sitka spruce hedged by deer. Inaccessible sites, such as roots of overturned trees, supported lush growth of several species of vegetation which were absent from the forest floor. Some plants of Vaccinium ovalifolium, V. parvifolium and Menziesia ferruginea, which had at some time in the past become established and grown too tall for deer to reach, had dense clumps of dead, browsed stubs about their bases.

In june of 1962 there were already signs of a decrease in utilization. Unpalatable species such as Menziesia ferruginea, Oplopanax horridus and the fern Polysticum munitum were beginning to appear. More desirable species as Cornus canadensis and deer fern (Blechnum spicant) were also becoming apparent. Careful observation revealed many small shoots of Vaccinium ovalifolium and V. parvifolium springing from hidden root systems. By July, 1964, changes in the vegetation could not be mistaken. The forest floor supported dense mats of Cornus canadensis and large clumps of Polystichum munitum. In many places the ground was green with small plants of Menziesia furruginea. Fauria crista-galli and Lysichitum americanum were present on the wetter sites and the old Menziesia ferruginea and Vaccinium spp. plants had lush green shoots about their bases which were less than four years old.

## Conclusions

Wolves have now been present on Coronation Island for almost four years. They successfully adapted to wild conditions and produced pups at two years of age. At least one of the original males was still alive when four years

old (observed tagged animal). Wolf litters usually average seven or eight pups. Assuming a 1:1 sex ratio at birth and taking into account the death of the two original females during their second year, the maximum population at the present date could be 6 adult males, 5 adult females, 40 year-old animals and 40 pups; a total of 91 wolves. The actual population does not approach this number. Observations indicate there are between 7 and 11 adult and yearling wolves and 2 pups on the 30 square mile island at the present time. This is probably the highest wild wolf population per unit area in existence today. The presence of large amounts of wolf hair in some scats indicates that intra-specific strife may account for the slow increase in wolf numbers. Although their reproductive potential is great, wolves may rarely attain it. We have knowledge of three separate litters born on Coronation Island since 1960; however, the maximum number of pups known in any one litter is three.

Compared to most other areas of Southeast Alaska the present deer population on Coronation Island is low, but in spite of extremely heavy predation, wolves have not elimated the deer and in fact are presently utilizing them more than earlier. Deer numbers have been reduced; however, examination of bone marrow indicates that the remaining deer are in better condition than before wolves were present.

Changes in vegetative cover since the wolf introduction show that ranges in Southeast Alaska subject to heavy deer use recover rapidly when the pressure is released. Plants which appear to have been eliminated quickly re-established.

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HB 59

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

DIVISION OF THE TREASURY POUCH SB — JUNEAU 99801

February 23, 1973

The Honorable Joseph E. McGill
Chairman, House Resources Committee
State Legislature
Juneau, Alaska 99801

Dear Representative McGill:

During hearings Tuesday, February 20, you requested that information be made available to your Committee regarding property tax rates nationwide. I am enclosing copies of a study on that topic performed by the Minnesota Commission on Taxation. This is an extensive report that just recently became available. Attached there is a summary page listing the effective rate of tax based on comparable full market value assessment. It indicates that the average property tax rate is 19.1 mills nationwide.

If you would like us to discuss this study with your Committee we would be happy to do so. If you have any questions please do not hesitate to ask.

I am enclosing sufficient copies for each member of your Committee plus several additional for your staff.

Very truly yours,

Lawrence C. Eppenbach

Lawrence C. Eppenbach
Deputy Commissioner, Treasury

LCE:ge
Enclosures

AGO 533261

# UNITED STATES

# PROPERTY TAX RATES

Department of Revenue
Treasury Division
Audit Division

Minnesota Commission on Taxation

AGO 533262

## Average Property Tax Rates of All States

| | Rate of Assessment | Tax Rate (in Mills) | Effective Rate on Full Market Value (in Mills) |
|---|---|---|---|
| Alabama | 16.9 | 34.0 | 5.74 |
| Alaska | 94.55 | 14.25 | 13.47 |
| Arizona | 18.9 | 106.9 | 20.20 |
| Arkansas | 16.0 | 65.7 | 10.51 |
| California | 19.7 | 114.3 | 22.52 |
| Colorado | 27.2 | 90.04 | 24.49 |
| Connecticut | 58.0 | 49.94 | 28.96 |
| Delaware | 53.4 | 53.21 | 28.41 |
| District of Columbia | 54.3 | 32.0 | 17.37 |
| Florida | 85.0 | 15.9 | 13.51 |
| Georgia | 29.39 | 41.5 | 12.12 |
| Hawaii | 62.4 | 18.739 | 11.69 |
| Idaho | 11.95 | 105.2 | 12.57 |
| Illinois | 41.7 | 58.1 | 24.23 |
| Indiana | 25.6 | 105.12 | 26.91 |
| Iowa | 24.6 | 99.635 | 24.51 |
| Kansas | 20.0 | 83.871 | 16.77 |
| Kentucky | 87.5 | 12.383 | 10.84 |
| Louisiana | 17.8 | 68.89 | 12.26 |
| Maine | 58.6 | 59.92 | 35.11 |
| Maryland | 52.9 | 30.07 | 15.91 |
| Massachusetts | 49.1 | 59.70 | 29.31 |
| Michigan | 28.2 | 49.54 | 19.97 |
| Minnesota | 30.1 | 297.47 | 32.00 |
| Mississippi | 15.0 | 95.0 | 14.25 |
| Missouri | 27.6 | 50.0 | 13.80 |
| Montana | 40.0 | 200.0 | 26.00 |
| Nebraska | 31.8 | 70.34 | 22.37 |
| Nevada | 29.4 | 46.0 | 13.52 |
| New Hampshire | 70.0 | 40.3 | 28.21 |
| New Jersey | 75.41 | 47.4 | 35.74 |
| New Mexico | 23.2 | 30.8 | 7.15 |
| New York | 48.0 | 42.17 | 20.24 |
| North Carolina | 46.6 | 30.0 | 13.98 |
| North Dakota | 21.0 | 172.63 | 18.12 |
| Ohio | 31.0 | 46.7 | 14.48 |
| Oklahoma | 20.0 | 75.0 | 15.00 |
| Oregon | 87.2 | 27.02 | 23.56 |
| Pennsylvania | 42.8 | 83.10 | 35.57 |
| Rhode Island | 59.51 | 45.54 | 27.10 |
| South Carolina | 5.6 | 193.57 | 10.84 |
| South Dakota | 38.2 | 52.47 | 20.04 |
| Tennessee | 28.9 | 49.61 | 14.34 |
| Texas | 21.7 | 46.62 | 10.12 |
| Utah | 16.2 | 90.67 | 14.69 |
| Vermont | 36.04 | 6,820.0 | 24.57 |
| Virginia | 35.1 | 31.3 | 10.99 |
| Washington | 36.9 | 42.84 | 15.81 |
| West Virginia | 52.61 | 14.0 | 7.37 |
| Wisconsin | 60.56 | 57.65 | 34.91 |
| Wyoming | 20.2 | 60.542 | 12.23 |
| National Average | | | 19.10 |

AGO 533263

# PROPERTY TAX ESTIMATES

# WITH STATE AVERAGES AND

# WITH SELECTED CITIES

Presented By: ARTHUR C. ROEMER

Commissioner of Taxation

Research Report

Number 101

AGO 533264

ACKNOWLEDGEMENTS

The Minnesota Department of Taxation, Research and Planning Division, gratefully acknowledges the cooperation of each state and the District of Columbia in providing information for this study.



AGO 533265

## INTRODUCTION

Property taxes have always been a controversial topic of discussion, complete with advocates, adversaries, and those who "ride the fence." However, there is one point upon which all parties will most certainly agree and that is we live with property taxes every day of our lives. It was one of first taxes that man imposed upon himself. It was used by the Greeks and Romans, by Medieval man, by our early colonists. Times have changed societies, and societies in turn have changed the property tax to best meet their needs. It may be a far different type of people than we are that finally iron out all the discrepancies in the tax with which we must cope today.

The purpose of this study was not to pursue the theoretical or philosophical intricacies of the property tax but instead to compare the tax as it actually exists in our country today. The investigation revolved around the total property tax burden as it rests on the typical taxpayer owning a home at one of six market values. Whenever possible, data used in this report was that which was directly reported to us by the individual states. Where data was lacking or insufficient, supplementary information was gathered from secondary sources to satisfy requirements of the study. In either case, the aim was to duplicate as closely as possible taxes on the typical residential property owner.

The request for this view of property tax burdens originated from the Minnesota Governor's "Intergovernmental Committee on State Economy and Financial Policy" for use by the Governor in budget planning and for use by the legislators. In response to that request and for others who may wish to explore, criticize, or improve upon, it is that we present this report on property taxation.



AGO 533266

TABLE OF CONTENTS


Acknowledgements . . . . . i
Introduction . . . . . ii

Method . . . . . 1

Part I: STATES

Table I. Ratios of Assessment and Rates of Taxation in Statewide Averages . . . . . 4

Table II. Property Tax Liability Estimates Borne by Homes in State Averages by State and by Market Value . . . . . 8

Table III. Property Tax Estimates by State Rank for Homes of $10,000 Market Value . . . . . 10

Table IV. Property Tax Estimates by State Rank for Homes of $20,000 Market Value . . . . . 11

Table V. Property Tax Estimates by State Rank for Homes of $25,000 Market Value . . . . . 12

Table VI. Property Tax Estimates by State Rank for Homes of $30,000 Market Value . . . . . 13

Table VII. Property Tax Estimates by State Rank for Homes of $40,000 Market Value . . . . . 14

Table VIII. Property Tax Estimates by State Rank for Homes of $50,000 Market Value . . . . . 15

Table IX. Property Tax Estimates and Ranks by Regional Area . . 16

Table X. State Average Property Tax Estimates as a Percentage of Market Value (Effective Rates) . . . . 18

Part II: CITIES

Table XI. Ratios of Assessment and Rates of Taxation for the Largest City Within Each State . . . . . 21

Table XII. Property Tax Liability Estimates Borne by Homes in the Largest City Within Each State by City and by Market Value . . . . . 25

Table XIII. Property Tax Estimates by City Rank for Homes of $10,000 Market Value . . . . . 27

Table XIV. Property Tax Estimates by City Rank for Homes of $20,000 Market Value . . . . . 28




AGO 533267

TABLE OF CONTENTS
(continued)


Table XV. Property Tax Estimates by City Rank for Homes of $25,000 Market Value . . . . . 29

Table XVI. Property Tax Estimates by City Rank for Homes of $30,000 Market Value . . . . . 30

Table XVII. Property Tax Estimates by City Rank for Homes of $40,000 Market Value . . . . . 31

Table XVIII. Property Tax Estimates by City Rank for Homes of $50,000 Market Value . . . . . 32

Table XIX. City Property Tax Estimates as a Percentage of Market Value (Effective Rates) . . . . . 33

Part III: INFORMATION APPLICABLE TO BOTH STATES AND CITIES

Table XX. Statutory Ratios by State . . . . . 36

Table XXI. Homestead Exemption Provisions as Applied to Property Tax Liability Calculations . . . . . 39

Table XXII. Discounts for Prompt Payments . . . . . 41

Analysis . . . . . 45

Closing Comments . . . . . 49




AGO 533268

## METHOD

This study was tailored as closely as possible to duplicate the conditions of the property tax as they actually occur today. The investigation was limited to real estate, in particular, to residential property. A preliminary survey of the states immediately revealed the great variety in taxation systems that exist in the fifty states and the District of Columbia, all operating independently of one another. There were, and are of course, commonalities upon which property taxes are based. Utilization of these shared characteristics allowed development of assumptions and definitions functional to the final outcome of the inquiry.

Tax officials of each state were sent a set of data forms and instructions concerning residential property taxes payable in 1972 for their states as a whole and also for the largest cities within their respective states. The instructions and definitions were to establish a uniform base of terminology for consistent completion of the forms. The forms themselves followed a step by step process which determined a final tax liability on a typical homeowner. The "home" was a single-family, non-agricultural residence, owned and lived in by the same person. The homeowner was not considered a veteran, nor a senior citizen, nor have any other distinguishing characteristics; he was to remain a "typical" or "average" citizen.

The definitions of market value, ratio of assessment, and rate of taxation, although common knowledge to those involved in the property tax, were important relative to the comprehension and use of other concepts employed in the study. Market value was defined as the estimated value in money for which the home would sell on an open market between a willing buyer and a willing seller. The study set market values at $10,000, $20,000, $25,000, $30,000, $40,000 and $50,000. Ratio of assessment was defined as the percentage relationship between the market value and the adjusted market value. The rate of taxation was defined as that rate which was applicable to the taxable value.

Other functions needed in calculating the final tax were also defined. The adjusted market value was described as the resulting product after the ratio of assessment had been applied to the market value. An explanation of a statutory classification rate was included for those states having an intermediate step that relates the adjusted market value to the taxable value by use of another percentage figure for a particular property type. The taxable value was described as the value, either the adjusted market value or another figure derived from the use of a statutory classification rate, against which the tax rate or levy is applicable. Homestead exemptions or general relief credits included in the calculations were monies not paid by the taxpayer due to special legislation that granted him this



AGO 533269

benefit solely on the basis of residence in and ownership of his home. Many states offered programs under which property taxes are reduced by virtue of the owner being a veteran, disabled, a senior citizen, having low income, etc.. These provisions, however, were not included because they do not apply to all persons considered "homesteaders." After taking into consideration all ratios, rates, and exemptions, the final result was defined as the tax liability, the amount of money due by the homeowner in payment of his property taxes.

Other, more general information asked of the states concerned the existence and description of any property classification system, exemptions appropriated to veterans, senior citizens, and low income homeowners, and also for the concept used in making valuations of property.

For data received that did not conform to final specifications or for states which made no reply at all, information was substituted from other sources. Ratios on a statewide basis were taken from the 1972 edition of State and Local Finances: Significant Features and Suggested Legislation, Advisory Committee on Intergovernmental Relations. Ratios for cities were extracted from Taxable Property Values, 1967 Census of Governments, Volume 2, for selected areas having a 1960 population of 50,000 or more. If a specific city was not listed, the ratio for the county in which the city was located was used. Both the average state ratios and city ratios were from measurable sales of non-farm houses during a six-month period in 1966.

Supplementary data on rates was taken from State and Local Taxes, Prentice-Hall. Rates for cities were used as given. Taxation rates as statewide averages required that estimates be made from the local tax rates listed. These estimates were arithmetic averages of all or a sample of the given rates.

If a specific state publication provided better data on rates and ratios than could be obtained elsewhere, it was used. Allowing for age, accuracy, and other limitations of consistency of these secondary pieces of information, they were incorporated into the study with the data received directly from the states.

Another factor taken into consideration, but not included in the actual calculations of the final tax liability, was any discount allowed for prompt or early payment of the tax. This information was taken from the Prentice-Hall publication and has been presented within this report.

The following tables and analysis are the results of this probe into a particular area of "the" property tax.

Part I: STATES

RATIOS OF ASSESSMENT AND RATES OF TAXATION
IN STATE-WIDE AVERAGES

Table I.

| State | Ratio of Assessment | | Tax Rate | |
|---|---|---|---|---|
| Alabama | 16.9 % | (1) | 34. | Mills |
| Alaska | 94.55 | | 14.25 | |
| Arizona | 18.9 | (2) | 106.9 | |
| Arkansas | 16.0 | (2) | 65.7 | |
| California | 19.7 | (2) | 114.3 | (A) |
| Colorado | 27.2 | (2) | 90.04 | |
| Connecticut | 58 | (3) | 49.94 | (B) |
| Delaware | 53.4 | (2) | 53.21 | (C) |
| Dist./Columbia | 54.3 | | 32.0 | |
| Florida | 85 | (2) | 15.9 | (D) |
| Georgia | 29.39 | (5) | 41.25 | (D) |
| Hawaii | 62.4 | (2) | 18.739 | (E) |
| Idaho | 11.95 | | 105.2 | |
| Illinois | 41.7 | (2) | 58.1 | (D) |
| Indiana | 25.6 | (2) | 105.12 | (C) |
| Iowa | 24.6 | (2) | 99.635 | |
| Kansas | 20 | (6) | 83.871 | (D) |
| Kentucky | 87.5 | (5) | 12.383 | (F) |
| Louisiana | 17.8 | (2) | 68.89 | (C,D) |
| Maine | 58.6 | (2) | 59.92 | |
| Maryland | 52.9 | (5) | 30.07 | |
| Massachusetts | 49.1 | (2) | 59.70 | (H) |
| Michigan | 28.2 | (2) | 49.54 | (D) |
| Minnesota * | 30.1 | (7) | 297.47 | |
| Mississippi | 15 | (approx.) | 95 | |
| Missouri | 27.6 | (2) | 50 | (I) |
| Montana ** | 40 | (approx.) | 200 | |
| Nebraska | 31.8 | (2) | 70.34 | (I) |
| Nevada | 29.4 | (2) | 46 | |
| New Hampshire | 70 | (5) | 40.3 | (D) |
| New Jersey | 75.41 | (8) | 47.4 | |
| New Mexico | 23.2 | (2) | 30.8 | (J) |
| New York | 48 | (5) | 42.17 | (D) |
| North Carolina | 46.6 | (2) | 30 | (K) |
| North Dakota *** | 21 | | 172.63 | |
| Ohio | 31 | (9) | 46.7 | (D) |
| Oklahoma | 20 | | 75 | |
| Oregon | 87.2 | (10) | 27.02 | (I) |
| Pennsylvania | 42.8 | (11) | 83.10 | (C) |
| Rhode Island | 59.51 | | 45.54 | (C,D) |



AGO 533272

RATIOS OF ASSESSMENT AND RATES OF TAXATION
IN STATEWIDE AVERAGES

Table I. (continued)

| State | Ratio of Assessment | | Tax Rate | |
|---|---|---|---|---|
| South Carolina | 5.6 % | | 103.57 | (C,B) Mills |
| South Dakota | 38.? | | 52.47 | |
| Tennessee | 28.9 | (2) | 49.61 | (C,D) |
| Texas | 21.7 | (2) | 46.62 | (C) |
| Utah | 16.2 | (2) | 90.67 | (C,D) |
| Vermont*** | 36.04 | (7) | 6,820 | (D) |
| Virginia | 35.1 | | 31.3 | |
| Washington | 36.9 | (5) | 42.84 | (D) |
| West Virginia | 52.61 | (5) | 14 | |
| Wisconsin | 60.56 | | 57.65 | |
| Wyoming | 20.? | (2) | 60.542 | (D) |

* Minnesota: The ratio given relates market value to adjusted market value. The taxable value against which the rate is applied is found by taking 25% of the first $4,000 adjusted market value and 40% of the amount over $4,000.

** Montana: The ratio given is an estimate of the relationship between market value and adjusted market value. The taxable value against which the rate is applied is 30% of the adjusted market value.

*** North Dakota: The ratio given relates market value to adjusted market value. Fifty percent (50%) of the adjusted market value is used for the taxable value.

**** Vermont: The ratio given relates market value to adjusted market value. One percent (1%) of the adjusted market value is used for the taxable value.

Special Note: Footnote references are in parentheses following ratios and rates. See following pages for explanations.



AGO 533273

RATIOS OF ASSESSMENT AND RATES OF TAXATION
IN STATE AVERAGES

Table I. (continued)

FOOTNOTES FOR RATIOS:

(Ratios not footnoted are assumed to relate to taxes payable in 1972 or are otherwise most recently available. See specific footnotes.)

1. The ratio used for Alabama is prior to the May 30, 1972, voter referendum which approved an amendment to the Constitution authorizing a classification system for assessing property. The new system, if accepted by the Federal Court, would establish residential property at a ratio of 15%.

2. State-Local Finances: Significant Features and Suggested Legislation, 1972 Edition, Advisory Commission on Intergovernmental Relations, Table 109, Column 6 (Nonfarm houses, 1966).

3. Connecticut's state-wide assessment ratio is an arithmetic average on the taxable list of 1969 to which 1970 tax rates apply. (Direct communication with the State of Connecticut.)

4. Florida's State Auditor General's property tax ratio study determined their statewide ratio to be about 85% of full market value. ("From the State Capital," Bethune Jones, publisher, August 1, 1972.)

5. 1971 ratio studies with specific comments as reported by state:
   Kentucky - residential property
   Maryland - residential property
   New Hampshire - state average
   New York - state average
   West Virginia - class II properties

6. "Kansas Real Estate Ratio Study," Property Valuation Department, Topeka, Kansas, 1971.

7. 1970 ratio studies with specific comments as reported by state:
   Minnesota - residential property
   Vermont - statewide average for all property from 1970 Grand Lists
   Washington - ratio is for 1970 assessments, taxes due in 1971, and represents statewide ratio of essentially homes and businesses.

8. New Jersey's ratio is preliminary for 1972.

9. Ohio's reported ratio is for all residential property for the first six months of 1971.

10. Oregon's ratio reflects the 1968-1969 change from 25% to 100% in their statutory assessment ratio; it is four times the ratio listed in ACIR's Table 109.

RATIOS OF ASSESSMENT AND RATES OF TAXATION
IN STATE AVERAGES

Table I. (continued)

11. 21st Annual Certification of the Pennsylvania State Tax Equalization Board, 1968 Market Values of Taxable Property, certified June 30, 1969.

FOOTNOTES FOR RATES:

(Rates not footnoted are assumed to be for taxes payable in 1972 or are otherwise most recently available. See specific footnotes.)

A. California's rate is a preliminary tax rate for fiscal 1971-1972.

B. Rate is for taxes payable in 1970.

C. Rate is an estimate calculated from listings of local tax rates given in Prentice-Hall, State and Local Taxes.

D. Rate is for taxes payable in 1971.

E. Hawaii's state average taxation rate is a weighted estimate calculated from information received from the State of Hawaii.

F. Kentucky's statewide tax rate is applicable to 1970 taxes. The 1972 rate is not expected to vary appreciably from this rate. (Direct communication with the State of Kentucky.) Also, the Kentucky Department of Revenue collects information only on assessments and levies administered by the counties and school districts. The city portion of the total tax rate is an estimate made from local rates listed in Prentice-Hall for assessed values in 1970.

G. Maine's state average tax rate is a hypothetical one calculated by dividing the state valuation of municipalities as of April 1,1971, into the total amount of taxes levied by the municipalities.

H. "1971 Tax Rates, Actual and Full Value," Massachusetts Taxpayers Foundation, Inc.

I. Rate is an estimate for taxes payable in 1972 made by the respective states.

J. Statewide average rate is an estimate calculated from information received from New Mexico, "State, County and Municipal Rates, 1971-1972."

K. The mill rate used for North Carolina is a rounded urban rate. The average non-urban rate is 15 mills.



AGO 533275

PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOMES
IN STATE AVERAGES BY STATE AND BY MARKET VALUE

Table II.

| State | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alabama | $ 46.48 | 48 | $101.92 | 49 | $130.65 | 50 | $ 159.38 | 50 | $ 216.84 | 50 | $ 274.30 | 50 |
| Alaska | 134.73 | 34 | 269.47 | 35 | 336.84 | 35 | 404.20 | 35 | 538.94 | 35 | 673.67 | 36 |
| Arizona | 202.04 | 18 | 404.08 | 19 | 505.11 | 20 | 606.12 | 20 | 808.16 | 21 | 1,010.21 | 21 |
| Arkansas | 105.12 | 41 | 210.24 | 42 | 262.80 | 42 | 315.36 | 43 | 420.48 | 43 | 525.60 | 43 |
| California | 139.44 | 31 | 364.61 | 22 | 477.20 | 22 | 589.78 | 22 | 814.95 | 19 | 1,040.13 | 19 |
| Colorado | 244.91 | 12 | 489.82 | 12 | 612.27 | 12 | 734.73 | 13 | 979.64 | 13 | 1,224.54 | 13 |
| Connecticut | 289.65 | 6 | 579.30 | 6 | 724.13 | 6 | 868.96 | 6 | 1,158.61 | 6 | 1,448.26 | 6 |
| Delaware | 284.14 | 7 | 568.28 | 7 | 710.35 | 7 | 852.42 | 7 | 1,136.57 | 7 | 1,420.71 | 7 |
| District of Columbia | 173.76 | 22 | 347.52 | 24 | 434.40 | 24 | 521.28 | 24 | 695.04 | 24 | 868.80 | 24 |
| Florida | 55.65 | 45 | 190.80 | 43 | 258.38 | 43 | 325.95 | 40 | 461.10 | 39 | 596.25 | 39 |
| Georgia | 48.73 | 47 | 169.97 | 44 | 230.58 | 44 | 291.20 | 44 | 412.44 | 44 | 533.67 | 44 |
| Hawaii | -0- | 51 | 83.95 | 51 | 142.42 | 49 | 200.88 | 48 | 317.82 | 47 | 434.75 | 47 |
| Idaho | 125.71 | 36 | 251.43 | 36 | 314.34 | 36 | 377.14 | 36 | 502.86 | 37 | 628.57 | 37 |
| Illinois | 242.28 | 13 | 484.55 | 13 | 605.69 | 13 | 726.83 | 11 | 969.11 | 14 | 1,211.39 | 14 |
| Indiana | 269.11 | 10 | 538.21 | 10 | 672.77 | 10 | 807.32 | 10 | 1,076.43 | 10 | 1,345.54 | 11 |
| Iowa | 183.60 | 20 | 427.70 | 17 | 550.26 | 16 | 672.81 | 16 | 917.91 | 17 | 1,163.01 | 17 |
| Kansas | 167.74 | 21 | 335.48 | 25 | 419.36 | 25 | 503.23 | 25 | 670.97 | 25 | 838.71 | 25 |
| Kentucky | 108.35 | 40 | 216.70 | 41 | 270.88 | 41 | 325.05 | 42 | 433.41 | 42 | 541.76 | 42 |
| Louisiana | 30.86 | 50 | 153.49 | 45 | 214.80 | 45 | 276.11 | 49 | 398.74 | 45 | 521.36 | 45 |
| Maine | 351.13 | 3 | 702.26 | 3 | 877.83 | 3 | 1,053.39 | 3 | 1,404.52 | 3 | 1,755.66 | 3 |
| Maryland | 159.07 | 24 | 318.14 | 26 | 397.68 | 26 | 477.21 | 26 | 636.28 | 26 | 795.35 | 26 |
| Massachusetts | 293.13 | 5 | 586.25 | 5 | 732.82 | 5 | 879.38 | 5 | 1,172.51 | 5 | 1,465.64 | 5 |
| Michigan | 139.70 | 30 | 279.41 | 32 | 349.26 | 32 | 419.11 | 32 | 558.81 | 32 | 698.51 | 32 |
| Minnesota | 157.99 | 26 | 379.58 | 21 | 506.97 | 19 | 634.38 | 18 | 1,004.14 | 11 | 1,362.29 | 9 |
| Mississippi | 45.00 | 49 | 90.00 | 50 | 112.50 | 51 | 135.00 | 51 | 215.00 | 51 | 312.50 | 50 |

PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOME
IN STATE AVERAGES BY STATE AND BY MARKET VALUE

Table II. (continued)

| State | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Missouri | $138.00 | 32 | $276.00 | 33 | $345.00 | 33 | $ 414.00 | 33 | $ 552.00 | 33 | $ 690.00 | 33 |
| Montana | 240.00 | 14 | 480.00 | 14 | 600.00 | 14 | 720.00 | 14 | 960.00 | 15 | 1,200.00 | 15 |
| Nebraska | 205.79 | 16 | 429.47 | 16 | 541.31 | 17 | 653.15 | 17 | 876.83 | 18 | 1,100.51 | 18 |
| Nevada | 135.24 | 33 | 270.48 | 34 | 338.10 | 34 | 405.72 | 34 | 540.96 | 34 | 676.20 | 34 |
| New Hampshire | 282.10 | 8 | 564.20 | 8 | 705.25 | 8 | 846.30 | 8 | 1,128.40 | 8 | 1,410.50 | 8 |
| New Jersey | 357.44 | 1 | 714.89 | 1 | 893.61 | 1 | 1,072.33 | 1 | 1,429.77 | 1 | 1,787.22 | 1 |
| New Mexico | 65.30 | 44 | 136.75 | 48 | 172.48 | 48 | 208.21 | 47 | 279.66 | 49 | 351.12 | 49 |
| New York | 202.42 | 17 | 404.83 | 18 | 506.04 | 18 | 607.25 | 19 | 809.66 | 20 | 1,012.08 | 20 |
| North Carolina | 139.80 | 35 | 269.60 | 31 | 349.50 | 31 | 419.40 | 31 | 559.20 | 31 | 699.00 | 31 |
| North Dakota | 181.26 | 21 | 362.52 | 23 | 453.15 | 23 | 543.78 | 23 | 725.05 | 23 | 906.31 | 23 |
| Ohio | 144.77 | 28 | 289.54 | 29 | 361.93 | 29 | 434.31 | 29 | 579.08 | 29 | 723.85 | 29 |
| Oklahoma | 75.00 | 42 | 225.00 | 38 | 300.00 | 38 | 375.00 | 37 | 525.00 | 36 | 675.00 | 35 |
| Oregon | 235.61 | 15 | 471.23 | 15 | 589.04 | 15 | 706.84 | 15 | 942.46 | 16 | 1,178.07 | 16 |
| Pennsylvania | 355.67 | 2 | 711.34 | 2 | 889.17 | 2 | 1,067.00 | 2 | 1,422.67 | 2 | 1,778.34 | 2 |
| Rhode Island | 271.01 | 9 | 542.02 | 9 | 677.50 | 9 | 813.03 | 9 | 1,084.03 | 9 | 1,355.04 | 10 |
| South Carolina | 108.40 | 39 | 216.80 | 40 | 271.00 | 40 | 325.20 | 41 | 433.60 | 41 | 542.00 | 41 |
| South Dakota | 200.44 | 19 | 400.87 | 20 | 501.09 | 21 | 601.31 | 21 | 801.74 | 22 | 1,002.18 | 22 |
| Tennessee | 143.37 | 29 | 286.75 | 30 | 358.43 | 30 | 430.12 | 30 | 573.49 | 30 | 716.86 | 30 |
| Texas | 51.49 | 46 | 152.65 | 46 | 203.23 | 46 | 253.82 | 45 | 354.98 | 46 | 456.15 | 46 |
| Utah | 146.89 | 27 | 293.77 | 28 | 367.21 | 28 | 440.66 | 28 | 587.54 | 28 | 734.43 | 28 |
| Vermont | 245.79 | 11 | 491.59 | 11 | 614.48 | 11 | 737.38 | 12 | 983.17 | 12 | 1,228.96 | 12 |
| Virginia | 109.86 | 38 | 219.73 | 39 | 274.66 | 39 | 329.59 | 39 | 439.45 | 40 | 549.32 | 40 |
| Washington | 158.08 | 25 | 316.16 | 27 | 395.20 | 27 | 474.24 | 27 | 632.32 | 27 | 790.40 | 27 |
| West Virginia | 73.65 | 43 | 147.31 | 47 | 184.13 | 47 | 220.96 | 46 | 294.62 | 48 | 368.27 | 48 |
| Wisconsin | 322.50 | 4 | 645.00 | 4 | 806.24 | 4 | 967.50 | 4 | 1,289.99 | 4 | 1,612.49 | 4 |
| Wyoming | 122.29 | 37 | 244.59 | 37 | 305.74 | 37 | 366.88 | 38 | 489.18 | 38 | 611.47 | 38 |



AGO 533271

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $10,000 MARKET VALUE

Table III.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $357.44 | 1 |
| Pennsylvania | 355.67 | 2 |
| Maine | 351.13 | 3 |
| Wisconsin | 322.50 | 4 |
| Massachusetts | 293.13 | 5 |
| Connecticut | 289.65 | 6 |
| Delaware | 284.14 | 7 |
| New Hampshire | 282.10 | 8 |
| Rhode Island | 271.01 | 9 |
| Indiana | 269.11 | 10 |
| Vermont | 245.79 | 11 |
| Colorado | 244.91 | 12 |
| Illinois | 242.28 | 13 |
| Montana | 240.00 | 14 |
| Oregon | 235.61 | 15 |
| Nebraska | 205.79 | 16 |
| New York | 202.42 | 17 |
| Arizona | 202.04 | 18 |
| South Dakota | 200.44 | 19 |
| Iowa | 183.60 | 20 |
| North Dakota | 181.26 | 21 |
| District of Columbia | 173.76 | 22 |
| Kansas | 167.74 | 23 |
| Maryland | 159.07 | 24 |
| Washington | 158.08 | 25 |
| Minnesota | 157.99 | 26 |
| Utah | 146.89 | 27 |
| Ohio | 144.77 | 28 |
| Tennessee | 143.37 | 29 |
| Michigan | 139.70 | 30 |
| California | 139.44 | 31 |
| Missouri | 138.00 | 32 |
| Nevada | 135.24 | 33 |
| Alaska | 134.73 | 34 |
| North Carolina | 133.80 | 35 |
| Idaho | 125.71 | 36 |
| Wyoming | 122.29 | 37 |
| Virginia | 109.86 | 38 |
| South Carolina | 108.40 | 39 |
| Kentucky | 108.35 | 40 |
| Arkansas | 105.12 | 41 |
| Oklahoma | 75.00 | 42 |
| West Virginia | 73.65 | 43 |
| New Mexico | 65.30 | 44 |
| Florida | 55.65 | 45 |
| Texas | 51.49 | 46 |
| Georgia | 48.73 | 47 |
| Alabama | 46.48 | 48 |
| Mississippi | 45.00 | 49 |
| Louisiana | 30.86 | 50 |
| Hawaii | -0- | 51 |
| Average | 170.68 | |



AGO 533278

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $20,000 MARKET VALUE

Table IV.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $714.89 | 1 |
| Pennsylvania | 711.34 | 2 |
| Maine | 702.26 | 3 |
| Wisconsin | 645.00 | 4 |
| Massachusetts | 586.25 | 5 |
| Connecticut | 579.30 | 6 |
| Delaware | 568.28 | 7 |
| New Hampshire | 564.20 | 8 |
| Rhode Island | 542.02 | 9 |
| Indiana | 538.21 | 10 |
| Vermont | 491.59 | 11 |
| Colorado | 489.89 | 12 |
| Illinois | 484.55 | 13 |
| Montana | 480.00 | 14 |
| Oregon | 471.23 | 15 |
| Nebraska | 429.47 | 16 |
| Iowa | 427.70 | 17 |
| New York | 404.83 | 18 |
| Arizona | 404.08 | 19 |
| South Dakota | 400.87 | 20 |
| Minnesota | 379.58 | 21 |
| California | 364.61 | 22 |
| North Dakota | 362.52 | 23 |
| District of Columbia | 347.52 | 24 |
| Kansas | 335.48 | 25 |
| Maryland | 318.14 | 26 |
| Washington | 316.16 | 27 |
| Utah | 293.77 | 28 |
| Ohio | 289.54 | 29 |
| Tennessee | 286.75 | 30 |
| North Carolina | 279.60 | 31 |
| Michigan | 279.41 | 32 |
| Missouri | 276.00 | 33 |
| Nevada | 270.48 | 34 |
| Alaska | 269.47 | 35 |
| Idaho | 251.43 | 36 |
| Wyoming | 244.59 | 37 |
| Oklahoma | 225.00 | 38 |
| Virginia | 219.73 | 39 |
| South Carolina | 216.80 | 40 |
| Kentucky | 216.70 | 41 |
| Arkansas | 210.24 | 42 |
| Florida | 190.80 | 43 |
| Georgia | 169.97 | 44 |
| Louisiana | 153.49 | 45 |
| Texas | 152.65 | 46 |
| West Virginia | 147.31 | 47 |
| New Mexico | 136.75 | 48 |
| Alabama | 101.92 | 49 |
| Mississippi | 90.00 | 50 |
| Hawaii | 83.95 | 51 |
| Average | 355.22 | |



AGC 533279

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $25,000 MARKET VALUE

Table V.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $803.61 | 1 |
| Pennsylvania | 889.17 | 2 |
| Maine | 877.83 | 3 |
| Wisconsin | 806.24 | 4 |
| Massachusetts | 732.82 | 5 |
| Connecticut | 724.13 | 6 |
| Delaware | 710.35 | 7 |
| New Hampshire | 705.25 | 8 |
| Rhode Island | 677.50 | 9 |
| Indiana | 672.77 | 10 |
| Vermont | 614.48 | 11 |
| Colorado | 612.27 | 12 |
| Illinois | 605.69 | 13 |
| Montana | 600.00 | 14 |
| Oregon | 589.04 | 15 |
| Iowa | 550.26 | 16 |
| Nebraska | 541.31 | 17 |
| New York | 506.04 | 18 |
| Minnesota | 505.97 | 19 |
| Arizona | 505.11 | 20 |
| South Dakota | 501.09 | 21 |
| California | 477.20 | 22 |
| North Dakota | 453.15 | 23 |
| District of Columbia | 434.40 | 24 |
| Kansas | 419.36 | 25 |
| Maryland | 397.68 | 26 |
| Washington | 395.20 | 27 |
| Utah | 367.21 | 28 |
| Ohio | 361.93 | 29 |
| Tennessee | 358.43 | 30 |
| North Carolina | 349.50 | 31 |
| Michigan | 349.26 | 32 |
| Missouri | 345.00 | 33 |
| Nevada | 338.10 | 34 |
| Alaska | 336.84 | 35 |
| Idaho | 314.34 | 36 |
| Wyoming | 305.74 | 37 |
| Oklahoma | 300.00 | 38 |
| Virginia | 274.66 | 39 |
| South Carolina | 271.00 | 40 |
| Kentucky | 270.88 | 41 |
| Arkansas | 262.80 | 42 |
| Florida | 258.38 | 43 |
| Georgia | 230.58 | 44 |
| Louisiana | 214.80 | 45 |
| Texas | 203.23 | 46 |
| West Virginia | 184.13 | 47 |
| New Mexico | 172.48 | 48 |
| Hawaii | 142.42 | 49 |
| Alabama | 130.65 | 50 |
| Mississippi | 112.50 | 51 |
| Average | 448.09 | |



AGO 533280

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $30,000 MARKET VALUE

Table VI.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $1,072.33 | 1 |
| Pennsylvania | 1,067.00 | 2 |
| Maine | 1,053.39 | 3 |
| Wisconsin | 967.50 | 4 |
| Massachusetts | 879.38 | 5 |
| Connecticut | 868.96 | 6 |
| Delaware | 852.42 | 7 |
| New Hampshire | 846.30 | 8 |
| Rhode Island | 813.03 | 9 |
| Indiana | 807.32 | 10 |
| Illinois | 762.83 | 11 |
| Vermont | 737.38 | 12 |
| Colorado | 734.73 | 13 |
| Montana | 720.00 | 14 |
| Oregon | 706.84 | 15 |
| Iowa | 672.81 | 16 |
| Nebraska | 653.15 | 17 |
| Minnesota | 645.98 | 18 |
| New York | 607.25 | 19 |
| Arizona | 606.12 | 20 |
| South Dakota | 601.31 | 21 |
| California | 589.78 | 22 |
| North Dakota | 543.78 | 23 |
| District of Columbia | 521.28 | 24 |
| Kansas | 503.23 | 25 |
| Maryland | 477.21 | 26 |
| Washington | 474.24 | 27 |
| Utah | 440.66 | 28 |
| Ohio | 434.31 | 29 |
| Tennessee | 430.12 | 30 |
| North Carolina | 419.40 | 31 |
| Michigan | 419.11 | 32 |
| Missouri | 414.00 | 33 |
| Nevada | 405.72 | 34 |
| Alaska | 404.20 | 35 |
| Idaho | 377.14 | 36 |
| Oklahoma | 375.00 | 37 |
| Wyoming | 366.88 | 38 |
| Virginia | 329.59 | 39 |
| Florida | 325.95 | 40 |
| South Carolina | 325.20 | 41 |
| Kentucky | 325.05 | 42 |
| Arkansas | 315.36 | 43 |
| Georgia | 291.20 | 44 |
| Texas | 253.82 | 45 |
| West Virginia | 220.96 | 46 |
| New Mexico | 208.21 | 47 |
| Hawaii | 200.88 | 48 |
| Louisiana | 176.11 | 49 |
| Alabama | 159.38 | 50 |
| Mississippi | 135.00 | 51 |
| Average | 539.98 | |



AGO 533281

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $40,000 MARKET VALUE

Table VII.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $1,429.77 | 1 |
| Pennsylvania | 1,422.67 | 2 |
| Maine | 1,404.52 | 3 |
| Wisconsin | 1,289.99 | 4 |
| Massachusetts | 1,172.51 | 5 |
| Connecticut | 1,158.61 | 6 |
| Delaware | 1,136.57 | 7 |
| New Hampshire | 1,128.40 | 8 |
| Rhode Island | 1,084.03 | 9 |
| Indiana | 1,076.43 | 10 |
| Minnesota | 1,004.14 | 11 |
| Vermont | 983.17 | 12 |
| Colorado | 979.64 | 13 |
| Illinois | 969.11 | 14 |
| Montana | 960.00 | 15 |
| Oregon | 942.46 | 16 |
| Iowa | 917.91 | 17 |
| Nebraska | 876.83 | 18 |
| California | 814.95 | 19 |
| New York | 809.66 | 20 |
| Arizona | 808.16 | 21 |
| South Dakota | 801.74 | 22 |
| North Dakota | 725.05 | 23 |
| District of Columbia | 695.04 | 24 |
| Kansas | 670.97 | 25 |
| Maryland | 636.28 | 26 |
| Washington | 632.32 | 27 |
| Utah | 587.54 | 28 |
| Ohio | 579.08 | 29 |
| Tennessee | 573.49 | 30 |
| North Carolina | 559.20 | 31 |
| Michigan | 558.81 | 32 |
| Missouri | 552.00 | 33 |
| Nevada | 540.96 | 34 |
| Alaska | 538.94 | 35 |
| Oklahoma | 525.00 | 36 |
| Idaho | 502.86 | 37 |
| Wyoming | 489.18 | 38 |
| Florida | 461.10 | 39 |
| Virginia | 439.45 | 40 |
| South Carolina | 433.60 | 41 |
| Kentucky | 433.41 | 42 |
| Arkansas | 420.48 | 43 |
| Georgia | 412.44 | 44 |
| Louisiana | 398.74 | 45 |
| Texas | 354.98 | 46 |
| Hawaii | 317.82 | 47 |
| West Virginia | 294.62 | 48 |
| New Mexico | 270.66 | 49 |
| Alabama | 216.84 | 50 |
| Mississippi | 215.00 | 51 |
| Average | 729.73 | |



AGO 533282

PROPERTY TAX ESTIMATES BY STATE RANK
FOR HOMES OF $50,000 MARKET VALUE

Table VIII.

| State | Tax Due | Rank |
|---|---|---|
| New Jersey | $1,787.22 | 1 |
| Pennsylvania | 1,778.34 | 2 |
| Maine | 1,755.66 | 3 |
| Wisconsin | 1,612.49 | 4 |
| Massachusetts | 1,465.64 | 5 |
| Connecticut | 1,448.26 | 6 |
| Delaware | 1,420.71 | 7 |
| New Hampshire | 1,410.50 | 8 |
| Minnesota | 1,362.29 | 9 |
| Rhode Island | 1,355.04 | 10 |
| Indiana | 1,345.54 | 11 |
| Vermont | 1,228.96 | 12 |
| Colorado | 1,224.54 | 13 |
| Illinois | 1,211.39 | 14 |
| Montana | 1,200.00 | 15 |
| Oregon | 1,178.07 | 16 |
| Iowa | 1,163.01 | 17 |
| Nebraska | 1,100.51 | 18 |
| California | 1,040.13 | 19 |
| New York | 1,012.08 | 20 |
| Arizona | 1,010.21 | 21 |
| South Dakota | 1,002.18 | 22 |
| North Dakota | 906.31 | 23 |
| District of Columbia | 868.80 | 24 |
| Kansas | 838.71 | 25 |
| Maryland | 795.35 | 26 |
| Washington | 790.40 | 27 |
| Utah | 734.43 | 28 |
| Ohio | 723.85 | 29 |
| Tennessee | 716.86 | 30 |
| North Carolina | 699.00 | 31 |
| Michigan | 698.51 | 32 |
| Missouri | 690.00 | 33 |
| Nevada | 676.20 | 34 |
| Oklahoma | 675.00 | 35 |
| Alaska | 673.67 | 36 |
| Idaho | 628.57 | 37 |
| Wyoming | 611.47 | 38 |
| Florida | 596.25 | 39 |
| Virginia | 549.32 | 40 |
| South Carolina | 542.00 | 41 |
| Kentucky | 541.76 | 42 |
| Arkansas | 525.60 | 43 |
| Georgia | 523.67 | 44 |
| Louisiana | 521.36 | 45 |
| Texas | 456.15 | 46 |
| Hawaii | 434.75 | 47 |
| West Virginia | 368.27 | 48 |
| New Mexico | 351.12 | 49 |
| Mississippi | 312.50 | 50 |
| Alabama | 274.30 | 51 |
| Average | 918.37 | |



AGO 533283

PROPERTY TAX ESTIMATES AND RANKS BY REGIONAL AREA

Table IX.

| Region and States | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NEW ENGLAND | | | | | | | | | | | | |
| Maine | $351.13 | 3 | $702.26 | 3 | $877.83 | 3 | $1,053.39 | 3 | $1,404.52 | 3 | $1,755.66 | 3 |
| New Hampshire | 282.10 | 8 | 564.20 | 8 | 705.25 | 8 | 846.30 | 8 | 1,128.40 | 8 | 1,410.50 | 8 |
| Vermont | 245.79 | 11 | 491.59 | 11 | 614.48 | 11 | 737.38 | 12 | 983.17 | 12 | 1,228.96 | 12 |
| Massachusetts | 293.13 | 5 | 586.25 | 5 | 732.82 | 5 | 879.38 | 5 | 1,172.51 | 5 | 1,465.64 | 5 |
| Rhode Island | 271.01 | 9 | 542.02 | 9 | 677.50 | 9 | 813.03 | 9 | 1,084.03 | 9 | 1,355.04 | 10 |
| Connecticut | 289.65 | 6 | 579.30 | 6 | 724.13 | 6 | 868.96 | 6 | 1,158.61 | 6 | 1,448.26 | 6 |
| MIDEAST | | | | | | | | | | | | |
| New York | 202.42 | 17 | 404.83 | 18 | 506.04 | 18 | 607.25 | 19 | 809.66 | 20 | 1,012.08 | 20 |
| New Jersey | 357.44 | 1 | 714.89 | 1 | 893.61 | 1 | 1,072.33 | 1 | 1,429.77 | 1 | 1,787.22 | 1 |
| Pennsylvania | 355.67 | 2 | 711.34 | 2 | 889.17 | 2 | 1,067.00 | 2 | 1,422.67 | 2 | 1,778.34 | 2 |
| Delaware | 284.14 | 7 | 568.28 | 7 | 710.35 | 7 | 852.42 | 7 | 1,136.57 | 7 | 1,420.71 | 7 |
| Maryland | 159.07 | 24 | 318.14 | 26 | 397.68 | 26 | 477.21 | 26 | 636.28 | 26 | 795.35 | 26 |
| Dist. of Col. | 173.76 | 22 | 347.52 | 24 | 434.40 | 24 | 521.28 | 24 | 695.04 | 24 | 868.80 | 24 |
| GREAT LAKES | | | | | | | | | | | | |
| Michigan | 139.70 | 30 | 279.41 | 32 | 349.26 | 32 | 419.11 | 32 | 558.81 | 32 | 698.51 | 32 |
| Ohio | 144.77 | 28 | 289.54 | 29 | 361.93 | 29 | 434.31 | 29 | 579.08 | 29 | 723.85 | 29 |
| Indiana | 269.11 | 10 | 538.21 | 10 | 672.77 | 10 | 807.32 | 10 | 1,076.43 | 10 | 1,345.54 | 11 |
| Illinois | 242.28 | 13 | 484.55 | 13 | 605.69 | 13 | 726.83 | 11 | 969.11 | 14 | 1,211.39 | 14 |
| Wisconsin | 322.50 | 4 | 645.00 | 4 | 806.24 | 4 | 967.50 | 4 | 1,289.99 | 4 | 1,612.49 | 4 |
| PLAINS | | | | | | | | | | | | |
| Minnesota | 157.99 | 26 | 379.58 | 21 | 505.97 | 19 | 615.98 | 18 | 1,004.14 | 11 | 1,362.29 | 9 |
| Iowa | 183.60 | 20 | 427.70 | 17 | 550.26 | 16 | 672.81 | 16 | 917.91 | 17 | 1,163.01 | 17 |
| Missouri | 138.00 | 32 | 276.00 | 33 | 345.00 | 33 | 414.00 | 33 | 552.00 | 33 | 690.00 | 33 |
| North Dakota | 181.26 | 21 | 362.52 | 23 | 453.15 | 23 | 543.78 | 23 | 725.05 | 23 | 906.31 | 23 |
| South Dakota | 200.44 | 19 | 400.87 | 20 | 501.09 | 21 | 601.31 | 21 | 801.74 | 22 | 1,002.18 | 22 |
| Nebraska | 205.79 | 16 | 429.47 | 16 | 541.31 | 17 | 653.15 | 17 | 876.83 | 18 | 1,100.51 | 18 |
| Kansas | 167.74 | 23 | 335.48 | 25 | 419.36 | 25 | 503.23 | 25 | 670.97 | 25 | 838.71 | 25 |



AGO 533284

PROPERTY TAX ESTIMATES AND RANKS BY REGIONAL AREA

Table IX. (continued)

| Region and States | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SOUTHEAST | | | | | | | | | | | | |
| Virginia | $109.86 | 38 | $219.73 | 39 | $274.66 | 39 | $329.59 | 39 | $439.45 | 40 | $ 549.32 | 40 |
| West Virginia | 73.65 | 43 | 147.31 | 47 | 184.13 | 47 | 220.96 | 46 | 294.62 | 48 | 368.27 | 48 |
| Kentucky | 108.35 | 40 | 216.70 | 41 | 270.88 | 41 | 325.05 | 42 | 433.41 | 42 | 541.76 | 42 |
| Tennessee | 143.37 | 29 | 286.75 | 30 | 358.43 | 30 | 430.12 | 30 | 573.49 | 30 | 716.86 | 30 |
| North Carolina | 139.80 | 35 | 279.60 | 31 | 349.50 | 31 | 419.40 | 31 | 559.20 | 31 | 699.00 | 31 |
| South Carolina | 108.40 | 39 | 216.80 | 40 | 271.00 | 40 | 325.20 | 41 | 433.60 | 41 | 542.00 | 41 |
| Georgia | 48.73 | 47 | 169.97 | 44 | 230.58 | 44 | 291.20 | 44 | 412.44 | 44 | 523.67 | 44 |
| Florida | 55.65 | 45 | 199.80 | 43 | 258.38 | 43 | 325.95 | 40 | 461.10 | 39 | 596.25 | 39 |
| Alabama | 46.48 | 48 | 101.92 | 49 | 130.65 | 50 | 159.38 | 50 | 216.84 | 50 | 271.30 | 51 |
| Mississippi | 45.00 | 49 | 90.00 | 50 | 112.50 | 51 | 135.00 | 51 | 215.00 | 51 | 312.50 | 50 |
| Louisiana | 30.66 | 50 | 152.49 | 45 | 214.80 | 45 | 176.11 | 49 | 398.74 | 45 | 521.36 | 45 |
| Arkansas | 105.12 | 41 | 210.24 | 42 | 262.80 | 42 | 315.36 | 43 | 420.48 | 43 | 525.60 | 43 |
| SOUTHWEST | | | | | | | | | | | | |
| Oklahoma | 75.00 | 42 | 225.00 | 38 | 300.00 | 38 | 375.00 | 37 | 525.00 | 36 | 675.00 | 35 |
| Texas | 51.49 | 46 | 152.65 | 46 | 203.23 | 46 | 253.82 | 45 | 354.98 | 46 | 456.15 | 46 |
| New Mexico | 65.30 | 44 | 136.75 | 48 | 172.48 | 48 | 208.21 | 47 | 279.66 | 49 | 351.12 | 49 |
| Arizona | 202.04 | 18 | 404.08 | 19 | 505.11 | 20 | 606.12 | 20 | 808.16 | 21 | 1,010.21 | 21 |
| ROCKY MOUNTAIN | | | | | | | | | | | | |
| Montana | 240.00 | 14 | 480.00 | 14 | 600.00 | 14 | 720.00 | 14 | 960.00 | 15 | 1,200.00 | 15 |
| Idaho | 125.71 | 36 | 251.43 | 36 | 314.34 | 36 | 377.14 | 36 | 502.86 | 37 | 628.57 | 37 |
| Wyoming | 122.29 | 37 | 244.59 | 37 | 305.74 | 37 | 366.88 | 38 | 489.18 | 38 | 611.47 | 38 |
| Colorado | 244.91 | 12 | 489.82 | 12 | 612.27 | 12 | 734.73 | 13 | 979.64 | 13 | 1,224.54 | 13 |
| Utah | 146.89 | 27 | 293.77 | 28 | 367.21 | 28 | 440.66 | 28 | 587.54 | 28 | 734.43 | 28 |
| FAR WEST | | | | | | | | | | | | |
| Washington | 158.08 | 25 | 316.16 | 27 | 395.20 | 27 | 474.24 | 27 | 632.32 | 27 | 790.40 | 27 |
| Oregon | 235.61 | 15 | 471.23 | 15 | 589.04 | 15 | 706.84 | 15 | 942.46 | 16 | 1,178.07 | 16 |
| Nevada | 135.24 | 33 | 270.48 | 34 | 338.10 | 34 | 405.72 | 34 | 540.96 | 34 | 676.20 | 34 |
| California | 139.44 | 31 | 364.61 | 22 | 477.20 | 22 | 589.78 | 22 | 814.95 | 19 | 1,040.13 | 19 |
| Alaska | 134.73 | 34 | 269.47 | 35 | 336.84 | 35 | 404.20 | 35 | 538.94 | 35 | 673.67 | 36 |
| Hawaii | -0- | 51 | 83.95 | 51 | 142.42 | 49 | 200.88 | 48 | 317.82 | 47 | 434.75 | 47 |



AGD 533265

STATE AVERAGE PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES)

Table X.

| State | $10,000 Market Value | $20,000 Market Value | $25,000 Market Value | $30,000 Market Value | $40,000 Market Value | $50,000 Market Value |
|---|---|---|---|---|---|---|
| Alabama | .46% | .51% | .52% | .53% | .54% | .55% |
| Alaska | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 |
| Arizona | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 |
| Arkansas | 1.05 | 1.05 | 1.05 | 1.05 | 1.05 | 1.05 |
| California | 1.39 | 1.82 | 1.91 | 1.97 | 2.04 | 2.08 |
| Colorado | 2.45 | 2.45 | 2.45 | 2.45 | 2.45 | 2.45 |
| Connecticut | 2.90 | 2.90 | 2.90 | 2.90 | 2.90 | 2.90 |
| Delaware | 2.84 | 2.84 | 2.84 | 2.84 | 2.84 | 2.84 |
| District of Columbia | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 |
| Florida | .56 | .95 | 1.03 | 1.09 | 1.15 | 1.19 |
| Georgia | .49 | .85 | .92 | .97 | 1.03 | 1.05 |
| Hawaii | -0- | .42 | .57 | .67 | .79 | .87 |
| Idaho | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 | 1.26 |
| Illinois | 2.42 | 2.42 | 2.42 | 2.42 | 2.42 | 2.42 |
| Indiana | 2.69 | 2.69 | 2.69 | 2.69 | 2.69 | 2.69 |
| Iowa | 1.84 | 2.14 | 2.20 | 2.24 | 2.29 | 2.33 |
| Kansas | 1.68 | 1.68 | 1.68 | 1.68 | 1.68 | 1.68 |
| Kentucky | 1.08 | 1.08 | 1.08 | 1.08 | 1.08 | 1.08 |
| Louisiana | .31 | .77 | .86 | .59 | 1.00 | 1.04 |
| Maine | 3.51 | 3.51 | 3.51 | 3.51 | 3.51 | 3.51 |
| Maryland | 1.59 | 1.59 | 1.59 | 1.59 | 1.59 | 1.59 |
| Massachusetts | 2.93 | 2.93 | 2.93 | 2.93 | 2.93 | 2.93 |
| Michigan | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |
| Minnesota | 1.58 | 1.90 | 2.02 | 2.15 | 2.51 | 2.72 |
| Mississippi | .45 | .45 | .45 | .45 | .54 | .63 |

STATE AVERAGE PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES

Table X. (continued)

| State | $10,000 Market Value | $20,000 Market Value | $25,000 Market Value | $30,000 Market Value | $40,000 Market Value | $50,000 Market Value |
|---|---|---|---|---|---|---|
| Missouri | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% | 1.38% |
| Montana | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 |
| Nebraska | 2.06 | 2.15 | 2.17 | 2.18 | 2.19 | 2.20 |
| Nevada | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 |
| New Hampshire | 2.82 | 2.82 | 2.82 | 2.82 | 2.82 | 2.82 |
| New Jersey | 3.57 | 3.57 | 3.57 | 3.57 | 3.57 | 3.57 |
| New Mexico | .65 | .68 | .69 | .69 | .70 | .70 |
| New York | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 | 2.02 |
| North Carolina | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |
| North Dakota | 1.81 | 1.81 | 1.81 | 1.81 | 1.81 | 1.81 |
| Ohio | 1.45 | 1.45 | 1.45 | 1.45 | 1.45 | 1.45 |
| Oklahoma | .75 | 1.13 | 1.20 | 1.25 | 1.31 | 1.35 |
| Oregon | 2.36 | 2.36 | 2.36 | 2.36 | 2.36 | 2.36 |
| Pennsylvania | 3.56 | 3.56 | 3.56 | 3.56 | 3.56 | 3.56 |
| Rhode Island | 2.71 | 2.71 | 2.71 | 2.71 | 2.71 | 2.71 |
| South Carolina | 1.08 | 1.08 | 1.08 | 1.08 | 1.08 | 1.08 |
| South Dakota | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Tennessee | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| Texas | .51 | .76 | .81 | .85 | .89 | .91 |
| Utah | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 |
| Vermont | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 |
| Virginia | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| Washington | 1.58 | 1.58 | 1.58 | 1.58 | 1.58 | 1.58 |
| West Virginia | .74 | .74 | .74 | .74 | .74 | .74 |
| Wisconsin | 3.23 | 3.23 | 3.22 | 3.23 | 3.22 | 3.22 |
| Wyoming | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 |



AGO 533287

Part II: CITIES

RATIOS OF ASSESSMENT AND RATES OF TAXATION
FOR THE LARGEST CITY WITHIN EACH STATE

Table XI.

| State | City | Ratio of Assessment | | Tax Rate | |
|---|---|---|---|---|---|
| AL | Birmingham | 26.9 % | (1) | 41 | Mills |
| AK | Anchorage | 92.02 | | 19.24 | |
| AZ | Phoenix | 18 | (2) | 134.5 | |
| AR | Little Rock | 17.6 | (3) | 72.1 | |
| CA | Los Angeles | 19.8 | (3) | 129.7 | |
| CO | Denver | 28.9 | (3,4) | 84.09 | |
| CT | Hartford | 56.8 | (3) | 78.5 | (A,B) |
| DE | Wilmington | 50.8 | (4,5) | 30.562 | (B) |
| DC | Washington | 54.3 | | 32 | |
| FL | Miami | 94 | (6) | 34.365 | (A) |
| GA | Atlanta | 29.08 | (7) | 74.35 | (A) |
| HI | Honolulu | 63.4 | (3) | 19.21 | |
| ID | Boise | 13.54 | | 153.88 | |
| IL | Chicago | 40 | (approx.) | 69.12 | (A) |
| IN | Indianapolis | 30.4 | (3) | 123.56 | (C) |
| IA | Des Moines | 25.2 | (3) | 156.541 | |
| KS | Wichita | 24 | (8) | 106.43 | (A) |
| KY | Louisville | 88 | | 15.89 | (A) |
| LA | New Orleans | 22.6 | (3,4) | 46.25 | (A,B) |
| ME | Portland | 67 | (7) | 52.75 | (A) |
| MD | Baltimore | 59.6 | (7) | 58.3 | |
| MA | Boston | 31.7 | (3) | 174.70 | (A) |
| MI | Detroit | 42.2 | (3) | 57.72 | (A) |
| MN | Minneapolis * | 31.5 | (5) | 339.20 | |
| MS | Jackson | 40 | | 85 | |
| MO | St. Louis | 40 | | 56.2 | (A,B) |
| MT | Billings ** | 40 | (approx.,9) | 226.92 | |
| NB | Omaha | 36.7 | (3,4) | 93.51 | (D) |
| NV | Las Vegas | 30.5 | (3,4) | 50 | |
| NH | Manchester | 95 | (7) | 39.7 | (A) |
| NJ | Newark | 78.31 | | 96.3 | |
| NM | Albuquerque | 15.3 | (3) | 62.48 | |
| NY | New York City | 48 | (7,10) | 59.7 | (B) |
| NC | Charlotte | 48.8 | (3) | 32 | (A) |
| ND | Fargo *** | 22 | | 263.84 | |
| OH | Cleveland | 32.42 | (7) | 65.6 | |
| OK | Oklahoma City | 20 | (11) | 95 | |
| OR | Portland | 86 | (4,12) | 30.4 | (D) |
| PA | Philadelphia | 65 | (13) | 44.75 | |
| RI | Providence | 65.76 | | 50 | (A,B) |



AGO 533289

RATIOS OF ASSESSMENT AND RATES OF TAXATION
FOR THE LARGEST CITY WITHIN EACH STATE

Table XI. (continued)

| State | City | Ratio of Assessment | | Tax Rat | |
|---|---|---|---|---|---|
| SC | Columbia | 8.3 | % | 223 | (E) Mills |
| SD | Sioux Falls | 37.8 | | 74.69 | |
| TN | Memphis | 46.8 | (3) | 48.3 | (A,B) |
| TX | Houston | 18.9 | (3) | 53.6 | (B) |
| UT | Salt Lake City | 17 | (3) | 105.92 | (A,B) |
| VT | Burlington **** | 30.57 | (5) | 10,080 | (A) |
| VA | Norfolk | 75 | | 27 | |
| WA | Seattle | 34.4 | (7) | 47.92 | (A) |
| WV | Huntington | 52.61 | (7,14) | 14.509 | |
| WI | Milwaukee | 52.05 | | 95.62 | |
| WY | Cheyenne | 21.5 | (3,4). | 74.38 | (A) |

* Minnesota: The ratio given relates market value to adjusted market value. The taxable value against which the rate is applied is found by taking 25% of the first $4,000 adjusted market value and 40% of the amount over $4,000.

** Montana: The ratio given is an estimate of the relationship between market value and adjusted market value. The taxable value against which the rate is applied is 30% of the adjusted market value.

*** North Dakota: The ratio given relates market value to adjusted market value. Fifty percent (50%) of the adjusted market value is used for the taxable value.

**** Vermont: The ratio given relates market value to adjusted market value. One percent (1%) of the adjusted market value is used for the taxable value.

Special Note: Footnote references are in parentheses following ratios and rates. See following pages for explanations.

RATIOS OF ASSESSMENT AND RATES OF TAXATION
FOR THE LARGEST CITY WITHIN EACH STATE

Table XI. (continued)

FOOTNOTES FOR RATIOS:

(Ratios not footnoted are assumed to relate to taxes payable in 1972 or are otherwise most recently available. See specific footnotes.)

1. The ratio for Birmingham is prior to the May 30, 1972 voter referendum which approved an amendment to the Constitution authorizing a classification system for assessing property. The new system, if accepted by the Federal Court, would establish residential property at a ratio of 15%.

2. The actual average assessment ratio of 18% for Class Four property in Phoenix is close to the statutory rate of 18%. (Direct communication with the State of Arizona.)

3. Taxable Property Values, 1967 Census of Governments, Volume 2, Table 19, Column 18.

4. Ratios for the following cities used the ratios given in Taxable Property Values for the counties in which the cities are located:

   Denver, Wilmington, New Orleans, Omaha, Las Vegas, Portland (Oregon), Cheyenne.

5. 1970 ratio study.

6. Florida's State Auditor General's property tax ratio study determined Dade County's ratio of assessment to 9%. Miami is the county seat of Dade County. ("From the State Capitals," Bethune Jones, publisher, August 1, 1972.)

7. 1971 ratio study with specific comments:
   Cleveland - residential property
   Seattle - 1970 assessments, taxes due in 1971
   Huntington - 1971 ratio, taxes payable 1972

8. "Kansas Real Estate Ratio Study," Property Valuation Department, Topeka, Kansas, 1971.

9. The ratio used for Billings is the same as that used for the average state ratio.

10. The ratio used for New York City is the same as that used for the average state ratio.

11. The ratio used for Oklahoma City is the same as that used for the average state ratio.

RATIOS OF ASSESSMENT AND RATES OF TAXATION
FOR THE LARGEST CITY WITHIN EACH STATE

Table XI. (continued)

12. Portland's ratio is four times the amount stated in Census of Governments for Multnomah County to reflect the recent change in the statutory ratio from 25% to 100% beginning in 1968-1969.

13. Philadelphia's ratio was approximated by the State of Pennsylvania to be 65%.

14. The ratio used for Huntington is the same as the average state ratio for residential properties (class II).

FOOTNOTES FOR RATES:

(Rates not footnoted are assumed to be for taxes payable in 1972 or are otherwise most recently available. See specific footnotes.)

A. Rate is for taxes payable in 1971.

B. State and Local Taxes, Prentice-Hall.

C. Indianapolis' rate is an arithmetic average of the six township rates in which it is located as listed in Prentice-Hall for taxes payable in 1972.

D. Rate is an estimate of taxes payable in 1972.

D. Columbia's rate is a combination of the city rate as reported by the State of South Carolina and the county and school tax rate as reported in Prentice-Hall as assessed in 1970.



AGO 533292

PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOMES
IN LARGEST CITY WITHIN EACH STATE BY CITY AND BY MARKET VALUE

Table XII.

| State | City | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Ran |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AL | Birmingham | $ 97.29 | 44 | $ 207.58 | 46 | $ 262.72 | 46 | $ 317.87 | 46 | $ 428.16 | 46 | $ 538.45 | 46 |
| AK | Anchorage | 177.05 | 32 | 354.09 | 34 | 442.62 | 34 | 531.14 | 34 | 708.19 | 36 | 885.23 | 36 |
| AZ | Phoenix | 242.10 | 23 | 484.20 | 23 | 605.25 | 25 | 726.30 | 25 | 968.40 | 25 | 1,210.50 | 25 |
| AR | Little Rock | 126.90 | 43 | 253.79 | 45 | 317.24 | 45 | 380.69 | 45 | 507.58 | 45 | 634.48 | 45 |
| CA | Los Angeles | 159.53 | 36 | 416.33 | 30 | 564.74 | 28 | 673.14 | 28 | 929.94 | 26 | 1,186.75 | 26 |
| CO | Denver | 243.02 | 22 | 486.04 | 22 | 607.55 | 24 | 729.06 | 24 | 972.08 | 24 | 1,215.10 | 24 |
| CT | Hartford | 445.88 | 4 | 891.76 | 4 | 1,114.70 | 4 | 1,337.64 | 4 | 1,783.52 | 4 | 2,229.40 | 4 |
| DE | Wilmington | 155.25 | 38 | 310.51 | 40 | 388.14 | 41 | 465.76 | 42 | 621.02 | 42 | 776.27 | 42 |
| DC | Washington | 173.76 | 33 | 347.52 | 35 | 434.40 | 35 | 521.28 | 35 | 695.04 | 37 | 868.80 | 37 |
| FL | Miami | 151.20 | 40 | 474.23 | 24 | 635.75 | 21 | 797.26 | 20 | 1,120.29 | 18 | 1,443.33 | 16 |
| GA | Atlanta | 82.01 | 47 | 298.22 | 42 | 406.32 | 38 | 514.43 | 37 | 730.64 | 33 | 946.85 | 32 |
| HI | Honolulu | -0- | 51 | 89.90 | 51 | 150.80 | 51 | 211.69 | 51 | 333.49 | 49 | 455.28 | 48 |
| ID | Boise | 208.35 | 27 | 416.71 | 29 | 520.88 | 30 | 625.06 | 30 | 833.41 | 30 | 1,041.77 | 30 |
| IL | Chicago | 276.48 | 17 | 552.96 | 17 | 691.20 | 17 | 829.44 | 17 | 1,105.92 | 19 | 1,382.40 | 19 |
| IN | Indianapolis | 375.62 | 6 | 751.24 | 6 | 939.06 | 6 | 1,126.87 | 6 | 1,502.49 | 7 | 1,878.11 | 7 |
| IA | Des Moines | 331.98 | 9 | 726.47 | 7 | 923.71 | 7 | 1,120.95 | 7 | 1,515.43 | 5 | 1,909.92 | 5 |
| KS | Wichita | 255.43 | 20 | 510.86 | 20 | 638.58 | 20 | 766.30 | 22 | 1,021.73 | 22 | 1,277.16 | 22 |
| KY | Louisville | 139.83 | 42 | 279.66 | 44 | 349.58 | 44 | 419.50 | 44 | 559.33 | 44 | 699.16 | 44 |
| LA | New Orleans | 12.03 | 50 | 116.45 | 50 | 168.81 | 50 | 221.08 | 50 | 325.60 | 50 | 430.13 | 50 |
| ME | Portland | 353.43 | 7 | 706.85 | 8 | 883.56 | 8 | 1,060.28 | 8 | 1,413.70 | 8 | 1,767.13 | 8 |
| MD | Baltimore | 347.47 | 8 | 694.94 | 9 | 868.67 | 9 | 1,042.40 | 9 | 1,389.87 | 9 | 1,737.34 | 9 |
| MA | Boston | 553.50 | 2 | 1,107.60 | 2 | 1,384.50 | 2 | 1,661.40 | 2 | 2,215.20 | 2 | 2,769.00 | 2 |
| MI | Detroit | 243.58 | 21 | 487.16 | 21 | 608.95 | 23 | 730.74 | 23 | 974.31 | 23 | 1,217.89 | 23 |
| MN | Minneapolis | 186.75 | 29 | 455.31 | 25 | 611.96 | 22 | 828.66 | 18 | 1,256.05 | 12 | 1,683.44 | 11 |
| MS | Jackson | 140.00 | 41 | 325.00 | 37 | 462.50 | 36 | 600.00 | 35 | 725.00 | 34 | 925.00 | 34 |



AGO 533293

PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOMES
IN LARGEST CITY WITHIN EACH STATE BY CITY AND BY MARKET VALUE

Table XII. (continued)

| State | City | $10,000 Market Value | Rank | $20,000 Market Value | Rank | $25,000 Market Value | Rank | $30,000 Market Value | Rank | $40,000 Market Value | Rank | $50,000 Market Value | Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MO | St. Louis | $ 224.80 | 25 | $ 449.60 | 27 | $ 562.00 | 27 | $ 674.40 | 27 | $ 899.20 | 28 | $1,124.00 | 28 |
| MT | Billings | 272.30 | 18 | 544.61 | 18 | 680.76 | 18 | 816.91 | 19 | 1,089.22 | 20 | 1,361.52 | 20 |
| NB | Omaha | 315.73 | 11 | 658.91 | 10 | 830.50 | 10 | 1,002.09 | 10 | 1,345.27 | 10 | 1,688.45 | 10 |
| NV | Las Vegas | 152.50 | 39 | 305.00 | 41 | 381.25 | 42 | 457.50 | 43 | 610.00 | 43 | 762.50 | 43 |
| NH | Manchester | 377.15 | 5 | 754.30 | 5 | 942.88 | 5 | 1,131.45 | 5 | 1,508.60 | 6 | 1,885.75 | 6 |
| NJ | Newark | 754.13 | 1 | 1,508.25 | 1 | 1,885.31 | 1 | 2,262.38 | 1 | 3,016.50 | 1 | 3,770.63 | 1 |
| NM | Albuquerque | 83.09 | 46 | 178.69 | 47 | 226.49 | 47 | 274.28 | 47 | 369.88 | 47 | 465.47 | 47 |
| NY | New York | 286.56 | 15 | 573.12 | 15 | 716.40 | 15 | 859.68 | 15 | 1,146.24 | 16 | 1,432.80 | 17 |
| NC | Charlotte | 156.16 | 37 | 312.32 | 39 | 390.40 | 40 | 468.48 | 41 | 624.64 | 41 | 780.80 | 41 |
| ND | Fargo | 290.22 | 14 | 580.45 | 14 | 725.56 | 14 | 870.67 | 14 | 1,160.90 | 15 | 1,451.12 | 15 |
| OH | Cleveland | 212.68 | 26 | 425.35 | 28 | 531.69 | 29 | 638.03 | 29 | 850.70 | 29 | 1,063.38 | 29 |
| OK | Oklahoma City | 95.00 | 45 | 285.00 | 43 | 380.00 | 43 | 475.00 | 40 | 665.00 | 38 | 855.00 | 38 |
| OR | Portland | 261.44 | 19 | 522.88 | 19 | 653.60 | 19 | 784.32 | 21 | 1,045.76 | 21 | 1,307.20 | 21 |
| PA | Philadelphia | 290.38 | 13 | 581.75 | 13 | 727.19 | 13 | 872.63 | 13 | 1,163.50 | 14 | 1,454.38 | 14 |
| RI | Providence | 328.80 | 10 | 657.60 | 11 | 822.00 | 11 | 986.40 | 11 | 1,315.20 | 11 | 1,644.00 | 12 |
| SC | Columbia | 185.09 | 30 | 370.18 | 32 | 462.73 | 32 | 555.27 | 32 | 740.36 | 32 | 925.45 | 33 |
| SD | Sioux Falls | 282.33 | 16 | 564.66 | 16 | 705.82 | 16 | 846.98 | 16 | 1,129.31 | 17 | 1,411.64 | 18 |
| TN | Memphis | 226.04 | 24 | 452.09 | 26 | 565.11 | 26 | 678.13 | 26 | 904.18 | 27 | 1,130.22 | 27 |
| TX | Houston | 96.50 | 49 | 137.61 | 49 | 188.16 | 49 | 238.11 | 48 | 340.42 | 48 | 442.72 | 49 |
| UT | Salt Lake City | 180.06 | 31 | 360.13 | 33 | 450.16 | 33 | 540.19 | 33 | 720.26 | 35 | 900.32 | 35 |
| VT | Burlington | 308.15 | 12 | 616.29 | 12 | 770.41 | 12 | 924.44 | 12 | 1,232.58 | 13 | 1,540.73 | 13 |
| VA | Norfolk | 202.50 | 28 | 405.00 | 1 | 506.25 | 31 | 607.50 | 31 | 810.00 | 31 | 1,012.50 | 31 |
| WA | Seattle | 164.84 | 34 | 329.69 | 36 | 412.11 | 37 | 494.53 | 38 | 659.38 | 39 | 824.22 | 39 |
| WV | Huntington | 76.33 | 48 | 152.66 | 48 | 190.82 | 48 | 229.00 | 49 | 305.33 | 51 | 381.66 | 51 |
| WI | Milwaukee | 448.30 | 3 | 896.60 | 3 | 1,120.76 | 3 | 1,344.91 | 3 | 1,793.21 | 3 | 2,241.51 | 3 |
| WY | Cheyenne | 159.92 | 35 | 319.83 | 38 | 399.79 | 39 | 479.75 | 39 | 639.67 | 40 | 799.59 | 40 |

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $10,000 MARKET VALUE

Table XIII.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 754.13 | 1 |
| Boston, MA | 553.50 | 2 |
| Milwaukee, WI | 448.30 | 3 |
| Hartford, CT | 445.88 | 4 |
| Manchester, NH | 377.15 | 5 |
| Indianapolis, IN | 375.62 | 6 |
| Portland, ME | 353.43 | 7 |
| Baltimore, MD | 347.47 | 8 |
| Des Moines, IA | 331.98 | 9 |
| Providence, RI | 328.80 | 10 |
| Omaha, NB | 315.73 | 11 |
| Burlington, VT | 308.15 | 12 |
| Philadelphia, PA | 290.88 | 13 |
| Fargo, ND | 290.22 | 14 |
| New York, NY | 286.56 | 15 |
| Sioux Falls, SD | 282.33 | 16 |
| Chicago, IL | 276.48 | 17 |
| Billings, MT | 272.30 | 18 |
| Portland, OR | 261.44 | 19 |
| Wichita, KS | 255.43 | 20 |
| Detroit, MI | 243.58 | 21 |
| Denver, CO | 243.02 | 22 |
| Phoenix, AZ | 242.10 | 23 |
| Memphis, TN | 226.04 | 24 |
| St. Louis, MO | 224.80 | 25 |
| Cleveland, OH | 212.68 | 26 |
| Boise, ID | 208.35 | 27 |
| Norfolk, VA | 202.50 | 28 |
| Minneapolis, MN | 186.75 | 29 |
| Columbia, SC | 185.09 | 30 |
| Salt Lake City, UT | 180.06 | 31 |
| Anchorage, AK | 177.05 | 32 |
| Washington, DC | 173.76 | 33 |
| Seattle, WA | 164.84 | 34 |
| Cheyenne, WY | 159.92 | 35 |
| Los Angeles, CA | 159.53 | 36 |
| Charlotte, NC | 156.16 | 37 |
| Wilmington, DE | 155.25 | 38 |
| Las Vegas, NV | 152.50 | 39 |
| Miami, FL | 151.20 | 40 |
| Jackson, MS | 140.00 | 41 |
| Louisville, KY | 139.83 | 42 |
| Little Rock, AR | 126.90 | 43 |
| Birmingham, AL | 97.29 | 44 |
| Oklahoma City, OK | 95.00 | 45 |
| Albuquerque, NM | 83.09 | 46 |
| Atlanta, GA | 82.01 | 47 |
| Huntington, WV | 76.33 | 48 |
| Houston, TX | 36.50 | 49 |
| New Orleans, LA | 12.03 | 50 |
| Honolulu, HI | -0- | 51 |



AGO 533295

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $20,000 MARKET VALUE

Table XIV.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 1,508.25 | 1 |
| Boston, MA | 1,107.60 | 2 |
| Milwaukee, WI | 896.60 | 3 |
| Hartford, CT | 891.76 | 4 |
| Manchester, NH | 754.30 | 5 |
| Indianapolis, IN | 751.24 | 6 |
| Des Moines, IA | 726.47 | 7 |
| Portland, ME | 706.85 | 8 |
| Baltimore, MD | 694.94 | 9 |
| Omaha, NB | 658.91 | 10 |
| Providence, RI | 657.60 | 11 |
| Burlington, VT | 616.29 | 12 |
| Philadelphia, PA | 581.75 | 13 |
| Fargo, ND | 580.45 | 14 |
| New York, NY | 573.12 | 15 |
| Sioux Falls, SD | 564.66 | 16 |
| Chicago, IL | 552.96 | 17 |
| Billings, MT | 544.61 | 18 |
| Portland, OR | 522.88 | 19 |
| Wichita, KS | 510.86 | 20 |
| Detroit, MI | 487.16 | 21 |
| Denver, CO | 486.04 | 22 |
| Phoenix, AZ | 484.20 | 23 |
| Miami, FL | 474.23 | 24 |
| Minneapolis, MN | 455.31 | 25 |
| Memphis, TN | 452.09 | 26 |
| St. Louis, MO | 449.60 | 27 |
| Cleveland, OH | 425.35 | 28 |
| Boise, ID | 416.71 | 29 |
| Los Angeles, CA | 416.33 | 30 |
| Norfolk, VA | 405.00 | 31 |
| Columbia, SC | 370.18 | 32 |
| Salt Lake City, UT | 360.13 | 33 |
| Anchorage, AK | 354.09 | 34 |
| Washington, DC | 347.52 | 35 |
| Seattle, WA | 329.69 | 36 |
| Jackson, MS | 325.00 | 37 |
| Cheyenne, WY | 319.83 | 38 |
| Charlotte, NC | 312.32 | 39 |
| Wilmington, DE | 310.51 | 40 |
| Las Vegas, NV | 305.00 | 41 |
| Atlanta, GA | 298.22 | 42 |
| Oklahoma City, OK | 285.00 | 43 |
| Louisville, KY | 279.66 | 44 |
| Little Rock, AR | 253.79 | 45 |
| Birmingham, AL | 207.58 | 46 |
| Albuquerque, NM | 178.69 | 47 |
| Huntington, WV | 152.66 | 48 |
| Houston, TX | 137.81 | 49 |
| New Orleans, LA | 116.55 | 50 |
| Honolulu, HI | 89.90 | 51 |



AGO 533296

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $25,000 MARKET VALUE

Table XV.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 1,885.31 | 1 |
| Boston, MA | 1,384.50 | 2 |
| Milwaukee, WI | 1,120.76 | 3 |
| Hartford, CT | 1,114.70 | 4 |
| Manchester, NH | 942.88 | 5 |
| Indianapolis, IN | 939.06 | 6 |
| Des Moines, IA | 923.71 | 7 |
| Portland, ME | 883.56 | 8 |
| Baltimore, MD | 868.67 | 9 |
| Omaha, NB | 830.50 | 10 |
| Providence, RI | 822.00 | 11 |
| Burlington, VT | 770.41 | 12 |
| Philadelphia, PA | 727.19 | 13 |
| Fargo, ND | 725.56 | 14 |
| New York, NY | 716.40 | 15 |
| Sioux Falls, SD | 705.82 | 16 |
| Chicago, IL | 691.20 | 17 |
| Billings, MT | 680.76 | 18 |
| Portland, OR | 653.60 | 19 |
| Wichita, KS | 638.58 | 20 |
| Miami, FL | 635.75 | 21 |
| Minneapolis, MN | 614.96 | 22 |
| Detroit, MI | 608.95 | 23 |
| Denver, CO | 607.55 | 24 |
| Phoenix, AZ | 605.25 | 25 |
| Memphis, TN | 565.11 | 26 |
| St. Louis, MO | 562.00 | 27 |
| Los Angeles, CA | 544.74 | 28 |
| Cleveland, OH | 531.69 | 29 |
| Boise, ID | 520.88 | 30 |
| Norfolk, VA | 506.25 | 31 |
| Columbia, SC | 462.73 | 32 |
| Salt Lake City, UT | 450.16 | 33 |
| Anchorage, AK | 442.62 | 34 |
| Washington, DC | 434.40 | 35 |
| Jackson, MS | 425.00 | 36 |
| Seattle, WA | 412.11 | 37 |
| Atlanta, GA | 406.32 | 38 |
| Cheyenne, WY | 399.79 | 39 |
| Charlotte, NC | 390.40 | 40 |
| Wilmington, DE | 388.14 | 41 |
| Las Vegas, NV | 381.25 | 42 |
| Oklahoma City, OK | 380.00 | 43 |
| Louisville, KY | 349.58 | 44 |
| Little Rock, AR | 317.24 | 45 |
| Birmingham, AL | 262.72 | 46 |
| Albuquerque, NM | 226.49 | 47 |
| Huntington, WV | 190.82 | 48 |
| Houston, TX | 188.46 | 49 |
| New Orleans, LA | 168.81 | 50 |
| Honolulu, HI | 150.80 | 51 |



AGO 533297

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $30,000 MARKET VALUE

Table XVI.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 2,262.38 | 1 |
| Boston, MA | 1,661.40 | 2 |
| Milwaukee, WI | 1,344.91 | 3 |
| Hartford, CT | 1,337.64 | 4 |
| Manchester, NH | 1,131.45 | 5 |
| Indianapolis, IN | 1,126.87 | 6 |
| Des Moines, IA | 1,120.95 | 7 |
| Portland, ME | 1,060.28 | 8 |
| Baltimore, MD | 1,042.40 | 9 |
| Omaha, NB | 1,002.09 | 10 |
| Providence, RI | 986.40 | 11 |
| Burlington, VT | 924.44 | 12 |
| Philadelphia, PA | 872.63 | 13 |
| Fargo, ND | 870.67 | 14 |
| New York, NY | 859.68 | 15 |
| Sioux Falls, SD | 846.90 | 16 |
| Chicago, IL | 829.44 | 17 |
| Minneapolis, MN | 828.66 | 18 |
| Billings, MT | 816.91 | 19 |
| Miami, FL | 797.26 | 20 |
| Portland, OR | 784.32 | 21 |
| Wichita, KS | 766.30 | 22 |
| Detroit, MI | 730.74 | 23 |
| Denver, CO | 729.06 | 24 |
| Phoenix, AZ | 726.30 | 25 |
| Memphis, TN | 678.13 | 26 |
| St. Louis, MO | 674.40 | 27 |
| Los Angeles, CA | 673.14 | 28 |
| Cleveland, OH | 638.03 | 29 |
| Boise, ID | 625.06 | 30 |
| Norfolk, VA | 607.50 | 31 |
| Columbia, SC | 555.27 | 32 |
| Salt Lake City, UT | 540.19 | 33 |
| Anchorage, AK | 531.14 | 34 |
| Jackson, MS | 525.00 | 35 |
| Washington, DC | 521.28 | 36 |
| Atlanta, GA | 514.43 | 37 |
| Seattle, WA | 494.53 | 38 |
| Cheyenne, WY | 479.75 | 39 |
| Oklahoma City, OK | 475.00 | 40 |
| Charlotte, NC | 468.48 | 41 |
| Wilmington, DE | 465.76 | 42 |
| Las Vegas, NV | 457.50 | 43 |
| Louisville, KY | 419.50 | 44 |
| Little Rock, AR | 380.69 | 45 |
| Birmingham, AL | 317.87 | 46 |
| Albuquerque, NM | 274.28 | 47 |
| Houston, TX | 239.11 | 48 |
| Huntington, WV | 229.00 | 49 |
| New Orleans, LA | 221.08 | 50 |
| Honolulu, HI | 211.69 | 51 |



AGO 533298

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $40,000 MARKET VALUE

Table XVII.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 3,016.50 | 1 |
| Boston, MA | 2,215.20 | 2 |
| Milwaukee, WI | 1,793.21 | 3 |
| Hartford, CT | 1,783.52 | 4 |
| Des Moines, IA | 1,515.43 | 5 |
| Manchester, NH | 1,508.60 | 6 |
| Indianapolis, IN | 1,502.49 | 7 |
| Portland, ME | 1,413.70 | 8 |
| Baltimore, MD | 1,389.87 | 9 |
| Omaha, NB | 1,345.27 | 10 |
| Providence, RI | 1,315.20 | 11 |
| Minneapolis, MN | 1,256.05 | 12 |
| Burlington, VT | 1,232.58 | 13 |
| Philadelphia, PA | 1,163.50 | 14 |
| Fargo, ND | 1,160.90 | 15 |
| New York, NY | 1,146.24 | 16 |
| Sioux Falls, SD | 1,129.31 | 17 |
| Miami, FL | 1,120.29 | 18 |
| Chicago, IL | 1,105.92 | 19 |
| Billings, MT | 1,089.22 | 20 |
| Portland, OR | 1,045.76 | 21 |
| Wichita, KS | 1,021.73 | 22 |
| Detroit, MI | 974.31 | 23 |
| Denver, CO | 972.08 | 24 |
| Phoenix, AZ | 968.10 | 25 |
| Los Angeles, CA | 929.94 | 26 |
| Memphis, TN | 904.18 | 27 |
| St. Louis, MO | 899.20 | 28 |
| Cleveland, OH | 850.70 | 29 |
| Boise, ID | 833.41 | 30 |
| Norfolk, VA | 810.00 | 31 |
| Columbia, SC | 740.36 | 32 |
| Atlanta, GA | 730.64 | 33 |
| Jackson, MS | 725.00 | 34 |
| Salt Lake City, UT | 720.26 | 35 |
| Anchorage, AK | 708.19 | 36 |
| Washington, DC | 695.04 | 37 |
| Oklahoma City, OK | 665.00 | 38 |
| Seattle, WA | 659.38 | 39 |
| Cheyenne, WY | 639.67 | 40 |
| Charlotte, NC | 624.04 | 41 |
| Wilmington, DE | 621.02 | 42 |
| Las Vegas, NV | 610.00 | 43 |
| Louisville, KY | 559.33 | 44 |
| Little Rock, AR | 507.58 | 45 |
| Birmingham, AL | 428.16 | 46 |
| Albuquerque, NM | 357.38 | 47 |
| Houston, TX | 340.42 | 48 |
| Honolulu, HI | 333.49 | 49 |
| New Orleans, LA | 325.60 | 50 |
| Huntington, WV | 305.33 | 51 |



AGO 533299

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF $50,000 MARKET VALUE

Table XVIII.

| City | Tax Due | Rank |
|---|---|---|
| Newark, NJ | 3,770.63 | 1 |
| Boston, MA | 2,769.00 | 2 |
| Milwaukee, WI | 2,241.51 | 3 |
| Hartford, CT | 2,229.40 | 4 |
| Des Moines, IA | 1,909.92 | 5 |
| Manchester, NH | 1,885.75 | 6 |
| Indianapolis, IN | 1,878.11 | 7 |
| Portland, ME | 1,767.13 | 8 |
| Baltimore, MD | 1,737.34 | 9 |
| Omaha, NB | 1,688.45 | 10 |
| Minneapolis, MN | 1,683.44 | 11 |
| Providence, RI | 1,644.00 | 12 |
| Burlington, VT | 1,540.73 | 13 |
| Philadelphia, PA | 1,454.38 | 14 |
| Fargo, ND | 1,451.12 | 15 |
| Miami, FL | 1,443.33 | 16 |
| New York, NY | 1,432.80 | 17 |
| Sioux Falls, SD | 1,416.64 | 18 |
| Chicago, IL | 1,382.40 | 19 |
| Billings, MT | 1,362.52 | 20 |
| Portland, OR | 1,307.20 | 21 |
| Wichita, KS | 1,277.16 | 22 |
| Detroit, MI | 1,217.89 | 23 |
| Denver, CO | 1,215.10 | 24 |
| Phoenix, AZ | 1,210.50 | 25 |
| Los Angeles, CA | 1,186.75 | 26 |
| Memphis, TN | 1,130.22 | 27 |
| St. Louis, MO | 1,124.00 | 28 |
| Cleveland, OH | 1,063.38 | 29 |
| Boise, ID | 1,041.77 | 30 |
| Norfolk, VA | 1,012.50 | 31 |
| Atlanta, GA | 946.85 | 32 |
| Columbia, SC | 925.45 | 33 |
| Jackson, MS | 925.00 | 34 |
| Salt Lake City, UT | 900.32 | 35 |
| Anchorage, AK | 885.23 | 36 |
| Washington, DC | 868.80 | 37 |
| Oklahoma City, OK | 855.00 | 38 |
| Seattle, WA | 824.22 | 39 |
| Cheyenne, WY | 799.59 | 40 |
| Charlotte, NC | 780.80 | 41 |
| Wilmington, DE | 776.27 | 42 |
| Las Vegas, NV | 762.50 | 43 |
| Louisville, KY | 699.16 | 44 |
| Little Rock, AR | 634.48 | 45 |
| Birmingham, AL | 538.45 | 46 |
| Albuquerque, NM | 465.47 | 47 |
| Honolulu, HI | 455.28 | 48 |
| Houston, TX | 441.72 | 49 |
| New Orleans, LA | 430.13 | 50 |
| Huntington, WV | 381.66 | 51 |



AGO 533300

CITY PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES)

Table XIX.

| State | City | $10,000 Market Value | $20,000 Market Value | $25,000 Market Value | $30,000 Market Value | $40,000 Market Value | $50,000 Market Value |
|---|---|---|---|---|---|---|---|
| AL | Birmingham | .97% | 1.04% | 1.05% | 1.06% | 1.07% | 1.08% |
| AK | Anchorage | 1.77 | 1.77 | 1.77 | 1.77 | 1.77 | 1.77 |
| AZ | Phoenix | 2.42 | 2.42 | 2.42 | 2.42 | 2.42 | 2.42 |
| AR | Little Rock | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 |
| CA | Los Angeles | 1.60 | 2.08 | 2.18 | 2.24 | 2.32 | 2.37 |
| CO | Denver | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 |
| CT | Hartford | 4.46 | 4.46 | 4.46 | 4.46 | 4.46 | 4.46 |
| DE | Wilmington | 1.55 | 1.55 | 1.55 | 1.55 | 1.55 | 1.55 |
| DC | Washington | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 |
| FL | Miami | 1.51 | 2.37 | 2.54 | 2.66 | 2.80 | 2.89 |
| GA | Atlanta | .82 | 1.49 | 1.63 | 1.71 | 1.83 | 1.89 |
| HI | Honolulu | -0- | .45 | .60 | .71 | .83 | .91 |
| ID | Boise | 2.08 | 2.08 | 2.08 | 2.08 | 2.08 | 2.08 |
| IL | Chicago | 2.76 | 2.76 | 2.76 | 2.76 | 2.76 | 2.76 |
| IN | Indianapolis | 3.76 | 3.76 | 3.76 | 3.76 | 3.76 | 3.76 |
| IA | Des Moines | 3.32 | 3.63 | 3.69 | 3.74 | 3.79 | 3.82 |
| KS | Wichita | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 |
| KY | Louisville | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |
| LA | New Orleans | .12 | .58 | .68 | .74 | .81 | .86 |
| ME | Portland | 3.53 | 3.53 | 3.53 | 3.53 | 3.53 | 3.53 |
| MD | Baltimore | 3.47 | 3.47 | 3.47 | 3.47 | 3.47 | 3.47 |
| MA | Boston | 5.54 | 5.54 | 5.54 | 5.54 | 5.54 | 5.54 |
| MI | Detroit | 2.44 | 2.44 | 2.44 | 2.44 | 2.44 | 2.44 |
| MN | Minneapolis | 1.87 | 2.28 | 2.46 | 2.76 | 3.14 | 3.37 |
| MS | Jackson | 1.40 | 1.63 | 1.70 | 1.75 | 1.81 | 1.85 |



AGC 533301

CITY PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES)

Table XIX. (continued)

| State | City | $10,000 Market Value | $20,000 Market Value | $25,000 Market Value | $30,000 Market Value | $40,000 Market Value | $50,000 Market Value |
|---|---|---|---|---|---|---|---|
| MO | St. Louis | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% |
| MT | Billings | 2.72 | 2.72 | 2.72 | 2.72 | 2.72 | 2.72 |
| NB | Omaha | 3.16 | 3.29 | 3.32 | 3.34 | 3.36 | 3.38 |
| NV | Las Vegas | 1.53 | 1.53 | 1.53 | 1.53 | 1.53 | 1.53 |
| NH | Manchester | 3.77 | 3.77 | 3.77 | 3.77 | 3.77 | 3.77 |
| NJ | Newark | 7.54 | 7.54 | 7.54 | 7.54 | 7.54 | 7.54 |
| NM | Albuquerque | .83 | .89 | .91 | .91 | .92 | .93 |
| NY | New York | 2.87 | 2.87 | 2.87 | 2.87 | 2.87 | 2.87 |
| NC | Charlotte | 1.56 | 1.56 | 1.56 | 1.56 | 1.56 | 1.56 |
| ND | Fargo | 2.90 | 2.90 | 2.90 | 2.90 | 2.90 | 2.90 |
| OH | Cleveland | 2.13 | 2.13 | 2.13 | 2.13 | 2.13 | 2.13 |
| OK | Oklahoma City | .95 | 1.43 | 1.52 | 1.58 | 1.66 | 1.71 |
| OR | Portland | 2.61 | 2.61 | 2.61 | 2.61 | 2.61 | 2.61 |
| PA | Philadelphia | 2.91 | 2.91 | 2.91 | 2.91 | 2.91 | 2.91 |
| RI | Providence | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 |
| SC | Columbia | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 |
| SD | Sioux Falls | 2.82 | 2.82 | 2.82 | 2.82 | 2.82 | 2.82 |
| TN | Memphis | 2.26 | 2.26 | 2.26 | 2.26 | 2.26 | 2.26 |
| TX | Houston | .37 | .69 | .75 | .80 | .85 | .88 |
| UT | Salt Lake City | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| VT | Burlington | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 |
| VA | Norfolk | 2.03 | 2.03 | 2.03 | 2.03 | 2.03 | 2.03 |
| WA | Seattle | 1.65 | 1.65 | 1.65 | 1.65 | 1.65 | 1.65 |
| WV | Huntington | .76 | .76 | .76 | .76 | .76 | .76 |
| WI | Milwaukee | 4.48 | 4.48 | 4.48 | 4.48 | 4.48 | 4.48 |
| WY | Cheyenne | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 |



AGO 533302

Part III: INFORMATION APPLICABLE TO BOTH STATES AND CITIES

STATUTORY RATIOS BY STATE

Table XX.

| State | Ratio of Assessment | |
|---|---|---|
| Alabama | 30% | |
| Alaska | 100 | |
| Arizona | 18 | (1) |
| Arkansas | 20 | |
| California | 25 | |
| Colorado | 30 | |
| Connecticut | up to 100 | |
| Delaware | 100 | |
| Dist./Columbia | 100 | |
| Florida | 100 | |
| Georgia | 40 | |
| Hawaii | 70 | |
| Idaho | 20 | |
| Illinois | 50 | |
| Indiana | 33 1/3 | |
| Iowa | 27 | |
| Kansas | 30 | |
| Kentucky | 100 | |
| Louisiana | not below 25 | |
| Maine | 100 | (2) |
| Maryland | 100 | |
| Massachusetts | 100 | |
| Michigan | 50 | |
| Minnesota * | 33 1/3 | (3) |
| Mississippi | 100 | |
| Missouri | 100 | (4) |
| Montana ** | 40 | (5) |
| Nebraska | 35 | |
| Nevada | 35 | |
| New Hampshire | 100 | |
| New Jersey | 20-100 | (6) |
| New Mexico | 100 | (7) |
| New York | 100 | |
| North Carolina | | (8) |
| North Dakota *** | 100 | |
| Ohio | 35 | (9) |
| Oklahoma | 35 | |
| Oregon | 100 | |
| Pennsylvania | 100 | (10) |
| Rhode Island | up to 100 | (11) |

STATUTORY RATIOS BY STATE

Table XX. (continued)

| State | Ratio of Assessment | |
|---|---|---|
| South Carolina | 100% | |
| South Dakota | 60 | (12) |
| Tennessee | 40 | (13) |
| Texas | 100 | |
| Utah | 30 | |
| Vermont *** | 50 | |
| Virginia | 100 | |
| Washington | 50 | |
| West Virginia | 50-100 | |
| Wisconsin | 100 | |
| Wyoming | 25 | (14) |

* Minnesota: The ratio given relates market value to adjusted market value. The taxable value against which the rate is applied is found by taking 25% of the first $4,000 adjusted market value and 40% of the amount over $4,000.

** Montana: The ratio given is an estimate of the relationship between market value and adjusted market value. The taxable value against which the rate is applied is 30% of the adjusted market value.

*** North Dakota: The ratio given relates market value to adjusted market value. Fifty percent (50%) of the adjusted market value is the taxable value.

**** Vermont: The ratio given relates market value to adjusted market value. One percent (1%) of the adjusted market value is the taxable value.



AGO 533305

STATUTORY RATIOS - FOOTNOTES

Table XX. (continued)

1. Class 4 property.

2. "Just value."

3. Goal.

4. Missouri Tax Commission suggests not less than 30%.

5. Approximate ratio for city and town lots and urban and rural improvements. This ratio is not statutory. The statutory ratio, 30% for residential property, is the percentage of assessed (adjusted market) value against which the mill levy is applied.

6. Ratio to be used is at the discretion of the County Board. If not acted on by the Board, ratio is automatically set at 50%.

7. 33 1/3 is suggested minimum.

8. Uniform percentage determined locally. Most counties are at 50% or 60%. The state on the average has chosen 50%; Charlotte has chosen 60%.

9. Ratio relates to taxable value as defined by Board of Tax Appeals, effective December 28, 1971.

10. In 4th to 8th class cities, real property must be assessed at a predetermined ratio not greater than 75%.

11. Determined locally.

12. Property is assessed at full and true value but only 60% is taxable.

13. 40% to be attained by January 1, 1972. Fifty percent to be attained January 1, 1973.

14. Goal.



AGO 533306

## HOMESTEAD EXEMPTION PROVISIONS AS APPLIED TO PROPERTY TAX LIABILITY CALCULATIONS

Table XXI.

Alabama: The homestead exemption is applicable only against the state tax (6.5 mills) on $2,000 of assessed value.

California: There is a $750 exemption on assessed value of the principle residence.

Florida: Five thousand dollars ($5,000) is the allowable exemption of assessed value except for assessment for special benefits.

Georgia: The homestead exemption is $2,000 taxable value times the operating (non-debt) mills. (It is exclusive of levy for bonded indebtedness.) The non-debt portion of the average state is 36.25 mills, and for the city of Atlanta it is 67.10 mills.

Hawaii: The homestead exemption is $8,000 on the assessed value.

Iowa: Iowa's homestead exemption is 25 mills times the first $2,500 assessed value to a maximum of $62.50.

Louisiana: The $2,000 exemption on the assessed value is applicable against state, parish, and special levies, but not for city levies except in the Parish of Orleans. (The city of New Orleans is coextensive with the Parish of Orleans.) The statewide average city mill rate of 23.01 mills used in calculating the amount of exemption is an estimate based on data taken from Prentice-Hall for taxes payable in 1971.

Minnesota: Thirty-five percent (35%) of the non-debt levy, to a maximum of $250, is the credit allowed for homesteads existing from January 2. The state average non-debt levy is 250.07 mills; the non-debt levy for the City of Minneapolis is 291.59 mills. (Homesteads existing from June 1 are eligible for the credit up to a maximum of $125; this was first effective for taxes payable in 1971.)

Mississippi: Up to $5,000 on the assessed value of a home (up to 160 acres) is exempt. Bonded indebtedness levies are not exempt. An average of 30 mills for the State and 35 mills for the City of Jackson are used as the bonded indebtedness portions of the respective total levies.

Nebraska: Exemption applies to the first 25% of actual value of $1,500 or less. Over $1,500 of actual value, the exemption is 20% of the first $4,000 of actual value. Actual value is assumed to equal the market value.

HOMESTEAD EXEMPTION PROVISIONS AS APPLIED
TO PROPERTY TAX LIABILITY CALCULATIONS

Table XXI. (continued)

New Mexico: New Mexico's homestead credit consists of $200 exemption on the assessed value.

Oklahoma: The first $1,000 of assessed value of a homestead is exempt.

Oregon: Oregon has a new homeowner's property tax relief but at the present time there are no statistics available from which to make estimates of the amounts involved. The formula for determining the relief is based on the amount by which the property tax exceeds a prescribed percentage of the household income.

Texas: Three thousand dollars ($3,000) of the assessed taxable value of a residence homestead is exempted from state and county taxes. The statewide average county mill rate of 16.56 mills used in calculating the exemption is an estimate based on local tax rates listed in Prentice-Hall for taxes payable in 1972. For the city of Houston 21.60 mills is used as the county portion of the total levy. There is no state tax levy for general purposes.

Vermont: Up to $15,000 of fair market value is an allowable exemption for up to three years for new homes if voted upon at a town meeting. No exemption is included in the calculation of tax liability for Vermont.

Wisconsin: Wisconsin's General Property Tax Relief applies to all real estate and personal property other than business inventories and livestock. The amount of credit to be received is based on the three preceding years' levies in excess over a given mill rate.

Special Note: The "assessed value" equals the "adjusted market value" equals the "taxable value" unless otherwise stated.



AGO 533308

DISCOUNTS FOR PROMPT PAYMENTS *

Table XXII.

| State | Discount |
|---|---|
| Alabama | None |
| Alaska | None |
| Arizona | None |
| Arkansas | None |
| California | None |
| Colorado | None |
| Connecticut | No provision for discount in General Statutes. However, discounts may be allowed in certain municipalities by special acts or charters. |
| Delaware | No discount of taxes collected by county. Varying discounts are allowed in Dover, Milford, Newark, and New Castle. No discount is allowed in Wilmington. |
| Dist./Columbia | None |
| Florida | Taxes are due November 1. Discounts are as follows: Payment in November, 4%; December, 3%: January, 2%; February, 1%. These discounts apply only to county, school and special levy taxes that are collected by the county. Discounts on city taxes vary. |
| Georgia | None |
| Hawaii | None |
| Idaho | None |
| Illinois | None |
| Indiana | None |
| Iowa | None |
| Kansas | None |
| Kentucky | State, county and district taxes are due and payable September 15. If paid by November 1, they are intitled to a 2% discount. |
| Louisiana | None |
| Maine | Any city or town may grant a discount not to exceed 10% to those who pay taxes voluntarily within the stated periods. Very few cities offer a discount. Portland does not offer it. |

DISCOUNTS FOR PROMPT PAYMENTS*

Table XXII. (continued)

| State | Discount |
|---|---|
| Maryland | Except in a few cases, counties, cities, towns, or taxing districts, are allowed to fix a discount. Baltimore County grants a 2% discount in July, 1% in August, and none in September. Baltimore City grants a 1% discount if taxes are paid before the end of July and 1/2% if paid before the end of August. |
| Massachusetts | None |
| Michigan | No discount is allowed for early payment of taxes assessed under the general property tax law, general village act, or in fourth class cities. However, discounts on city taxes are allowed by some charters. There is no discount on Detroit's taxes. |
| Minnesota | None |
| Mississippi | None |
| Missouri | Discount of 1% and 2% is allowed in cities of the first and second class depending on the time of payment. |
| Montana | None |
| Nebraska | None |
| Nevada | None |
| New Hampshire | Allowance of discount is left to the discretion of each city and town, both as to amount and time limits. The practice varies in different places and from year to year. When the discount is granted it is so stated on the tax bill. |
| New Jersey | Governing body of each municipality may permit discounts prior to delinquency. Rate of discount may not exceed 6% per annum, or 1/2% per month. Payment must be at least 30 days before date on which installment would become delinquent. |
| New Mexico | None |

DISCOUNTS FOR PROMPT PAYMENTS*

Table XXII. (continued)

| State | Discount |
|---|---|
| New York | New York City allows a 2% discount on the second installment. Various counties also allow discounts. |
| North Carolina | Discounts are permissable. The governing body of any county or municipality has the authority to establish a schedule of discounts. |
| North Dakota | All taxes are due January 1. Realty taxes payable 1/2 before March 1 and 1/2 before October 15. A 5% discount is granted if taxes are paid in full before February 15. Discount applies in general to all real estate taxes. |
| Ohio | None |
| Oklahoma | None |
| Oregon | Discount is allowable on payments made on or before November 15 as follows: 3% if paid in full; 2% if three-quarters paid; 1% if half paid. |
| Pennsylvania | Discount varies with cities, boroughs, and townships. Philadelphia offers a 1% discount from the opening of the books (around January 25) until April 30. Applies only to real property. |
| Rhode Island | Cities and towns are authorized to give discounts, but in practice very few do. |
| South Carolina | No general statutory provision is made allowing discounts in all counties. The discount, if offered, does not include state levies. There is no discount in Richmond County, the county in which Columbia is located. |
| South Dakota | None |
| Tennessee | None |



AGO 533311

DISCOUNTS FOR PROMPT PAYMENTS*

Table XXII. (continued)

| State | Discount |
|---|---|
| Texas | For prepayment of state taxes and taxes of its subdivisions the following discounts are allowed: 3% if paid 90 days before delinquency, 2% if paid 60 days before delinquency, 1% if paid 30 days before delinquency. This provision does not apply to city, town, independent school district, or special district taxes unless adopted by such governmental subdivision. When payment is made in installments, discount applies only to second half and first half must have been paid by November 30. |
| Utah | None |
| Vermont | Discount may be prescribed by municipalities but is not to exceed 4%. |
| Virginia | None |
| Washington | None |
| West Virginia | Discount of 2 1/2% is allowed on both installments for taxes paid on or before due date. |
| Wisconsin | None |
| Wyoming | None |

* Discounts are not included in the calculation of the final tax liability.



AGO 533312

## ANALYSIS

The following analysis highlights certain results and also reveals problem areas. It is not intended that the analysis draw conclusions for the reader but that he formulate his own. Mention of states and cities is meant only for explanatory purposes and not as an opinionated point of view.

To illustrate the importance and problems of assessment ratios and taxation rates, the use of an analogy deems itself beneficial. The ratios and rates act as two complementing factors balancing the latter on a hypothetical tax fulcrum. A movement on one side without a compensating change in the other upsets the equilibrium. To continue the analogy, if two such operating systems were compared, one could not interchange the components, leaving the position of the fulcrum constant, and maintain the original balance. Changing the fulcrum's position to make the system balance would result in a tax change.

Statutory ratios, although set by law, do not exist in practice at the fixed percentage. Actual ratios are those ratios determined by use of sales ratio studies. Ratio studies reveal the actual status of the statutory ratios, but in themselves face many restrictions. The most inherent limitation is that they are only a sample of the many times the statutory ratios are used. They may also be influenced by the skill of the staff doing the study, available funds, supervision, and political biases. In theory, these factors do not exist, but in practice, they play a part.

In certain instances, the year of the ratio study and the year in which the tax is payable do not coincide. The general trend in ratios is that they remain within a relatively constant range over the years. Thus, divergent time schedules should not markedly affect the validity of the ratios used in calculating the final tax liabilities.

A substantial variation in the actual ratio of assessment between two years generally is due to legislative measures that have changed the statutory level of assessment. Such is the case of Oregon; their legal ratio was recently increased by four-fold, from 25% to 100%. Minnesota has changed their ratio of assessment goal from 33 1/3% to 100% for taxes levied in 1972, payable in 1973. Again, sales ratios studies will reveal the true state of affairs by determining the actual, in practice ratios.

Careful note should be made of four ratios: Minnesota, Montana, North Dakota, and Vermont. The ratios listed for these states are



AGO 533313

actual ratios of assessment. However, a second ratio is applied to the adjusted market value to determine the taxable value. This is explained in more detail in the footnotes on ratios and rates for both the states and the cities.

The rate component of the tax fulcrum is as necessary as the ratio. Similar to the ratios, the rates of taxation usually do not vary substantially from one year to the next. Services expected and demanded by the public and new administrative procedures govern the increases and decreases in the rate of taxation. The end result is that the rate generally finds a point around which it stabilizes. Minor changes occur from year to year, but overall, the trend is much slower to change.

Large alterations in rates often are mirroring changes in ratios. As Minnesota makes the switch from a ratio of 33 1/3% to 100%, the mill levies will drop by approximately one-third.

The subject of statutory rates is somewhat misleading. Legal rates generally set limits only on non-debt levies. Levies for debt purposes greatly influence the total picture of rate levels. This portion of the levy for some states also influences the amount of homestead credit received by the taxpayers, such as in Georgia, Mississippi, and Minnesota.

A similar concept to ratio studies is "rate studies," although usually not labeled as such. Some states collect and coordinate extensive data regarding taxes in all their governmental subdivisions. This undoubtedly makes state-wide estimates of rates much easier to obtain and more reliable in these states than in others. State-wide average rates estimated from Prentice-Hall tend to be higher than those which might have been obtained had the states been able to provide this information. A tax rate estimated in this manner is inclined to be high because it is based only on local rates listed in the publication, rather than on all communities in the state.

The problem of "year levied" versus "year payable" increases the difficulty in making comparisons. The entire taxation procedure, from assessing to paying the bill, varies in length among the states. In some states, the process is completed within one calendar year. In others, taxes are levied one year and paid the following year. Throughout this study, the tax paid in 1972 was used as a constant reference. However, at the time of request for this information, numerous states did not know their levies for taxes payable in 1972. Thus, many amounts calculated were payable in 1971.

Careful note should be made of the differences in rates, ratios, and final tax liability between the largest city in each state and the state itself. The rank order of the city may or may not be similar to the position of the state for a home at a given market value. Examples may be found in which the ratio for both the state and the city is very similar and yet the rate for the city is almost

twice as large as that for the state, and also examples in which the rate is constant but the ratio doubles. The entire tax picture should be examined before comparing cities and states.

Within the limits of the definitions given in the methodology, tax exemptions are included in the calculations of the final tax. The provisions used either applied to all property owners in the state, such as the general property tax relief offered in Wisconsin, or to only those taxpayers distinguished from all others by virtue of owning and residing in their home. The variations in specific features offered by the states in homestead credits are numerous. The basis of exemption ranges from a set mill levy on the assessed value (adjusted market value) of the property to some particular aspect of the debt versus non-debt mills or tax dollars.

These exemptions fulfill their purpose by lowering the taxpayer's bill, and their effects can be quite noticable. Hawaii shows one of the most outstanding effects of a homestead exemption and that is a zero dollar tax on a home with a market value of $10,000. Florida also shows a strong effect of this type of tax break on the $10,000 home. The tax is low at this point, increases considerably at the $20,000 level, and subsequently proceeds at a less progressive rate of increase.

The effective rate of taxation, the final tax as a percentage of the market value, reflects a combination of the ratio, rate, and exemption, but does not include any deduction in tax due to prompt payment. The particular effective rate for a state or city may have a most unusual result if it was transported to another state or city with a different tax base. For example, if a high effective rate is applied to low property values, the result may approximate a low effective rate applied to high property values. Whether property values themselves are high or low, however, is a matter of great complexity and involves much more than can be handled within this study.

A very noticable feature of the effective rate of taxation is its slope. The most influential factor appears to be the homestead credit. As a general rule of thumb, those states or cities revealing flat effective rates offer no homestead or other applicable exemptions. Conversely, those states or cities having some degree of slope to their effective rates do provide a form of tax relief. This second relationship is a progressive rate in that the effective rate of homes with lower market values is lower than that of homes in the higher priced range. That is, they receive a relatively larger tax break than a more expensive home.

Naturally, there are exceptions to the above stated generalizations. Wisconsin, for example, has an extremely flat effective rate and yet incorporated into this rate is a general property tax relief credit. In general, the dollar amount of a tax credit remains constant across all market values, thus, creating a progressive rate. In the case of Wisconsin, the credit increases with the market value. Another example of this type, but with some variation,

is the case of Mississippi. This state has a flat rate for the first four market values and then increases on the last two. This again is due to the particular nature of their exemption schedule which gives relief up to $5,000 of adjusted market value ($30,000 market value) home but excludes bonded indebtedness levies. Another modification of the general reasons for flat versus progressive effective rates is the rate that increases but so does the dollar amount of credit. Such is the case in Minnesota and Iowa. These last two states are examples of expandable credits up to set maximums.

As a last overview of property taxes, a table is included in this presentation which groups the states by one of eight regional areas. These areas are the same as those used by the U. S. Department of Commerce in issues of Survey of Current Business. Each area offers its own influencial elements in molding the property tax. One evident difference is between the northeastern and southern states. Explanations of these regional differences range from public service expectations, buried in local history, to heavy reliance on other forms of taxation, such as severence taxes, which in effect give property tax relief to the average homeowner.



AGO 533316

## CLOSING COMMENTS

There is no need to state explicitly who is Number One, or Two, in property taxes just as there is no need to list the state or city that levies the lowest taxes. However, the necessity of focusing on the how's and why's of the results still remains.

The limitations of assumptions and the consistency of input data are reminders that any minor change could conceivably influence the final calculated tax liabilities enough to change the rank orders that have been presented. The rates and ratios, rank orders and dollar amounts are of more value if overlapping ranges and general trends are noted and explained in the light of all variables.



AGO 533317

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,537.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 233.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533318

Original sponsor: Rules Committee by
request of the Governor

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 59

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with the production and transportation of unrefined oil and gas and nonrenewable mineral resources; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. In view of the economic and social impact on the state of the production and transportation of oil and gas and other nonrenewable mineral resources, and the resulting increase in the need and demand for state services associated with increased population and economic development, it is the purpose of this Act to provide revenue to the state to enable it to meet the cost of increased state services.

* Sec. 2. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. MINERAL RESOURCES PRODUCTION AND TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property used in the production and transportation of unrefined oil and gas and nonrenewable mineral resources; except that on property subject to tax under this chapter located in a city or borough, the tax under this section shall be the difference between the current year municipal tax levy and a 20-mill levy on the full and true value of that property. With respect to a facility used for part of a tax year in a manner as to render it taxable under this chapter or partly so used for a full tax year, the value of



AGO 533319

the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property used in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used and around a well producing oil or gas and actually used in the operation of a well;

(3) oil and gas produced in the state upon which gross production taxes are paid under ch. 55 of this title.

Sec. 43.56.030. LIMITATION ON LOCAL TAX LEVY. A city or borough may levy an ad valorem tax on property subject to tax under this chapter only at the same rate and on the same basis as tax is levied on other real and personal property located within the city or borough. A city or borough may levy a municipal property tax on real property or personal property subject to tax under sec. 10 of this chapter only if each and every dollar of assessed value of real property or personal property located in the city or borough is likewise taxed.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter except taxes levied under sec. 30 of this chapter shall be carried out by the state assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities,



AGO 533320

except that the state assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization. For purposes of municipal taxes levied under sec. 30 of this chapter, the property shall be assessed by the local assessor.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a board of equalization.

Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53.200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provision of law, the tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject



AGO 533321

to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FALSE STATEMENT. A person who knowingly makes a false statement in a return required under this chapter with intent to evade the taxation is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. DEFINITIONS. In this chapter "taxable real and tangible personal property" means tank farms, tanker terminals, gathering and transmission lines, and facilities associated with the extraction, production and transportation of crude oil and natural gas and nonrenewable mineral resources; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter, but does not include property exempt from taxation under the constitution and laws of the state or of the United States, or any subsurface estate or property used in a consumer distribution system.

Sec. 43.56.160. REGULATIONS. The state assessor and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.



AGO 533322

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual FY 1972 | Estimated FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
|---|---|---|---|---|---|---|---|
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,517.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,124.6 | 10,770.8 | 10,506.7 | 3,267.0 | 233.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 908.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,719.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,398.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533323

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.3 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,587.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533324

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual FY 1972 | Estimated FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
|---|---|---|---|---|---|---|---|
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,5[illegible]7.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.[illegible] | 48,736.6 | 43,840.9 | 44,219.2 | 44,[illegible]26.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,132.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 233.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGD 533325

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,517.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533326

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual FY 1972 | Estimated FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
|---|---|---|---|---|---|---|---|
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,602.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,587.9 | 20,245.0 |
| Miscellaneous Revenue | 35,039.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533327

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,547.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,409.8 |

AGO 533328

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,526.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,547.9 | 20,245.0 |
| Miscellaneous Revenue | 35,039.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,936.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,678.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533329

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,602.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,577.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533330

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,537.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,403.8 |

AGO 533331

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,031.4 | 21,952.5 | 20,547.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 3,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,403.8 |

AGO 533332

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,517.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 246.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,726.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,764.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533333

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,794.4 | 21,031.4 | 21,952.5 | 20,537.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,409.8 |

AGO 53334

Revenue Estimates (Preliminary)
December 15, 1972

| | Actual | Estimated | | | | | |
|---|---|---|---|---|---|---|---|
| | FY 1972 | FY 1973 | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 |
| GENERAL FUND | | | | | | | |
| Unrestricted Revenue - Non-North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes | 80,778.3 | 83,810.4 | 89,443.6 | 95,516.2 | 101,692.0 | 109,782.6 | 125,676.3 |
| Oil & Gas Production Taxes | 11,400.8 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 6,352.0 | 5,550.0 |
| Oil & Gas Royalties | 24,564.0 | 27,094.7 | 28,791.4 | 21,081.4 | 21,952.5 | 20,587.9 | 20,245.0 |
| Miscellaneous Revenue | 35,089.4 | 39,158.1 | 48,736.6 | 43,840.9 | 44,219.2 | 44,426.0 | 34,710.8 |
| Total - Non-North Slope | 151,832.5 | 161,010.2 | 175,797.6 | 168,427.5 | 175,132.7 | 181,078.5 | 186,182.1 |
| Unrestricted Revenue - North Slope: | | | | | | | |
| Income, Excise, Business, Occupation Taxes: | | | | | | | |
| Individual Income Tax | | | 6,125.6 | 10,770.8 | 10,566.7 | 3,267.0 | 238.2 |
| Corporation Tax | | | 148.8 | 223.2 | 260.4 | 1,744.4 | 11,241.4 |
| Business Licenses | | | 158.5 | 784.5 | 1,077.4 | 941.5 | 244.5 |
| Excise and Occupation Taxes | | | 1,211.2 | 1,477.1 | 998.9 | 104.0 | |
| Sub-Total | | | 7,644.1 | 13,255.6 | 12,903.4 | 6,056.9 | 11,724.1 |
| Oil & Gas Production Taxes | | | | | | 81,503.0 | 142,384.0 |
| Oil & Gas Royalties | | | | | | 52,734.5 | 149,654.4 |
| Total - North Slope | | | 7,644.1 | 13,255.6 | 12,903.4 | 140,294.4 | 303,762.5 |
| Income on Investments | 67,333.4 | 52,447.8 | 45,248.3 | 33,805.9 | 21,411.9 | 10,511.7 | 8,464.2 |
| Grand Total | 219,165.9 | 213,458.0 | 228,690.0 | 215,489.0 | 209,448.0 | 331,974.6 | 498,408.8 |

AGO 533335

House Bill 59
Revenue Projections 1974 - 1983
Assuming Construction Starts July 1, 1973
($000 Omitted)

| | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| ty Tax Collection Under HB 59 | $22055.9 | $40853.1 | $59947.6 | $69211.1 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 |
| Shared to Local Governments (see below) | 1653.8 | 3063.1 | 4494.8 | 5189.2 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 |
| venues to State Treasury | $20402.1 | $37790.0 | $55452.8 | $64021.9 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 |
| Governments' Share of Property Tax: | | | | | | | | | | |
| Slope Borough | $ 734.7 | $ 1360.8 | $ 1996.8 | $ 2305.3 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 |
| Star Borough | 267.6 | 495.6 | 727.3 | 839.6 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 |
| Valdez | 651.5 | 1206.7 | 1770.7 | 2044.3 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 |
| Shared Revenues | $ 1653.8 | $ 3063.1 | $ 4494.8 | $ 5189.2 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 |

AGO 533336

STATE OF ALASKA

Department of Revenue

# Budget Projections and Resulting Effect on the General Fund Balance for the Next Ten Fiscal Years

All revenue estimates, estimated expenditures and other assumptions not listed as "comments" or "assumptions" on the Budget Planning Model detail pages are taken from the Budget Document Supplement, Alaska, Fiscal Year 1973-74.

AGO 533337

STATE OF ALAS A
REVENUE

BUDGET PLANNING MODEL

JOB ID

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

| ANN INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OR CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 642030.0 |
| [illegible] | 46194.4 | 235645.4 | 318000.0 | 20441.0 | 12100.0 | 357300.0 | -121654.6 | 520383.4 |
| [illegible] | 35003.6 | 221300.0 | 340372.5 | 30000.0 | 12021.0 | 383793.5 | -161600.9 | 359170.5 |
| [illegible] | 13651.3 | 214070.3 | 384040.2 | 33200.0 | 13105.0 | 411205.2 | -196520.9 | 162649.6 |
| [illegible] | 8321.8 | 345405.8 | 350378.7 | 40300.0 | 28520.0 | 458858.7 | -113452.9 | 49196.7 |
| [illegible] | 5017.4 | 510370.4 | 417704.8 | 45500.0 | 45070.0 | 508280.8 | 3095.6 | 57852.3 |
| [illegible] | 6753.4 | 541775.4 | 440944.0 | 52100.0 | 45001.0 | 544735.0 | -2959.6 | 54892.6 |
| [illegible] | 6868.4 | 503077.4 | 478023.3 | 55300.0 | 47404.0 | 581023.3 | -15945.9 | 38946.8 |
| [illegible] | 5279.5 | 508084.3 | 511705.2 | 56200.0 | 46950.0 | 618355.2 | -49350.9 | -10404.2 |
| [illegible] | 1654.4 | 576096.4 | 547525.9 | 61000.0 | 50277.0 | 658850.9 | -82852.5 | -93256.7 |
| [illegible] | -4461.2 | 578153.2 | 585850.4 | 66000.0 | 51700.0 | 704550.4 | -127510.0 | -220813.3 |
| [illegible] | 136452.7 | 4304330.0 | 4402812.0 | 469141.0 | 355837.0 | 5227790.0 | -803461.3 | |

AGO 533338

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

OF ...A

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 8.00%

| ...ENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | ...ISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 042058.0 |
| ...3.4 | ...4.4 | 256767.4 | 318000.0 | 20441.0 | 12195.0 | 357300.0 | -100512.6 | 941229.4 |
| 225.15.6 | 3...4.3 | 282557.8 | 344159.3 | 30000.0 | 12021.0 | 386036.3 | -126422.5 | 817702.9 |
| ...200.0 | 2...8.0 | 279536.4 | 371091.7 | 33200.0 | 13185.3 | 418096.7 | -142060.3 | 675652.9 |
| ...7.1 | 1...1.1 | 413659.1 | 401928.8 | 40030.0 | 20526.0 | 462484.8 | -50311.0 | 624721.2 |
| 275111.3 | 1...0.3 | 555111.9 | 433546.0 | 45500.0 | 45078.0 | 524110.0 | 70999.5 | 695716.4 |
| ...17...3 | ...3...3 | ...3350.3 | 468283.0 | 52100.0 | 45091.0 | 565014.3 | 57342.2 | 753056.6 |
| ...2...3 | ...7...6 | 643071.5 | 505681.3 | 55300.0 | 47094.3 | 608475.3 | 41224.3 | 794281.0 |
| ...12...6 | ...727.1 | 598100.1 | 540159.4 | 58250.0 | 48919.6 | 652329.4 | 5382.8 | 797665.7 |
| ...4...0 | ...115.4 | ...2...5.4 | 583529.3 | 61000.0 | 577.7.0 | 702152.3 | -55687.3 | 741778.4 |
| ...447.6 | ...1...5 | 667575.5 | 657611.0 | 66000.0 | 51710.0 | 775311.0 | -87352.1 | 675840.3 |
| ...3...3 | 1...0.3 | ...72...1 | 4010358.3 | 409141.0 | 3956.7.0 | 4442334.3 | -363781.8 | |

AGO 533339

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

ASM 333

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 10.00%

| INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 642038.0 |
| [illegible] | [illegible] | 256787.4 | 318000.0 | 20441.0 | 12193.0 | 357300.0 | -100512.6 | 542125.4 |
| 225615.0 | 36300.1 | 262415.1 | 360552.4 | 30000.0 | 12821.0 | 503373.4 | -130934.3 | 411191.1 |
| 150200.0 | 24348.8 | 275228.8 | 385005.3 | 33200.0 | 13165.0 | 431370.3 | -150721.7 | 264469.4 |
| 600000.0 | 14405.2 | 417671.2 | 428148.3 | 40000.0 | 25520.0 | 493668.3 | -75972.1 | 178897.3 |
| 375311.0 | 12408.1 | 391518.1 | 400557.3 | 45300.0 | 45870.0 | 557133.3 | 34185.8 | 213083.4 |
| [illegible] | 17174.1 | 618042.0 | 513212.0 | 52100.0 | 45801.0 | 611083.0 | 5958.4 | 219021.4 |
| [illegible] | [illegible] | 633783.3 | 503 33.4 | 55336.0 | 7434.0 | 661757.4 | -27502.1 | 191453.4 |
| [illegible] | 13235.2 | 641676.4 | 620000.0 | 56200.0 | 4 456.0 | 727055.0 | -85378.6 | 105400.0 |
| [illegible] | [illegible] | 640819.6 | 688384.1 | 61000.0 | 5 727.0 | 755411.1 | -148591.4 | -43091.0 |
| [illegible] | -5883.1 | 640285.8 | 751551.0 | 66000.0 | 5 700.0 | 823251.0 | -228967.0 | -273575.2 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | 107484.0 | 4337430.0 | 5070038.0 | 409141.0 | 38 857.0 | 5083000.0 | -810217.5 | |

AGO 533340

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 40

DATE FEBRUARY 6, 1973

COMMENTS
PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

| FISCAL YEAR | NON INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF C&P EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|---|
| 1973 | | | | | | | | | 642030.0 |
| 1974 | 199034.0 | 40822.0 | 251856.0 | 316000.0 | 20441.0 | 12.03.0 | 357300.0 | -125413.1 | 517224.9 |
| 1975 | 201313.0 | 54275.0 | 257106.0 | 354599.0 | 30000.0 | 12321.0 | 377420.0 | -140231.4 | 376993.4 |
| 1976 | 232055.0 | 23704.0 | 255753.0 | 351328.0 | 33200.0 | 15105.0 | 397003.0 | -141940.0 | 235052.8 |
| 1977 | 250511.0 | 11333.1 | 267834.1 | 368804.0 | 40000.0 | 28320.0 | 457414.0 | -189520.4 | 45532.4 |
| 1978 | 408445.0 | 3502.0 | 408497.0 | 387330.1 | 45500.0 | 45370.0 | 477015.1 | -68478.1 | -2945.7 |
| 1979 | 502220.0 | 4035.2 | 507203.2 | 400705.6 | 52100.0 | 45001.0 | 504406.6 | 02700.6 | 79820.9 |
| 1980 | 508771. | 11201.5 | 617972.5 | 427040.4 | 55300.0 | 47454.0 | 529834.4 | 88138.1 | 167958.9 |
| 1981 | 430251.0 | 17845.7 | 448096.7 | 440301.8 | 50200.0 | 48150.0 | 550041.8 | 98054.9 | 266013.9 |
| 1982 | 455682.0 | 25003.2 | 480685.2 | 470811.1 | 61000.0 | 50727.0 | 583156.1 | 70357.1 | 337371.0 |
| 1983 | 467813.0 | 27354.1 | 495767.0 | 484351.1 | 66800.0 | 51700.0 | 612851.1 | 82345.9 | 400310.9 |
| | 4567937.1 | 231217.2 | 4799782.0 | 4668129.0 | 469141.0 | 356137.0 | 4893102.0 | -242321.1 | |

AGO 533341

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

DOC 41

FEBRUARY 6, 1975

TO

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

| ANN INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURES | DEBT SERVICE | MISC EXP SEV TAXES OP CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 042630.0 |
| 100284.4 | 40022.3 | 251000.9 | 310000.0 | 20441.0 | 12195.0 | 357300.0 | -125413.1 | 517224.9 |
| 202819.8 | 34130.5 | 237040.9 | 340972.5 | 30000.0 | 12821.0 | 383793.5 | -146743.6 | 370481.3 |
| 25250..0 | 12644.1 | 255005.1 | 368040.2 | 33200.0 | 15105.0 | 411205.2 | -156202.1 | 214279.1 |
| 25.911.0 | 4433.4 | 260004.3 | 330570.7 | 40000.0 | 28520.0 | 458090.7 | -102894.4 | 21384.8 |
| 400649.0 | -237.6 | 405817.4 | 417704.0 | 45500.0 | 45070.0 | 508280.0 | -102463.4 | -81078.7 |
| 5020..0 | -1371.2 | 501250.8 | 440344.0 | 52100.0 | 45091.0 | 544735.0 | -36521.8 | -44550.9 |
| 50..71.0 | 3154.3 | 508040.9 | 478225.5 | 55300.0 | 47494.0 | 581075.5 | -27020.6 | -10730.3 |
| 650251.0 | 4708.0 | 655040.0 | 511705.2 | 58200.0 | 48450.0 | 618355.2 | 10003.8 | -30.5 |
| 8..811.0 | 5755.0 | 841027.0 | 547525.0 | 61000.0 | 50727.0 | 659250.0 | -18223.5 | -18250.8 |
| 947643.0 | 4277.0 | 952220.0 | 585050.4 | 63000.0 | 51700.0 | 704350.4 | -52220.0 | -70470.4 |
| 5.7..7.0 | 117003.0 | 4514002.0 | 4402012.0 | 469141.0 | 355837.0 | 5227790.0 | -713127.4 | |

AGO 533342

Right-of-Way Leasing Act
(Millions of Dollars)

| | Year of TAPS Pipeline Operation | | | | Average 35 Years |
|---|---|---|---|---|---|
| | 1st | 5th | 10th | 20th | |
| At 4% ICC Return | 2.1 | 2.1 | 4.5 | 21.5 | 15.4 |
| At 5% ICC Return | 3.4 | 6.2 | 13.7 | 30.1 | 22.7 |
| At 7% ICC Return | 25.1 | 29.1 | 34.6 | 47.1 | 40.6 |

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

## INCREASE REVENUES DUE TO TAX INCREASE PROPOSALS

| Receipt Title | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| arette Tax Increase (From to 13¢ per pack) | $2,412,000 | $2,539,250 | $2,793,125 | $2,904,875 | $3,023,563 | $3,200,139 | $3,387,027 | $3,584,829 | $3,794,183 | $4,015,763 |
| k License Tax Increase (From 2% 5% of net income) | 440,000 | 480,000 | 520,000 | 560,000 | 600,000 | 648,360 | 700,618 | 757,088 | 818,109 | 884,048 |
| hway Fuel Tax Increase (From 8¢ 10¢ per gallon with refund for off-hway use out of 10¢ gallon.) | 2,655,300 | 2,857,250 | 2,892,700 | 3,002,700 | 3,155,300 | 3,295,080 | 3,441,052 | 3,593,490 | 3,752,682 | 3,918,926 |
| ercraft Fuel Tax | 541,500 | 563,150 | 585,650 | 609,100 | 633,450 | 658,788 | 685,140 | 712,545 | 741,047 | 770,689 |
| Sub-Total | $6,048,800 | $6,439,650 | $6,791,475 | $7,076,675 | $7,412,313 | $7,802,367 | $8,213,837 | $8,647,952 | $9,106,021 | $9,589,426 |

AGO 533344

MONTH March, 1973

| DATE | ACTIONS | BILLING INFORMATION |
|---|---|---|
| March 13, 1973 | Transcription of Hearing Tape<br>John Havelock, Speaker | $52.50 |

AGO 533345

I'm John Havelock, State Attorney General. With me today are Fred who is the Director of Audit in Parks and Revenue, Larry , who is deputy commissioner of the treasury and Assistant Attorney General Rick Garnet. I have from the chairman a letter relating to HB 59 of which you require whether ... considering the revenue comtemplated on the bill right of way leasing act adopted last year. Whether these measures have not already assured sufficient funds, new funds raised to meet a conservative budget such as the legislature would be included to adopt. These issues relate primarily to economic questions which is why I had these meetings with the Department of Revenue people here today and I will just make a few comments from a policy point of view ~~for~~ referring the issues to these able gentlemen who have information, copies of which have been distributed to you here which I think will be of to you at today's hearing. By way of summary, let me say that we appreciate the opportunity to respond to this questions because of the widespread illusion throughout the state that the legislature, by virtue of its acts last year, have already adopted measures which constitute and ignore the revenue increase constituting a tremendous burden, particularly on the oil industry, and this is an illusion. It is not true that last year your incremental revenues measures were adopted. The property tax which was introduced last year as one of the several measures tend to be considered together which because of of time of problems also not adopted. As far as the revenue aspects go, this is one of the more critical revenue measures which was introduced at that time and I think that it would appear still a very conservative measure at that by considering the overall situation. In reviewing very briefly the measures which were adopted last year, first of all the cents per barrel tax is essentially a revenue guarantee measure in that it is a floor tax and it was not considered to be primarily a measure for raising more revenue to meet the contemplated revenue gain of the state. We do not know at this time whether in fact that cents per

barrel tax will even go into effect because we don't know what the market conditions will be at the time the oil flows. The second measure, another measure, is the regulatory act which, of course, is not a revenue measure at all. The right of way bill which has been a center of controversy, perhaps more so than the floor tax with the industry, a good deal of uncertainty about the revenue impact of that measure this last year because of the changes in the measure up to the last minute, the revenue there, because of the various variables that came into it, we were unable to last year vie tentative answers as to the revenue act after that bill. We have now at some expense and after very careful perusal of the way the bill operates and the way the would operate we have eliminated those uncertainties. There are still variables which are involved which change the impact and the income and revenue results of the tax. We are in a position to identify the variables for you, to give you both the range of revenue estimates that can be expected and use the most probable case, and we can do so, I believe, definitively. As to the property tax of HB 59 before you, I think it is worth emphasizing that the issue the community is considering on this bill is not whether property taxes applicable to the pipeline should exist, that the status quo is maintained, the property taxes will prevail on the pipeline and that they will be levied by municipal government. What is really of more concern is how much revenue, what the millage rate should be, and the form of distribution from the tax and the proposal for a state administered tax which was put before you previously and is put forth before you again this year with the hope that the legislature can make rational decisions as to what the revenue capability of that tax should be and the manner which the benefits from that tax should be distributed. Now it has been said that the property tax singles out a single industry which is unfair, and I would like to make a few comments on that, but before I do I would like to point out that local governments are just as capable of levying taxes, principle incidents of which involve upon the pipeline,

as the status. I think in the long run it is better before the industry that a tax of this nature be administered at a state level. in the long run better equity to have a tax on a property of this magnitude subject to state control with termination by the entire legislature.

*Can I interupt just....is it your feeling that once a tax is levied by the state that is a preemption over the local government?

That depends upon the form of the measure adopted. This particular bill essentially constitutes a preemption with a redistribution.

*It is your opinion now, informally I understand, that this would in fact do that.

Yes, that is the case.

*Thank you.

To get into our comment on the effect of local government taxes which is that if you do nothing, what happens is that the result of the deductability of property taxes, you are essentially providing for a distribution system whereby those areas of general government is subsidizing particular municipal government which have the opportunity to apply the tax as a result of the deductability of property tax state income tax. So, again, the status quo hardly guarantees any more of a magnitude of the enterprise, the size of the assets involved in relationship to all the other assets of the state put together makes it highly relevent and pertinent and appropriate for the legislature to consider how this entity is to be taxed and how major pipelines are to be taxed. Large pipelines may not have the last of them. How this classification of property has increased. To answer the question of the singling out, we have barely singled out a particular instance. I suppose it is true that any tax adopted by the legislature has a distribution burden which effects some people more than others and I don't think that tax alone really has anything to do with fairness or unfairness. I would like to note,

for instance, in terms of whether the rest of the economy is "bearing its fair share". The gross receipt tax is the major tax burden to a large number of industries. So, I think that to just look at the property tax alone and say that the incidents of property tax are more on one than on another is simply to state a truism of taxation generally and I don't think it relates fairness. Other examples of distribution , in our state, we have a very high level of personal income tax relative to the rest of the country and I think it is a demonstration of the willingness of the people of Alaska to meet their fair share of the burden of the cost of running a government. A third factor is responsible budgeting. Responsible Budgeting, particularly under excercising real belt tightening activity also has its contribution frequently for those who are least able to bear it to the cost of running government in terms of decreased services and loss of necessary sustainance. It is also rational for the policy to adopt taxes which have different incidents and burdens on different [illegible] of the economy. It is not in the state's interest to levy the same level of taxation of new growth that is in a state where one of the critical issues for the next two decades is the extent to which we can broaden the base of the economy. It is not rational for the policy to impose substantial burdens on that form of new industry when there are forms of industry available which are quite capable of paying a larger share of the burden of maintaining essential government [illegible]. The underlying principle in the fairness, after all, since the income tax amendment to the constitution in 1916 is that the taxation or the level of taxes should be associated with ability to pay and I think it is apparent now, as it has been for a decade or more, that ability to pay is very much within the [illegible] of commerce, commercial activity, business associated with the petroleum industry in this state and I think it is misleading to think of the tax project of that industry as just another small grocery or gas station entirely and enormous aspects of the economy through the legislature should look at it as an entity without having it necessarily associated with a small store on the Yukon

River or a trading center or something in terms of the ability to meet the burden of government. It was in assisting in the pushing of this pipeline project to the earliest completion possible within the last year that I have had cause to re-read legislative history of the Alaska Statehood Act with the premise of Alaska statehood that with a small population such as this state had, with very little independent income base capable of supporting government, with enormous unmet needs, that it would be the oil industry that would pay for a very large share of the growth of the state. The state was not a feasible political entity without a larger share, a very large share, of the burden supporting that state coming from the petroleum industry and that is to say the legislative history that I have just stated would prove that. With that induction, Mr. Chairman, I would like now to refer to some of the particulars like calling on the property tax impact by calling on Mr. Fred of the Department of Revenue to give you some figures and explain perhaps some of the exhibits before you.

Mr. Chairman, House Bill 59 proposes a property tax on oil and gas transportation facilities is apparently straight forward in terms of projecting revenue estimates. The bill provides that a tax of 20 mills shall be leveled on the pipeline as of any given January 1. It also provides for a sharing back to the local jurisdiction through which the pipeline passes based upon 20% of the value of the line in such jurisdiction. Before you on the first page of the exhibit handed out, we show our projections for fiscal year 1974 thru 1983 with the first line indicating the total tax collected by the state less the amount to be shared through local governments and the net revenues to state treasury. Beneath that is a table showing a breakdown of the local government's share of the tax among the three local governments through which the pipeline should pass. The basis for the projections is a total cost of the pipeline's total ultimate value of 3.5 billion dollars with the construction occuring primarily in 1973, '74, '75 and into the middle of 1976.

Are you open for questions? Any questions?

Mr. Fink: It just seems to me that the figure you had on that last year was 80 million. How did you arrive at the maximum of 70 million this time?

Last year's projection did not project to 80 million, they projected up to 59 million which would be the value in 1977. The 70 million dollar ultimate is based on the 3 1/2 billion dollar completion costs at the 20 mill rate.

(Mr. Fink) Your bill originally last year was on the pipeline only. I know I am digging out finance projections and we threw the tank farms and the gathering lines in which apparently you have done in this year's bill except you have excluded this twenty-one inch which seems

You say that the pipeline and the tank farm and the gathering lines, all that, will cost a maximum of 3.5 million dollars?

Yes, sir.

If there are no other questions I would like to call on Deputy Commissioner to discuss the relationship of that to the revenue and manager projections of the state.

Mr. Chairman, and guests, I would like to call your attention to a five or six page booklet that we prepared this morning which is, in fact, copies of a computer projections showing in effect the property tax and several other variables on the general fund at the end of each year. By this afternoon we should have this information available in short form which is somewhat easier to digest. But, until then, I went through and specifically as possible as to what these projections indicate. I will be available for questions, of course, at any time in my testimony. We turn to projection one which is run number 15. It is based on the assumption that construction of the pipeline will begin in fiscal year 1974, inflation of the line and production will begin in fiscal year 1977. With the revenues included the revenues from the right-of-way leasing act assuming a 4% ICC rate of return. A separate page in the handout that I believe you all have shows exactly what that 4% ICC return means in dollars to the state. For the first through the fifth year

of operation the 4% return indicates to the state about 2 million dollars. It is not until very late in the operation of the pipeline, in the tenth and twentieth year, that you see high revenues. In the average of 35 years it is 15.4 million. This 4% ICC return we believe will be the most likely and the most reasonable. It is, in addition, the case that the oil companies did mention directly to the Governor that they were intending to run the following testimony this March regarding ownership of the pipeline. So, we really feel confident that there will be a 4% dividend and rate of return as measured by the ICC.

*I think you all read something in the paper today about the oil companies saying it would cost them 150 million. Do you know what the difference between their computation and yours is?

I cannot understand that completely. A 150 million or even a higher figure quoted in the paper is just not reasonable. I don't understand the cause of it. It can only be based on ICC returns so large as to be incredible.

*Now you've got 7% here. Is that the maximum they can charge under ICC or can they charge 8%?

There was a ruling many years ago that 8% ICC return was allowable. How much they can charge under ICC really is a question of the degree that ICC will expect this pipeline of their jurisdiction and whether they find anything unique in the Alaskan pipeline.

*Even at your 7% you show only 25 million the first year and an average of 40 million.

That's right.

*Do you think that they could be talking about a lot higher unit?

No, I do not. Again, the cost, the economic analysis, and many of the factors seem to be the same yet the numbers are apparently different. I do not understand it.

These returns are based on our latest look at the economics, our latest look at the regulations the state has adopted and our most likely projection for what, in fact, will occur in terms of revenue.

*Alright, the other thing is that all of your print-outs are based on a 4% on the right-of-way. Apparently they use a higher figure. Then again, why do you think they will use 4% rather than 7% or something else?

Well, first of all they told us. Secondly, and most important, it is in their best interest to use a 4% ICC return. Let me try to explain it very simply. The higher the return on the line, the lower the bulkhead value of the oil in the ground and what is the incentive of the oil companies that have a high bulkhead value in the ground? It is a depletion allowance. The tax advantage, which is a percentage of the bulkhead value of the oil produced. So, clearly as we examine it, running the pipeline at a high tarif causes the overall rate of return of the pipeline and the owner to decline, not increase. Again, because of the dominant tax advantages of the depletion allowance.

*In effect, there would be different parties involved like in the pipeline shipping their oil. Do you think it is the same that....

At this time the unit agreement has not been completed on the North Slope so we are not certain at this date what oil company will own what percentage of the pool. Neither has the oil companies agreed to my knowledge about which oil company will own what percentage of the two million barrel a day pipeline. So, in fact, there is an opportunity of changing the amount of oil ownership as well as the opportunity of changing the amount of pipeline ownership.

*Is that all Mr. Fink? Miller.

*I have a question. I see that these revenue projections are based upon the pipeline construction beginning in fiscal year 1974. May I assume that your assumptions are January 1, 1974, as this would make a big difference whether this was January 1 or

December 1. Exactly what month did you pick? This could make a tremendous difference in the entire projections.

I believe I understand the question. There are a total of five projections here, three which are based on pipeline construction beginning fiscal year 1974 and the final ones are based on a statistical look, if you will, on pipeline construction beginning in fiscal year 1975. The question as I understand it was a six month postponement followed construction beginning this summer. Is that correct?

*Would it make a difference on your entire twenty year projections depending upon what month you were picking up here. It would be the same thing on oil flow. It starts flowing in 1977, say a six month delay in the construction of the pipeline. I mean to be completed from their estimate of three years.

I agree. These projections, again, show construction beginning in the summer and then construction on a one year delay. The question as I understand it is what is the effect of construction being delayed six months together with a three year construction period. The pending of this administration and any delay at the beginning of the construction will be offset by a compression of the construction period. We have shown you here perhaps the best case and a worse case. delay and a year delay. We are working at this time to look at various six month delays as communicated earlier since everything is, in fact, offset split between fiscal years, Backup from this project will and it will be some time before we statistical look, if you will, of the effect of the six month delay.

*(Mr. McVay) Just a few questions....as I understood you correctly, you feel probably the best guess is that the pipeline will be allowed a 4% ICC return. Is that.....

We are assuming, and we have substantially believed that the pipeline will be run at a 4% return .

*Just generally speaking, isn't it true that the ICC regulation of the rates look to the total amount paid at setting the percentage figure. In other words, anyone

is entitled to make a return on a dollar and the return is somehow related to the cost of the project. In other words, 4% would not be very much of a return on a small utility or a small line, but 4% could be an awful lot of money on a huge line. Is that the kind of factor; do you see my point?

Yes, Mr. Chairman, I do. This 4% return is on the total ICC evaluation. That pipeline may be financed 80% by debt, 85% or 90%. So, for a hypothetical situation, if it was financed 90% by debt then the 4% return would provide a return to equity of in excess of 35% as well as, of course, pay off all the debts.

*That would have a tendency to drive that percentage figure down, right?

That would not be taken into account by the ICC.

*I see.

So, they would at a 4% return provide for return to equity of substantially in excess of 35%. They ICC looks at the total value of the line and the total return of the total value.

Mr. Chairman, the 4% that we capulate is based upon the economics of the industry and what they would do, or the industry would do, from the point of view of maximizing their own profits. It is not a prediction as to what if the ICC regulates the line, the ICC maximum allowable would be. There is no way to tell that at this point. But what we're looking at is that the existing pattern of ownership distribution of the pipeline and of the oil, that it is the maximum economic return to the integrated company it would be achieved at approximately the 4% rate.

*Some companies would be better off than others?

There is a difference in that this is a stand alone pipe-line. Supposing you had a pipeline owner that had no oil then it would be his interest to charge the highest possible tarif available. We are dealing with integrated companies. We are dealing with companies ~~WITH~~ that negotiate with each other. We are dealing with a situation

where there is not a gross prosperity between the ownership of the oil and the ownership of the pipeline. That is, considering them all together it is very close, although there are differences among the owners in tax. They are quite free to negotiate and we believe it is in their commercial interests to negotiate to produce a more even distribution of pipeline ownership that is going to be close to....

*And that will tend to drive it down. (Chairman)

It will tend to, therefore, drive the tarrif down because the overall effect is a maximumzation of profits and freedom to federal income tax. Should I continue, Mr. Chairman, to.....

*Yes, go ahead, if there are no more questions at this time.

Well, the chart number one, the computer print-out, shows that if operating expenses were to increase about 7% each year that even with the construction of the pipeline beginning this summer, there would be a negative balance in the general fund at the end of the 1980's. The revenue estimates which are contained in this projection include not only the right-of-way leasing revenues but as well the proposed taxes that the legislature is now considering at this time and these are summarized and displayed regarding the revenue effect of these taxes on an additional page supplied to you. We call the aggregate of the four taxes the tax package. The comments regarding this projection on the tax package is included. Projection number two on the following page includes the estimated net revenue to the treasury property tax. The only difference between this projection and the first one is that here we show the positive general fund balance as well we are in a position to increase operating expenditures at an 8% level each year instead of a 7% level showing zero. Here we show an average balance in the general fund stablizing between 2 and 4 hundred billion throughout the period. Again, this chart is based on the assumption that contructions begins in summer. The next chart from 33B identical to the one I just talked about, the second one, except that you know increase operating expenditures 10% a year. Recalled to this committee several

years ago we were talking about expansion growths in the neighborhood of 10% to 15% a year and here we see it even at the 10% level, the general fund goes down below zero in fiscal year '82. Again, assuming construction begins in summer. The final two graphs of computer displays are a statistical look at a one year delay. Here with all the revenues included, but calculated statistically, the effect is shifting out; the property tax revenues, the cents per barrel, the right-of-way leasing revenue. We show that even at a 5% rate of increase in operating expenditures for a one year period in fiscal year '78, the general fund dips below zero but then substantially increases. So, we have, in fact, a U-shaped curve. The last chart increases operating expenditures by 5% to 7% and keeps everything else the same. Here we see a negative general fund in fiscal year '78 but it begins to stablize at that level, so even though there are a number of minus signs, you see a stable pace, an equalibrium solution, but below zero when we have a property tax with a one year delay of the pipeline.

(Mr. Fink) there is one thing that I don't understand. That is that the current use expenditures and general cash balances. I don't.... what is that?

The numbers displayed for the general fund at the end of the year are the unencumbered balances in the general fund. By unencumbered I mean after all the bills issued against the general fund have been paid, the net balance. Any particular expenditure level, be it either not written bills or not bills vendored, we have, or , excuse me, they have not billed us, and if they have we have not yet paid them, which all means that there is cash available maybe at all times somewhat greater.

(Mr. Fink) So, you are assuming that 20% of the prior year's money hasn't been spent so the figure really in each case is 20% of the general fund expenditure of the previous year higher than what you should? A cash balance.

Back to what we are doing, Mr. Chairman, is trying to estimate our investment revenue based upon the fact that the cash balance will always be somewhat higher. I would like to point out to this committee, however, that the budget projections the unencumbered balance has great significance. It is not at this time legal to have negative balances in the general fund.

(Mrs. Miller ) In other words, we are going to be broke must faster unless we pass this property tax. Is that what it amounts to?

Yes.

(Mrs. Miller) Another question. What effect does this have on oil in-kind that the state is forced to accept? Aren't we, in fact, taxing our own oil? And how is this going to effect the entire situation? Aren't you taking out of one pocket and putting in another, and if so, how much?

That is a very good question although somewhat technical. Let's assume a set of events sometime in the 1980's when the cents per barrel tax is no longer in effect. This is certainly going to be the case. Prior to that time, of course, we will not be taking out of one pocket and putting into another in no terms since the cents per barrel tax will provide us with a revenue tax income. When, in fact, the state the value tax, if it does, then dollar for dollar property tax income to both the state and the local governments would be paid for by a reduction in the state's royalty and severence share of about 20¢ as opposed to 19¢ of every dollar of income we will receive on the property tax. So you might say then that late in the 1980's the net millage rate would not be 20 mills but perhaps 18 mills.

(Mrs. Miller) What bearing would this have on other pipelines. I note Mr. Havelock made reference to other large pipelines which may be built in the state. Ziegler referred to such possibilities as construction of a natural gasline. Now

what happens since they go under the interstate. What happens ahead gas and the fine there. As well as taxation on that you have to have an entirely different set of circumstances. If we are going to apply this to all of our pipelines aren't you going to have an entirely different situation there?

The answer to your question is that if we would wish to look ahead and see the construction of a gas pipeline either somewhat paralell to past line or....then we are talking about an event that may be completed no earlier than 1980 so in terms of revenue effect, it would not be immediate here, even in long-term ten-year projections which I have shown you except for, perhaps, the last few years. In addition, as a revenue generator, there would of course be additional revenue regarding other pipelines. I would like to point out that the construction of a gas line is in the forecast at this time, the hardware, the machinery needed to construct a gas line in Alaska could only be available at the completion of the oil pipeline. We still believe that the oil pipeline will be completed by the summer of 1976. Construction of the gasline could considerably begin at that time although we have not yet estimated the period construction of the gasline, including our years of looking at the period of construction of the oil pipeline. It causes us to be rather cautious. It might well be, Mr. Chairman, that the legislature at some point might wish to consider adjusting the mill levy in order to reflect the other sources of revenue which might be available in time. That certainly is an option available to the legislature.

(Mr. Huber) Mr. Havelock, is it just a continuing state of discussion . Isn't it also pretty nearly impossible at this time to put together just how the gasline would fit in because of the differences in operation, taxation and liquidation of its rates by the federal government. You couldn't look and say that at a given time the gasline is equal against the pipeline so you could look for traces much related to this.

I think, Mr. Huber, that in terms of projection it isn't possible for us to talk about rational projection there without adding hypothetical situations. I don't think at this point, Mr. Chairman, whether we are going to have a few miles of gasline going to the Canadian border or trans-Alaska line. That factor alone makes any kind of computation highly speculative. Technology at this point would be applied in the prospect. It is pretty hard to tell at this point, but technically could, no doubt with the tremendous growth in pipelines,

The problem is the immediate to early years that we're addressing, but as always during tax policies, there is a need to adjust tax policies in the later years to accomodate certain standards as they become clear at that time.

(Mr. Huber) Continuing just a little farther I would like to ask you about one part of the question. I just wanted it clear that it wasn't something that you could project. I then take that these two sheets in this section that we see here today don't reflect considerably more accurate information than anything we have in all of our testimony, all of which
of last year and this is then
as this is what we think we're going to have to live with and any other things that we are getting are much more tenuous, like that gasline, I think, where you would be mixing something that is uncertain in which this, then, is a pretty good certainty.

I think you have sumed it up well, Mr. Huber. Its the statement, far more tentative than any other statement previously made on the subject.

(Mr. Huber) I think, Mr. Chairman, that I understand and I agree with the testimony here today

(Mr. Malcolm ?) Would it unrefine oil and unrefine gas?

Well, the bill is drafted to exclude pipelines that might carry refined gas where the different set of economics has to refined gas lines and lines such as the Anchorage-Fairbanks line now existing for products line.

( ) Is it conceivable that the gas, either the or natural gas from the oil might have to be dried or put through some process prior to transportation in which case it would no longer be unrefined.

I don't believe that it certainly will give it some treatment to extract some of the particles. I don't believe that the nomenclature used would call that refined. I don't believe that it constitutes change for legislative purposes here. I might add, incidently, that in terms of administration policy we have, refering basicially to your earlier question, that the legislature feels that it wants to broaden the base of tax to cover smaller pipelines, to cover product lines, we have no policy objection to that that we can see of those arguments that can be raised regarding the effect of disturbing economic consumption when certain lines are obstructed and so on instead of assumption that economic management prevails. We don't believe any such set of assumptions exist in regard to this pipeline which is now contemplated for construction. So, it is the impact from tax that can be readily taken into account, for instance their tarif or what have you and the manner which they sign their ownership and so on can take into consideration the legislative measures adopted. But, there is always the option of broadening the base which you would want carefully to do. This is certainly from the legal point of view in this classification.

( ) Well, the only thing that bothers me is that in the definition of unrefined in oil and gas you wouldn't want anything happening on the North Slope

but it is part of the natural process for preparing a product for shipment that would take it out of the category of unrefined oil and gas.

A pertinent point, Mr. , I will ask Mr. Garnet to research that and give the committee any language that appears appropriate.

( ) I was wondering how

a 20% share. We are talking about the inactive property tax in terms

Mr. Chairman, the basis for the sharing is to share back to the local jurisdictions. An amount which would be equal to the local mill levy applied to 20% of the value of the pipeline passing through that local jurisdiction. Now the idea here is to provide to the local government some reimbursement for the impact of the line through the ocal government, but as Mr. Havelock pointed out earlier, not to allow the particular area to let's say become enriched at the expense of other areas by having the state subsidize the entire amount. So, 20% is a number that is arrived at as a means of sharing back to the local government at some extent and not the entire value of the line.

( ) What I was wondering is is the administration

I don't believe that in our type there is any number

( ) Also, I'm not sure of the wording, what happens if the local

jurisdiction changes its bill? Would this still just operate by the year that the bill went into effect?

in answering that question, the way it is written, it is true th if the jurisdiction raises its overall mill levy on all property tax in this jurisdiction, there would be a corresponding increase in the amount that it would get back under this 20% revision here. We think there are certain limitations that the local jurisdictions from taking such action, partly because there is a third bill

And, in the normal course of things the raise in the local mill levy would apply to the rest of the property in the jurisdiction of the pipeline. So, normally, you would have the political restraint furnished by that interconnection.

( ) Also, what happens what all these new boroughs start forming around the pipeline? That's not taken care of in any of these projections. I mean, are they going to be excluded?

The way the bill is set up now any new borough that is formed along the pipeline borough gets the benefit of this return, section 120, the same as the existing boroughs. It is also true that the payments to those new boroughs would have some effect on the net available to the state. It is very difficult at this time to predict exactly how that go but it could be very soon. It has been suggested that there is at least a possibility, a legal possibility, that say whole new boroughs would be in the position to take advantage of this provision by in effect exempting most other types of property besides the pipeline and raising the mill levy way up, thus increasing the revenue one would get out of this provision. Now, to guard against this possibility, it has been suggested that a maximum limit be put in on the borough mill rate that might apply. Such as , for instance, instead of saying that the borough gets an amount of money equal it's mill levy on 20%, say it gets an amount attributed to it mill levy up to a maximum of 20 mills

or something of that sort.

( ) The possibility, of course, that exists now in the absence of this bill is not something that is

There is a figure given not too long ago. We had asked questions the last time we had about what was the relative taxation, the total taxation, on the oil companies in Alaska as opposed not just to the United States but with foreign countries. There was a figure that was given in the newspaper from a release I assume from the Governor's office, as I remember it was something like 51¢ for Alaska, I guess this is for and I guess it was something like $3.50 for We has asked for this information before We will look into that further. The 50¢ figure would be the accumulation of and that, in fact,

(Mr. Fink) I have a couple questions, one to extend Mr. , question on refined and unrefined. I tend to think that the language you have is a more correct language, but with your reasons, if they decide to refine it on the north slope it would take them a year or two to do it in which case we could correct it. And secondly, if you put anything other than refined in there you will upset the local government taxes in the Anchorage area because they all have some various pipelines of refined fuel and I assume that's why Now, the other part, the one part that puzzles me under your local share here. I think it ought to be changed. They have a....you don't say that local government will necessarily get that money, of course, cause you can't dedicate it. You say that the legislature may appropriate up to that figure. It seems to me that it makes a lot more sense to allow local government to tax, let's say, up to 20 mills on say 15% of the evaluation, in which case the local govefnment knows they're going to get their money. It isn't up to the legislative here as your bill will make it up to

legislative whim. And, secondly, of course, you can put the tie down on the amount that local government is going to get as opposed to the discussion we just had with the 30 mills. For example, if the government only wanted to tax 15 mills, of course they wouldn't get the full benefit which you're suggesting that the legislature give them. Do you have any particular objection to taking the route of allowing local government to charge the tax, deduct it,from what they pay the state government, and put some limits upon the millage, and, of course, you would limit the percentage of value they can tax. Do you have any objections to that approach because I know it was kicked around last year at the House Finance and they preferred that approach, now you've come back with a little different approach.

Mr. Fink, if I might comment on that, I don't think there is any basic strong objection to that approach. I just would mention the reason it was done this way in the first place. The concept was just that it was easier and simplier to have only one entity per state handle this tax and assess it and send

I think you could consider

alot of value. I don't believe there was

strong objection to

(Mr. Huber)

During the last hearing I asked the oil company witnesses if they had assessed that this was not a descriminatory tax that had really had really protected us against local government taxation which could be higher. I'd like to make it sure, my question, assuming that we do not pass this taxation bill in any manner, and assuming maximum liberty that the local government entities that are or may be formed in the future along with all of this pipeline now or would have under current law. I want your assessment or agreement that this , whichever it might be, that actually would be liable to more tax under our present local government structure than they

are under this bill.

That is somewhat speculative because terms of their potential liability, it would be, of course, far in excess as provided for in this bill insofar as there are not substantial limits perhaps in terms of letting the sky is essentially the limit as far as that goes. There are.....

(Mr. Huber) I was assuming 30 mills under the borough's present....plus the deficit.

I'm not sure that 30 mills is necessarily a constraint on the whole I would have to check the statute on that, but I don't recall, frankly, if it did. There is another aspect, of course, that I would speculate as being present in oil company or industry's thinking about it which would be the smaller units of government are traditionally in the long run, regardless of what they may be in the short run, but in the long run they are far more subject to being controlled by the industry, they do not have the resources to match large industrial conglomerates. So, it is possible that they might for some reason think it was in their best interest to deal with those large numbers of small government entities. This is speculation on my part.

(Mr. Huber); Mr. Chairman, I started this line of questioning and I did mention it during the last hearing we had when an oil company was testifying here on a bill. The reason for this is that last year in considering these same items, the Fairbanks , naturally we people from the Fairbanks area looked into this, and we have about 70 miles of the proposed pipeline which will pass through the North Star Borough. We saw that with our maximum taxation in that same class borough being allowed at 30 mills, and that we could do this, that [illegible] a far greater amount of money that we could extract from that pipeline operation and put into

local government for that 70 miles than we would get from the state, even though the state does have some shared revenue. We also saw the problems. This is why immediately I saw this partly a protective measure to oil companies in this state with their pipeline that would stablize their taxation rather than making it the of all organized boroughs. And then I wanted to ask one more question on that. Assuming that all of this pipeline was not now covered by organized boroughs and that we didn't pass this, we know that the local boroughs, or the local governments which are formed, would tax, wouldn't it then be possible for the legislature acting as the unorganized borough to do their duty and set and collect that portion of tax to make it fair
Could it be done or is it excluded?

Well, we did have if I understand you correctly, we did have a proposal for a tax on the unorganized borough which was offered to the legislature previously on it, so there is, I believe, that there could be a tax from the unorganized borough for those purposes. In exercising the protection that comes to the industry, , we would want to overlook the protection to the statewide interest of all the people of the state involved. The asset does really create the burdens which come with the pipeline and this development are not all a corridor along side the pipeline, particularly in the long run. And, I think that legislative interest, or statewide interest, to assure that the revenue capabilities which are to distributed on an equitable basis for all the people of the state.

(Mr. Huber) Thank you, Mr. Chairman. I didn't want it to be construed that I oppose this because 70 miles goes through the North Star Borough, but I wanted to bring out that this is a definite shelter for the oil companies to what they could have if we taxed them on a local level.

(Mr. Nalton?) I don't quite understand the last sentence in section one. The tax levied under this chapter does not apply to property subject to taxation by city or borough on January, 1973, or January 1 of each succeeding tax year. If the North Slope Borough had an tax in all the pipes stored up there on the North Slope, in that provision...

The first thing I would like to mention, we talked about this before, and the question came up whether the meant that the tax was actually levied or whether the stuff was located in a place where a tax could have been levied. And that question, of course, is relevant to the North Slope Borough situation. Most of them had a potential to levy a tax before January 1, 1973. Now, in the amendments that we proposed to this in our last meeting, we changed to wording to say that the tax levy does not apply to proper / under which an tax was levied by a city or borough for the year beginning January 1, 1973, and continues to be levied for each succeeding year. Now, I think the effect of this language is simply to make sure that the existing property tax, the base, in any jurisdiction, any existing jurisdiction as of January 1, 1973, is not disturbed. It is in a sense a grandfather clause for existing property tax basis and to make sure that this tax only reaches the new property as declared for the pipeline. I'm not sure if I have answered your particular question, but that's the fact.

(Mr. Nalton?) Right. I didn't have the amendments. Mr. just handed me his copy . That was all that I had.

(Mrs. Miller) All these projections were based upon a 20 mill rate? That's correct.

(Mrs. Miller) Then your testimony is considerably higher than anything else that

has been levied in this type of a tax. Would you agree with this? We heard testimony that the average is 10 to 12 mills.

That is true as to a status quo. It would be considerably higher if you assume no further formation of borough government. It's significantly higher now than . I think the North Star Borough is, I think, the heaviest taxing jurisdiction.

(?) in the North Star Borough to come off to 28.4.

(Fink?) (?) You were referring to the nationwide one, weren't you? Ya, well, I think that the big hooker there is that it is a 100% evaluation and I think that in the area of 22-2500% evaluation is the norm throughout the United States. Now, you can find them in all different rates depending upon their assessed evaluation. I think that 20 is a good figure across the country on a 100% evaluation. I would disagree with anyone who would say that it is less.

(Mr. Guy?) The question has been asked probably

about the 30%

tax levy . I'm looking at particularly the section

figure 030 on page two

and then also looking at the on

and My question is are the

Well, sir, let me see if I can explain what these things mean

The provision over here on page two, section 030, is to remove or replace that provision. It simply states that this 20 mill tax on the property subject to the tax will be the only tax on that property. In other words, in the category that we are talking about, this excludes local taxation. Now, over in the definition section here the is referred to about otherwise taxable property exempted from taxation under home rule, ordinance, or charter, I believe that the effect of that and the intent of that provision is just to make sure that a local government, that the home rule power of a local government to exempt certain types of property is superior to the definition of the class of property we are trying to tax. This is combined, in effect, in these two provisions. This is to make sure that we do tax, that this tax does reach the property that's described without regard to what the borough, in exercise of it's home rule powers, might do by way of creating exemption for this property. I don't think it's very likely that a borough would feel moved to create exemption for 48 inch pipelines, but to cover that contingency is the reason its there.

(Mr. Guy) What are you saying, Mr. Chairman? That this is an effort to levy taxes on property as we see them here on this bill on all levels of different government?

Yes, sir. The intent is to reach the property of the class described, where ever located, without regard to exemptions that a local government might porporte to create later.

(Mr. Huber) It is only a matter of clarification. Mr. Knott of the taxability of presently stored pipe in Alaska. I don't know what effects the North Slope Borough, but in the case of the North Star Borough we're taking a vote to . There is an exemption on personal property tax but its a relatively simple matter for the North Star Borough to tax personal

belonging to anyone with a one million dollar exemption, for instance, which would be an equitable spread, but which would still catch practicably only the pipeline, and the contractors, which wouldn't make the general public mad at all. They are now presently subject to this and with the revenue crunch they have throughout the state, unless some new form of taxation like this is passed, we are certainly going to have the boroughs reaching in to do it and the state having to come in and

. Mr. Havelock, do you have any conflict with a statement like that?

Well, as far as I'm concerned, that describes the situation as it is likely to develop.

(Mr. Huber) I'm trying to get the oil companies to believe that

Its going to cost a lot of money.

(Mr. Chairman) Any more questions from the rest of the committee?

If there are no more questions, I would like to distribute to you for your benefit copies of proposed regulations which have been promulgated by the Commissioner of Natural Resources which relate to the definition of terms in the right-of-way leasing act and which would, perhaps, be of some assistance to you in looking at those revenue estimates. I might add the supplement the projections are based upon the assumption that the industry behaved, the owners behaved, in a rational manner. By rational in an economic vent, we mean a manner designed to maximize after tax verdict. In speculating about where they get their projections,

some of these things have been quoted in the papers, one suggestion was offered that they actually anticipated being able to charge a tariff much higher than is allowed. We indicate that a high tariff would be, in our view, irrational

economic behavior. This does not mean, of course, that it is inconceivable that owners or of them might engage in economically irrational behavior, under the definition I have described. In doing so they would be persuing other projections other than maximizing income of which perhaps the most obvious is the reduction.

(Mr. Huber) Certainly that is also part of our meeting

I certainly think it is a legislative responsibility, sir, yes. I might note that your anti-trust bill has been

(Mr. Huber)

I would have to consult with some of the

(Mr. Huber) Maybe you could send down to the Committee the idea for the high amount of priority on this and . I would kind of like to hear it.

I think they are both high priority bills, Mr. Huber.

(CHAIRMAN) If there are no more questions, the meeting is adjourned.

# *'The whole energy industry is sick with gluttony.'*

## — Fred Harris

*Former U.S. Sen. Fred Harris of Oklahoma originally prepared the following attack on the power industry for the annual meeting of the Midwest Electric Consumers Association. It is reprinted in full.–Ed.*

*Omaha, Nebraska*

Some Indian tribes once used petroleum as a medicine. And, when I was young, we put kerosene – "coal oil," we called it – on cuts and scratches as a curative. We thought it had healing qualities.

Today, it's reversed. Oil is making us sick – sick with pollution, to be sure, but also sick economically. Because the whole energy industry is itself sick with gluttony. It has devoured too much of the competition, too much of the market.

In the beginning, there was competition in finding, refining and selling oil and gas. "Black gold" was a fabulous benanza for those who found it and a gambler could hit it big. But gamblers hate odds. Improved geology reduced the risks some. But that wasn't enough.

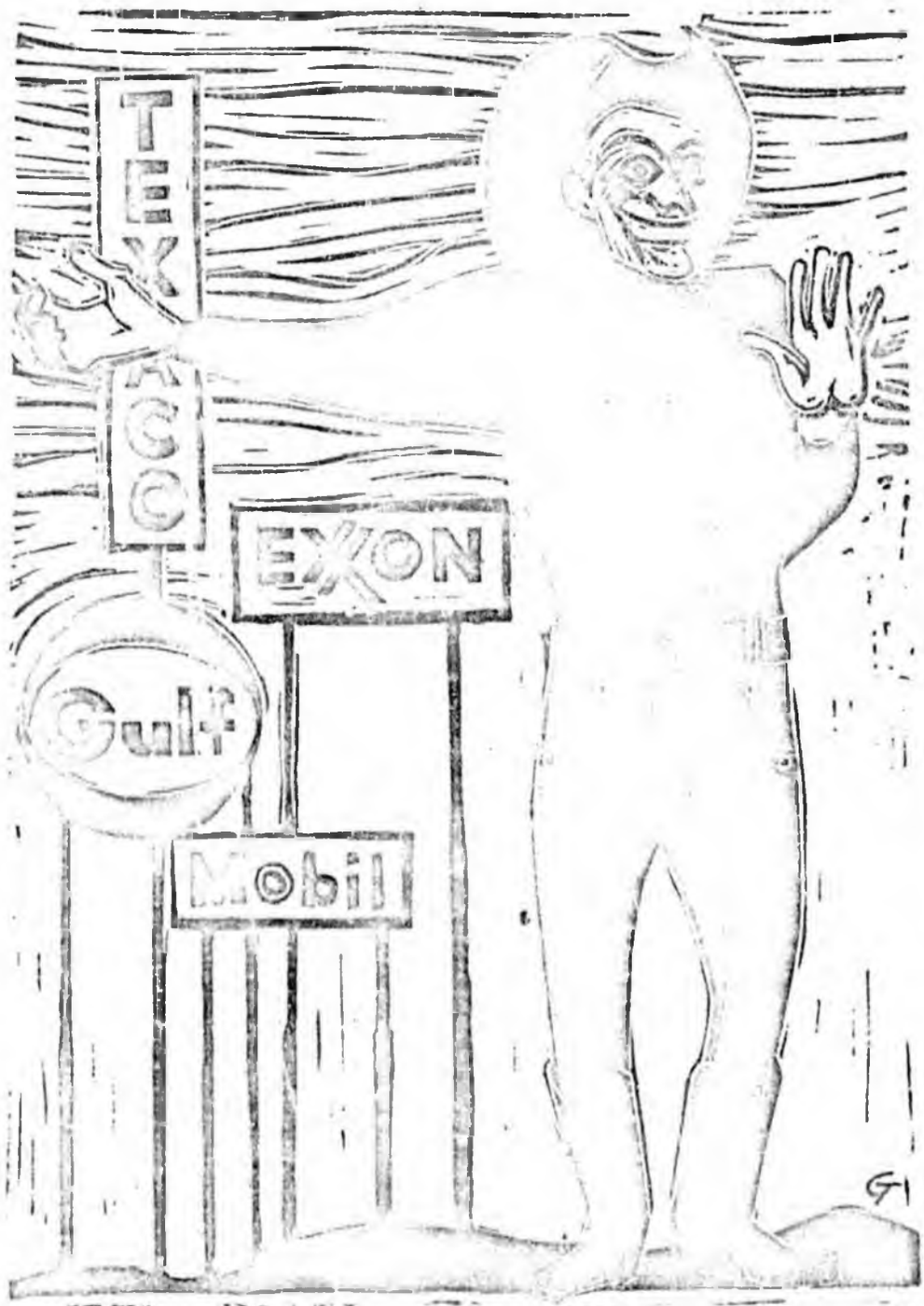
Economic and political power did much better. Since a busy, growing nation needs rapid discovery of new oil reserves to fuel its continued growth, there ought to be special incentives for oil exploration. That was the oil industry argument. And the Congress bought it.

The oil industry was voted a special tax benefit, now worth $2 billion a year, through the oil and gas depletion allowance. They are allowed to deduct 22 percent of their income, up to a maximum of 50 percent of profits. Until 1969 it was 27½ percent. The theory behind the subsidy to this particular kind of business is that a part of gross income from oil production is actually a return of capital. But that's just theory, because the deduction is not limited to the amount of capital investment. And it is not tied to the degree to which these special profits go back into new exploration. It's just a generous subsidy.

OIL COMPANIES are allowed another special tax advantage, too. They are allowed rapidly to write off their intangible drilling costs as expenses, rather than have them treated as capital investment. This greatly reduces income subject to tax.

Crude oil discovery and production, then, became a special kind of tax-sheltered business in the United States. And the tax shelter works in such a way as to encourage high crude oil prices. So, if an oil company engages in both marketing and production, it is encouraged by the tax laws to run up as high a rate of profit as it can in its production division.

"But how are we going to keep crude oil prices high if there are special incentives for everybody to get into the business?," the oil companies began to ask themselves in the 1930's. And they came up with a good noncompetitive answer: state proration. One aspect of proration has a logical base. That is, a large underground pool of oil, when discovered, may actually






AGO 533373

belong to a number of owners. And, unless restricted in some way, one owner can rapidly pump out the whole pool. This practice, too, can be very wasteful. In the rush by one owner to get the oil out rapidly, to the exclusion of the others, the recovery potential of the pool – the ability to produce the maximum amount of oil discovered – can be seriously diminished.

The states set up proration procedures to protect the various owners of any discovered oil pool and to insure that the best conservation techniques were used in production. But that would not stifle competition enough to suit the oil industry. So, the proration laws went a step further. The states set up procedures to determine how much crude oil could actually be sold at an established market price. Then they set a lid on any production above that, halting extra production that would tend to bring the price down.

And to prevent one state from being less restrictive than another, the oil companies got the Congress to pass federal laws to permit the states to agree among themselves on binding limits on crude oil production. And the Congress made it illegal to sell "hot oil" – that is, oil produced anywhere in excess of the proration limits – in interstate commerce.

Average citizens began to pay special tribute to the oil industry out of both pockets. Out of one pocket – the taxpayer pocket – they paid for the oil and gas depletion allowance and the intangible drilling cost write off. In 1971, the 18 largest oil companies paid only 6.7 percent of their net income in federal taxes – and average taxpayers had to make up the difference. Out of the other pocket – the consumer pocket – they paid in higher prices for the lack of price competition in crude oil production.

A gambler's odds went down. But still not enough to please the oil companies. Some companies were explorers and producers. Some were refiners. Some were marketers. That kind of system still permitted too much competition. After all, left alone, a refiner might buy from any one of several producers. A marketer might buy from several refiners. So, the oil industry began to integrate vertically in order to control the flow of oil all the way from the wellhead to the gas pump.

John D. Rockefeller had long since set the pattern by driving some of his competition out of business and buying out the rest. That is a succinct history of the oil industry. And, today, the rate of concentration is faster than ever. Companies that produce their own crude oil enjoy increased control of the market and special tax advantages. So, Union Oil Company bought Pure Oil Company. The fifteenth and sixteenth largest oil companies thus combined to form the ninth largest. And the federal government's Antitrust Division, despite accurate warnings that this particular merger would start a new wave of additional concentration, offered no objection.

Phillips merged with Tidewater. Sun Oil, the thirteenth largest, and Sunray DX, the seventeenth largest oil company, combined. The fourteenth largest, Atlantic, bought the twenty-third largest, Richfield. In all, eight of America's largest oil companies disappeared after 1960 – merged with even bigger companies or bought outright.

*Six U.S. companies virtually control the Middle Eastern oil market.*

The abuses of the Standard Oil Trust brought on the whole antitrust movement which culminated in the Sherman Antitrust Act of 1890. But the government's memory is short. And it has stood aside while oil companies have integrated from the wellhead to the market place – buying out other producers and refiners, building and buying pipelines.

With that kind of concentrated market power, domestic oil producers were able in late 1970 arbitrarily to raise the price of crude oil by 25 cents a barrel. But what about potential competition from foreign-produced oil? The oil companies, back in 1959, got the President of the United States to institute oil import quotas by executive order. President Eisenhower *decreed* a mechanism for limiting oil iports to protect the domestic price. The system was justified on the basis of national security.

PRESIDENT NIXON'S Cabinet Task Force on Oil Import Control reported in 1970 that, except for these import restrictions, the U.S. domestic wellhead price for crude oil – $3 per barrel – would decline, over time, to the world market price of about $2 per barrel. Despite his pronouncements against inflation, President Nixon rejected the recommendations of his own task force for abandoning the oil import quota system.

Any President, by the stroke of a pen, could end the system. But the major oil companies are even prepared for that eventuality. They've long had a world oil cartel. They've cornered production. And it goes a long way back. Jersey Standard, Royal Dutch-Shell and Anglo-Persian (which became British Petroleum) entered into a kind of treaty back in 1928, dividing up the world market and agreeing against production that might bring down the world price. Since then, the oil companies have become more devious in such violations of the antitrust laws, and the government has become, if anything, more lax in enforcement. Seven major companies – Jersey Standard, Shell, British Petroleum, Socony-Mobil, Standard of California, Gulf and Texaco – presently control almost all of the production and marketing of Middle Eastern oil. Huge oil companies are allowed to make their own international prices and their own foreign policy.

Again, average Americans pay out of both pockets. They pay out of their consumer pocket in higher fuel prices, and they pay out of their taxpayer pocket, too. Strangely enough, oil companies can deduct the U.S. depletion allowance from their *foreign* oil income, despite the fact that this provision was originally justified on the ground that it would spur the discovery of additional oil reserves in the United States.

The oil companies are also allowed to deduct from their U.S. income taxes the income tax payments they make to foreign governments. This started as a royalty, that is, a part of their business expense, not a credit against U.S. income taxes. But along the way, the oil companies found it enormously more advantageous financially to treat these foreign royalty payments, under agreements negotiated with local sheiks, as taxes. They are then not credit, not a deduction from income, but a credit against taxes that they would otherwise have to pay in the United States.

So, while we say that national security and national economic health depend upon finding and producing *domestic* oil, our policies actually give greater encouragement to foreign discovery and production. American oil companies, between 1959 and 1969, spent six times more for foreign exploration than they did for domestic exploration. International oil companies based in the United States avoid taxes on about one-half of their profits through the depletion allowance and by writing off intangible drilling costs. They avoid taxes on three-fourths of the remainder of their income through the foreign tax credit. Five international oil companies headquartered in the United States earned nearly $30 billion between 1962 to 1968. But their total U.S. income tax payment for that entire period was only $1.4 billion – a rate of just 4.7 percent.

AGO 533374

The oil industry's plan is simple, and they've followed it to the letter. Secure federal subsidies by the oil and gas depletion allowance. By the write-off of intangible drilling costs. By the foreign tax credit.

Then eliminate competition. By state proration, restricting domestic production. By exclusive dealership marketing. By merging with or buying competitors. By vertically integrating. By international cartels and import quotas.

OIL COMPANIES have moved, too, to eliminate competition from other fuels. There is an increasing demand for natural gas, but most domestic reserves are now owned by the major oil companies, including the same ones who control international oil. And the Federal Power Commission which is supposed to regulate gas prices is largely dependent upon the oil industry for information about reserves and the proper level of prices. In the spring of 1972, the FPC took the oil industry's word – "crisis" is the word – about a shortage in natural gas reserves and, in effect, took the lid off all gas prices. Oil doesn't have to compete with gas. Both are over-priced. And owned by the same companies.

In some industries, coal is directly competitive with oil and gas. In the near future, that competition normally would be expected to increase – to the benefit of the consumer – because of new processes for converting coal into synthetic gasoline through liquification and into synthetic gas through gasification. But the oil companies have moved in here, too. Gulf bought Pittsburgh and Midway Coal. Continental, the ninth largest oil company, purchased Consolidated, the very largest coal company. In the last ten years, seven of the largest independent coal companies have been purchased by non-coal companies. Four of these purchases were by large oil companies that are also vertically integrated in the oil and gas business.

In addition, Standard Oil Company of New Jersey, Kerr-McGee, Atlantic Richfield, Shell, Sinclair and Sunray DX have bought huge coal reserves. It's against the law to buy up the competition, but these law violations continue unabated.

Demand for coal has gone up at the rate of 5 percent a year during the last two years. Production has gone up at the same rate. But coal prices have nevertheless increased an average of 70 percent. And more than doubled in some places.

In uranium it's pretty much the same. Oil companies own nearly half of all known reserves. Jersey Standard and Gulf are heavily involved in uranium and atomic energy. Kerr-McGee, by itself, owns nearly one-fourth of the total uranium milling capacity in the whole country.

The big oil companies are moving in on other *new* energy sources, also. They are buying up the oil shale and tar sands in the Rocky Mountains and Canada. Underground steam looks promising as a new power source. So, a few big companies, such as Union Oil, Signal and Getty, are rapidly gaining control of it too, though much of it is under *public* lands in California and the West.

The 25 largest oil companies are all, also, in natural gas. Eighteen are in oil, shale and uranium. Eleven are in coal. Seven are in tar sands. Six of the ten largest oil companies are in all four major domestic fuels – oil, gas, coal and uranium.

Solving the so-called "energy crisis" will not come from more subsidies. It requires *ending* the subsidies – all of them: the direct subsidies and the tax subsidies. It requires ending the government-imposed restrictions on competition. It requires breaking up monopoly power. Stopping vertical integration and exclusive dealerships. Ending the international oil cartel. Deconcentrating the big oil companies and their monopolization of energy sources. It requires de-regulation. Allowing natural gas to compete with other fuels. Requiring pipelines to compete with pipelines, carrying oil and gas, as the law requires, without discrimination among customers.

That's a hard message to get across. The big oil companies spend millions of dollars in tax-deductible advertising to convince us that we are well served by the present system of huge subsidies and no competition. Mobil, for example, runs newspaper advertisements headed "A Stagnant Economy Is the Worst Kind of Pollution." Their message is that if the energy industry has to join the free enterprise system, economic growth will be killed.

Restoration of real competition in the energy industry and ending its special subsidy favors will also have important secondary effects. Among other things, the price we all pay for electricity would come down remarkably. But, there is much more wrong with the electric power industry than just the inflated costs it has to pay for fuels.

ELECTRIC POWER is the biggest business in America – 60 percent larger than petroleum refining, the second largest industry. Its capital assets – now $110 billion – have doubled every ten years, a rate of growth twice as fast as the rest of the economy. It uses, for example, half of all the bituminous coal produced in America.

The electric power industry is involved in three functions – generation, transmission and distribution. Individual customers buy from a distribution system which may be privately owned, municipally owned or owned by a cooperative. Nearly 80 percent of electric power customers buy from privately-owned companies. Their combined consumer electric bill is around $17 billion a year.

It is not a free enterprise system. The companies enjoy a "coerced" monopoly – that is, one imposed by law. You can only buy electricity from one retail company. By law, that company has no competition – the idea being that parallel lines and duplicative plants and services would be inefficient and wasteful. So, one company is given the franchise for a guaranteed, non-competitive territory.

Like governments – rather than private enterprise – electric companies have the right of eminent domain, the right to take private property with reasonable compensation. They also sell an indispensable commodity. And they have a guaranteed profit. Whatever their expenses or their capital investment – whether they're held down or allowed to run high – privately-owned electric companies receive a guaranteed rate of profit on their investment.

Who owns the private electric companies? It is hard to find out. We know who owns the municipal systems. These publicly-owned electric retailers serve 13.5 percent of the consumers. They're owned by the citizens in the municipality or power district served by the system. And each consumer is a voter. We know who owns the one thousand rural electric cooperatives that serve 7.5 percent of electric customers. Each customer of a cooperative is also an owner, and each has one vote in the cooperative's policies.

But the situation is far different for the privately-owned companies that serve nearly 80 percent of all customers. They're increasingly concentrated. Since World War II, the number of private companies has been cut in half. And merger applications are increasing swiftly. We *do* know that a fourth of the 200 largest privately-owned electric companies are controlled by one of 15 utility holding companies. But, both in the holding companies and in the electric companies themselves, owners use "street



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AGO 533375

names" or "nominees" to conceal true ownership.

Stockholders' meetings are a farce. Local utility companies make a great deal of putting local bankers on their boards. In truth, more than 90 percent of the votes cast at any private electric company stockholders meeting are cast by proxies. It isn't surprising that Chase Manhattan has issued a brochure calling for solving the "power crisis" by taking the lid off electric rates.

The traditional liberal approach has been to acquiesce in this government-imposed and closely-owned monopoly system -- and then regulate. But most regulation of privately-owned electric distribution companies is under *state* regulatory bodies. *[Texas has no such regulatory commission – Ed.]* And it doesn't work. These state commissions are notoriously under-staffed. The annual budget for all of them is no more than around $50 million – and their regulatory responsibilities cover everything from railroads to pipelines. Utility companies have the best lawyers and the best experts and an almost unlimited staff.

They also have the most political power. Massive political power overwhelms the regulatory bodies and makes these state agencies, uniformly, captives of those they are supposed to regulate. And the established rules for determining rates are grossly weighted in favor of the private companies and against the consumers.

The electric companies use their customers' own money, through increased electric bills, to convince the customers – as voters in the political process – that privately-owned electric companies are "free enterprise" and that municipally-owned systems and rural electric cooperatives are wasteful and socialistic.

What's to be done? First, we should ask, is there a way to insure greater competition? There is, particularly in generation and transmission. One hundred different companies now generate almost all of the electricity in the country. When the Justice Department filed an anti-trust suit against Tampa Electric and Florida Power to bust their agreement against competition by one company in the agreed-upon wholesale power market of the other, the municipally-owned Bartow system was able to buy power at a much lower rate. Generation companies ought to be required to compete with each other. That's the law.

And we ought to expand the number of publicly owned generation systems, now limited to two – the Tennessee Valley Authority and Bonneville. These and cooperative-owned generation systems should be encouraged, so there'd be more of a competitive yardstick on wholesale power prices.

Generation systems should not be able to integrate vertically to control distribution markets. That practice presently allows the kind of market dominance and stifling of competition that the law was intended to prevent. Electric distribution systems should be separate and should be freely able to buy competitively from a number of electric power sources.

Electric transmission companies – common carriers – should be made to obey the law which now supposedly requires them to carry – "wheeling," it's called – the electric power of other generation and transmission systems. In 1969, the Otter Tail Power Company, a transmission company, refused to sell and transmit power to several municipally-owned utilities in Minnesota and North and South Dakota. The Federal Power Commission said it couldn't do anything about it.

Sen. Lee Metcalf of Montana took them to court. He rightly advocates that generation and transmission systems be required to interchange, pool and transmit electric power – under a national 'power grid" – freely and without discrimination among customers. Privately-owned generation and transmission companies use every possible dodge to hold up power for municipal systems and electric cooperatives. They do the same with smaller private distribution companies, forcing them to sell out or build their own duplicative and expensive generation and transmission facilities.

But most electric distribution systems are natural monopolies. And we should ask, "Why should a few huge banks and insurance companies and rich investors – with captive consumers and captive profits – be guaranteed by law to get richer, while the literally powerless mass of consumers pay more and more, and have no control?" They shouldn't.

*The people should take over their own electric systems*

We ought to remove the presently-impassable government barriers to increased ownership of electric distribution systems by cities, public power districts and cooperatives. State laws that bar cooperatives from owning city electric systems should be stricken down. State laws that make it difficult for cities to own their own electric systems should be repealed. In Oklahoma, for example, the power lobby was able to write into the *Constitution*, at statehood, a prohibition against a city issuing revenue bonds – as opposed to general obligation bonds – to purchase or build, and own, power distribution systems. Private companies can borrow on their expected revenues and utility assets – without pledging the taxing power. Why shouldn't cities be able to do so?

If private generation and transmission systems truly had to compete with each other, as the law requires, and with an increased number of publicly-owned systems, excessive prices and excessive profits would come down immediately, and service would improve. The private companies would have to respond to the market. Consumers would benefit even more if cities and cooperatives could own more of the natural monopoly distribution systems, without having their electric power or their credit cut off.

Customers of public and cooperative electric power companies pay about one-third *less* for every kilowatt of power they buy than do customers of private companies. People would no longer stand for these gross over-charges by private utility companies, if they had a choice – and if they had more ready examples, nearby and at hand, of the better service and the lower rates of comparable municipal and cooperative electric systems.

Natural market pressures would come into play. The excessive rates and excessive profits would come down. Or the people would take over their own electric systems.

Our marching order is simple. It is: "Power to the People." □




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THE TEXAS OBSERVER
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AG 3 533376

Chapter 80. Crude Oil, Natural Gas, or Petroleum Products Pipeline Right-of-Way Leasing

Section

10. Administrative findings on exercise of certain powers and rights.

20. Nonfederal rights-of-way.

30. Reservation and grant of rights of condemnation and acquisition.

40. Condemnation or acquisition of interests in public land by carrier.

50. Definition of "right-of-way within the state in which the state has an ownership interest.

60. Computation of percentage rental charge.

70. Reasonable percentage rental in excess of statutory minimum.

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11 AAC 80.010. ADMINISTRATIVE FINDINGS ON EXERCISE OF CERTAIN POWERS AND RIGHTS. (a) Upon making the findings required in paragraph (b) of this section the commissioner of natural resources may:

(1) withhold any certificate required by AS 38.35.030, 38.35.060, 38.35.160, or 38.35.170;

(2) exercise the authority conferred upon him by 38.35.040;

(3) exercise any right conferred upon the state by inclusion in a lease of the terms set forth in subsections (3), (4), (5), (6), (10) or (12) of AS 38.35.120;

(4) exercise the option to purchase, if any, granted to the state in the lease pursuant to AS 38.35.120(7); or

(5) exercise the power granted by AS 38.35.100 to deny an application on the ground that the proposed construction, acquisition, or operation of or transportation, service, or sale by the pipeline, or abandonment or diminution in the operation of, or transportation, service, or sale by any portion of the pipeline is not or will not be required by the present or future public interest or necessity.

(b) Prior to exercising a power described in subsection (a) of this section the commissioner shall have determined that the taking of said action, in the circumstances:



AGO 533377

(1) will promote proper state interests and goals and will have no adverse effect upon the interstate character of commercial activities which outweighs the public benefit.

(2) will not operate so as to discriminate arbitrarily in favor of one person or persons and against another or others similarly situated;

(3) will not conflict with an area of regulation pre-empted by the federal government; and

(4) will be consistent with any additional requirements set forth in the respective sections of AS 38.35.

(c) In making the determinations provided for in subsection (b) of this section, the commissioner shall investigate and consider all relevant facts, according to the procedures set forth in AS 44.62.330 - 44.62.630, and shall make findings which specify:

(1) the state interests to be advanced by the action and the degree to which they will be advanced;

(2) the nature and degree of adverse effect upon interstate commerce resulting from the action;

(3) the degree to which the action will unequally burden persons similarly situated and the justification therefore; and

(4) the nature and degree of the effect of the action upon areas of federal regulation.
(Eff. / /73, Register )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.230(19)

11 AAC 80.020. NONFEDERAL RIGHTS-OF-WAY. AS 38.35.130(a)(1) applies only to rights-of-way, right-of-way permits, easements, leases or other interests in land necessary for the location of a pipeline and associated facilities acquired from the State of Alaska or its political subdivisions and from private parties.
(Eff. / /73, Reg. )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.130(a)(1)
AS 39.35.230(19)

11 AAC 80.030. RESERVATION AND GRANT OF RIGHTS OF CONDEMNATION AND ACQUISITION. Rights to be reserved to the State of Alaska under provisions of AS 38.35.130(a)(2) include only rights which the state possessed at the time of the execution of the lease and independent of it. Rights to be granted to the state by the lessee under AS 38.35.130(a)(2) include only:

(1) rights which the lessee possesses by virtue of laws of the State of Alaska, with respect to lands not public lands of the United States, and

(2) rights which the lessee possessed with respect to public lands of the United States; provided, however, that the lease shall require the lessee to convey to the state its rights with respect to public lands of the United States upon the condition that the acquiescence of the federal agency having jurisdiction in the premises and authority to dispose of the public land affected is first obtained as to each conveyance.
(Eff. / /73, Reg. )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.130(a)(2)
AS 38.35.230(19)

11 AAC 80.040. CONDEMNATION OR ACQUISITION OF INTERESTS IN PUBLIC LAND BY CARRIER. If the commissioner of natural resources delegates to the lessee the function referred to in AS 38.35.130(a)(3) the function shall not be exercised without the acquiescence of the federal agency having jurisdiction in the premises and authority to dispose of the public land affected as to each conveyance.
(Eff. / /73, Reg. )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.130(a)(3)
AS 38.35.230(19)

11 AAC 80.050. DEFINITION OF "RIGHT-OF-WAY WITHIN THE STATE IN WHICH THE STATE HAS AN OWNERSHIP INTEREST. In calculating the rental to be paid under AS 38.35.140(a), "right-of-way within the state in which the state has an ownership interest," means right-of-way over land in which the state has an ownership interest prior to the execution of the lease.
(Eff. / /73, Reg. )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.140(a)
AS 38.35.230(19)

11 AAC 80.060. COMPUTATION OF PERCENTAGE RENTAL CHARGE. (a) For the purpose of computing the annual right-of-way rental charge required under the provisions of AS 38.35.140(a)(2):

(1) "I.C.C. Accounts" means the code of accounts used by the Interstate Commerce Commission, 49 C.F.R. 1204, Revised as of January 1, 1973.



AGO 533379

(2) "Total assets" means the product obtained by multiplying the Interstate Commerce Commission docket valuation of the pipeline by the Alaska Land Factor (defined in subsection (3) hereinbelow). If there is no Interstate Commerce Commission docket valuation of the pipeline, "total assets" means the product obtained by multiplying the Alaska Land Factor times:

(A) at the end of the first year of operation the product obtained by multiplying a going concern factor of 1.06 times the sum of

(i) gross tangible property (the sum of the values defined in I.C.C. Accounts 30, 33, 34 and 38);

(ii) other assets and deferred charges (the sum of the values defined in I.C.C. Accounts 40, 42, 43 and 44); and

(iii) working capital (computed by subtracting from the sum of the values defined in I.C.C. Accounts 10 through 19 the sum of the values defined in I.C.C. Accounts 50 through 58).

(b) at the end of each year subsequent to the first year the product obtained by multiplying a going concern factor of 1.06 times the value defined by subsection (a) above reduced by 2% compounded annually.

(3) "Alaska Land Factor" means the value obtained by dividing the total length of the pipeline on right-of-way within the state in which the state has on ownership interest, as defined in 11 AAC 80.050, by the total length of the pipeline.

(4) "Net earnings" means the value obtained by subtracting the rental amount computed pursuant to AS 38.35.140 (a)(1) and the rental charge computed pursuant to AS 38.35.140 (a)(2) from the product obtained by multiplying the Alaska Land Factor (defined in subsection (3) hereinabove) times the value obtained by subtracting interest expense from net carrier operating income.

(5) "Net carrier operating income" means operating revenue (the value defined in I.C.C. Account 650), minus operating expenses.

(6) "Operating expenses" means the value defined in I.C.C. Account 600 including the amortization of capitalized interest, but it shall not include the right-of-way rental charge computed under AS 38.35.140(a)(2).
(Eff. / /73, Reg. )

Authority: AS 35.05.020(c)
AS 35.33.020
AS 35.38.190(a)
AS 35.38.140

11 AAC 80.070. REASONABLE PERCENTAGE RENTAL IN EXCESS OF STATUTORY MINIMUM. (a) Except as provided in (b) of this section the commissioner may provide for a lease payment based upon a reasonable percentage annual rental under AS 38.35.140(c) which may be higher than the rental provided for under AS 38.35.140(a) provided that the net effect does not result in a total rent over the term of the lease, taken at present value, which is higher than that which would arise under AS 38.35.140(a) upon the same calculation.

(b) If the commissioner believes that a rent higher than that provided in (a) of this section is desirable and should be inserted into the lease, he shall first initiate proceedings under AS 44.62.330-630 to determine all relevant facts and whether such a rent is reasonable and proper under the circumstances.
(Eff. / /73, Reg. )

Authority: AS 38.05.020(c)
AS 38.35.020
AS 38.35.190(a)
AS 38.35.140(c)
AS 38.35.230(19)

IN THE HOUSE BY FINK

HOUSE BILL NO. 245

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to oil and gas revenue; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date.

(b) Local governmental units may levy a tax not to exceed 20 mills on not more than 25 per cent of the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. Payment of the tax levied under this subsection is in lieu of the appropriate portion of the tax levied

AGO 533382

by the state under (a) of this section.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) oil and gas produced in the state upon which gross production taxes are paid under AS 43.55.

Sec. 43.56.030. IN PLACE OF OTHER TAXES. Payment of the tax levied under this chapter is in place of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the state assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities, except that the state assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a board of equalization.



Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in

this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53.200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provision of law, the tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FAILURE TO FILE: FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter with intent to evade the taxation is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. REGULATIONS. The state assessor and the Department of Revenue may adopt regulations as appropriate to carry out their

AGO 533384

respective duties under this chapter.

Sec. 43.56.120. DEFINITIONS. In this chapter

(1) "tax levying jurisdiction" means an organized borough or a city levying ad valorem taxes whether located inside or outside an organized borough;

(2) "taxable real and tangible personal property" means machinery, appliances and equipment used in the operation of wells producing oil or gas and tank farms, tanker terminals, gathering and transmission lines, and related facilities associated with the production and transportation of crude oil and natural gas; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter, but does not include property exempt from taxation under the constitution and laws of the state or of the United States, or any subsurface estate or property used in a consumer distribution system.

* Sec. 2. AS 38.35.140 is repealed and re-enacted to read:

Sec. 38.35.140. PAYMENT OF RENTAL. (a) The carrier shall agree in the lease, as a condition for obtaining the lease of state public land for pipeline right-of-way, that it will pay annually to the state as rent for the premises demised an amount determined in accordance with the provisions of AS 38.05.330 for the lease of state public land for easements and rights-of-way.

(b) Each lease of state public land for pipeline right-of-way shall provide that all money and other sums which become due to the state by reason of any provision of the lease is and shall always be a valid and first lien upon the buildings and improvements on the demised property, and upon all of the interests of the lessee carrier in the lease and in the property of the carrier transported by the pipeline subject to the lease and paramount to any mortgage which the

AGO 533385

carrier may execute on them, or any lien caused by the carrier.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

AGO 533386

House Bill 59
Revenue Projections 1974 - 1983
Assuming Construction Starts July 1, 1973
($000 Omitted)

| | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| ty Tax Collection Under HB 59 | $22055.9 | $40853.1 | $59947.6 | $69211.1 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 |
| Shared to Local Governments (see below) | 1653.8 | 3063.1 | 4494.8 | 5189.2 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 |
| venues to State Treasury | $20402.1 | $37790.0 | $55452.8 | $64021.9 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 |

| Governments' Share of Property Tax: | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Slope Borough | $ 734.7 | $ 1360.8 | $ 1996.8 | $ 2305.3 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 |
| Star Borough | 267.6 | 495.6 | 727.3 | 839.6 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 |
| f Valdez | 651.5 | 1206.7 | 1770.7 | 2044.3 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 |
| Shared Revenues | $ 1653.8 | $ 3063.1 | $ 4494.8 | $ 5189.2 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 |

AGO 533387

STATE OF ALASKA

Department of Revenue

# Budget Projections and Resulting Effect on the General Fund Balance for the Next Ten Fiscal Years

All revenue estimates, estimated expenditures and other assumptions not listed as "comments" or "assumptions" on the Budget Planning Model detail pages are taken from the Budget Document Supplement, Alaska, Fiscal Year 1973-74.

AGO 533388

STATE OF ALAS A
REVENUE

BUDGET PLANNING ODEL

RUN 15

FEBRUARY 2, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

| BOND PROCEEDS INTEREST | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF C/D EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 042038.0 |
| 1[illegible]2.0 | 46194.4 | 2[illegible]49.4 | 318000.0 | 20441.0 | 12195.0 | 357300.0 | -121054.6 | 920983.4 |
| [illegible]129.0 | 55069.6 | 221980.6 | 340072.5 | 30000.0 | 12821.0 | 383793.5 | -161806.9 | 859176.5 |
| [illegible]827.3 | 13691.5 | 214078.3 | 304840.2 | 33200.0 | 13185.0 | 411225.2 | -196526.9 | 102649.6 |
| [illegible]3.4.4 | 6021.3 | 345405.0 | 350378.7 | 40300.0 | 26520.0 | 453898.7 | -113492.9 | 49156.7 |
| [illegible]1153.0 | 5617.4 | 510370.4 | 417704.8 | 45500.0 | 45070.0 | 508280.8 | 3089.6 | 57852.3 |
| [illegible]5018.0 | 6753.4 | 541775.4 | 440944.0 | 52100.0 | 45691.0 | 544735.0 | -2959.6 | 54892.6 |
| [illegible]271.3 | 6866.4 | 535077.4 | 478223.3 | 55300.0 | 47404.0 | 581025.3 | -15945.9 | 38946.8 |
| [illegible]603.0 | 5275.3 | 508364.3 | 511705.2 | 58200.0 | 48[illegible]0.0 | 618[illegible].2 | -49350.9 | -10444.2 |
| [illegible]7554.0 | 1084.4 | 570938.4 | 547523.9 | 61000.0 | 50127.9 | 658650.9 | -82852.5 | -93296.7 |
| [illegible]8126.0 | -4461.2 | 570033.8 | 585850.4 | 66000.0 | 51700.0 | 704350.4 | -127316.6 | -220613.3 |
| [illegible]3[illegible]1.0 | 136452.7 | 4364330.0 | 4402812.0 | 405141.0 | 355857.0 | 5227720.0 | -863451.3 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

[illegible] 1974

FEBRUARY 6, 1973

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4Q
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 8.00%

| NON INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OR CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| **AGO 533390** | | | | | | | | 642058.0 |
| [illegible] | [illegible] | 256767.4 | 314800.0 | 20441.0 | 12199.0 | 367300.0 | -100532.6 | 542125.4 |
| 225813.6 | 34004.4 | 259557.8 | 344350.3 | 30000.0 | 12821.0 | 386980.5 | -124422.5 | 417702.9 |
| [illegible] | 25700.0 | 275588.8 | 371091.7 | 33200.0 | 13165.0 | 418056.7 | -142000.0 | 275032.9 |
| [illegible] | 14[illegible] | 410356.1 | 401420.8 | 40000.0 | 20520.0 | 461940.8 | -50311.0 | 224721.2 |
| 378311.0 | 1[illegible] | 555111.9 | 435540.0 | 45000.0 | 45070.0 | 524110.0 | 70999.5 | 295710.4 |
| [illegible] | [illegible] | [illegible] | 480823.0 | 52100.0 | 49091.0 | 560014.0 | 57342.2 | 353058.0 |
| [illegible] | [illegible] | 643091.0 | 505681.3 | 55300.0 | 47495.0 | 608475.3 | 41224.3 | 394282.9 |
| [illegible] | 27727.1 | 636188.1 | 540135.4 | 58200.0 | 46[illegible]0.0 | 652735.4 | 5382.8 | 397665.7 |
| [illegible] | [illegible] | [illegible] | 588529.3 | 61000.0 | 507[illegible].0 | 732152.3 | -55667.5 | 341778.4 |
| [illegible] | [illegible] | [illegible] | 637011.0 | 60000.0 | 51700.0 | 755511.0 | -87352.1 | [illegible] |
| | | | | | | | | |
| [illegible] | [illegible] | [illegible] | 4810398.0 | 489161.0 | 3554.7.0 | 5441395.0 | -368731.0 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

ASM 537

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 10.00%

| NEW INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| AGO 533391 | | | | | | | | 642038.0 |
| 100000.0 | 44834.4 | 250787.4 | 310000.0 | 20441.0 | 12193.0 | 357500.0 | -106512.6 | 542125.4 |
| 225213.0 | 36388.1 | 282413.1 | 350652.4 | 30600.0 | 12621.0 | 393553.4 | -130034.3 | 411191.1 |
| 250000.0 | 24546.6 | 275286.6 | 385585.3 | 33200.0 | 13185.0 | 431958.3 | -156721.7 | 254469.4 |
| 400000.0 | 16465.2 | 417071.2 | 424145.3 | 40600.0 | 28520.0 | 493265.3 | -76572.1 | 178897.3 |
| 375211.0 | 25408.1 | 401519.1 | 400557.3 | 45500.0 | 45078.0 | 557135.3 | 54185.8 | 233083.6 |
| 334700.0 | 17174.1 | 410582.0 | 513212.0 | 52100.0 | 45891.0 | 611203.0 | 5938.4 | 219021.4 |
| 225.25.0 | 14742.4 | 253785.5 | 584533.4 | 55536.0 | 74434.0 | 667337.4 | -27502.1 | 191459.4 |
| 320841.0 | 15235.5 | 341076.4 | 620065.9 | 58260.0 | 4 456.0 | 727056.9 | -85980.5 | 105400.9 |
| 346140.0 | 5473.0 | 346813.0 | 653384.1 | 61000.0 | 5 727.0 | 799411.1 | -140301.4 | -48901.0 |
| 441047.0 | -5645.1 | 440283.9 | 751361.9 | 66000.0 | 5 708.0 | 823061.9 | -220067.9 | -273579.9 |
| 3000000.0 | 167424.0 | 4307460.0 | 5078038.0 | 469141.0 | 38 857.0 | 5586036.0 | -910217.5 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN TO: RUN 40

DATE: FEBRUARY 6, 1975

COMMENTS:
PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 0.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

| FISCAL YEAR | NON INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|---|
| 1973 | | | | | | | | | 642038.0 |
| 1974 | 1[illegible]4.0 | 43622.6 | 251886.0 | 316000.0 | 20441.0 | 12.05.0 | 357300.0 | -125413.1 | 517224.9 |
| 1975 | 1[illegible]19.0 | 34279.0 | 257186.0 | 334598.0 | 30000.0 | 12321.0 | 377420.0 | -140231.4 | 376993.4 |
| 1976 | 2[illegible]91.0 | 22794.0 | 255753.0 | 351328.0 | 33200.0 | 13.05.0 | 397603.0 | -141040.0 | 235952.8 |
| 1977 | 2[illegible]11.0 | 11303.1 | 267884.1 | 388334.0 | 40000.0 | 28720.0 | 457414.0 | -189520.4 | 65532.4 |
| 1978 | 4[illegible]45.0 | 3502.0 | 408457.0 | 387539.1 | 45500.0 | 45370.0 | 477915.1 | -68478.1 | -2945.7 |
| 1979 | 5[illegible]26.0 | 4635.2 | 507203.2 | 400705.0 | 52100.0 | 45591.0 | 504496.0 | 02700.0 | 79626.3 |
| 1980 | 6[illegible]1. | 11281.5 | 617972.5 | 427043.4 | 55300.0 | 47494.0 | 529834.4 | 88138.1 | 167956.3 |
| 1981 | 6[illegible]1.0 | 17845.7 | 648006.7 | 448301.8 | 58200.0 | 48456.0 | 555041.8 | 93054.9 | 261013.9 |
| 1982 | 7[illegible]2.0 | 25803.2 | 696405.2 | 470811.1 | 61000.0 | 50727.0 | 583138.1 | 70357.1 | 337371.0 |
| 1983 | 7[illegible]5.0 | 27994.1 | 675787.0 | 494351.1 | 66600.0 | 51760.0 | 611851.1 | 63945.9 | 400316.9 |
| | 4[illegible]7.0 | 1[illegible]7.2 | 4[illegible]2.0 | 4[illegible]5.0 | 4[illegible]1.0 | 3[illegible]7.0 | 4[illegible]2.0 | -242321.1 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

[illegible]

[illegible] 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1975
[illegible] IN FY 1978
LIGHT-OF-WAY LEASING 4Q
[illegible] INCLUDED
[illegible] TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD OF NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

| [illegible] REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP & TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 642630.0 |
| 103004.[illegible] | 40622.3 | 231087.9 | 310000.0 | 20441.0 | 12105.0 | 357380.0 | -129413.1 | 517224.9 |
| 102315.0 | 34130.5 | 237049.9 | 340672.5 | 30000.0 | 12821.0 | 383793.5 | -146743.6 | 370481.3 |
| 15239[illegible].0 | 12044.1 | 155005.1 | 304340.2 | 35200.0 | 13105.0 | 411205.2 | -156202.1 | 214279.1 |
| 2[illegible]921.0 | 3433.4 | 208004.3 | 330570.7 | 40000.0 | 28520.0 | 459090.7 | -192894.4 | 21384.8 |
| 420649.0 | -227.0 | 405817.4 | 417704.0 | 45500.0 | 45070.0 | 508280.0 | -102403.4 | -81078.7 |
| 5020[illegible].0 | -1371.2 | 501250.8 | 440544.0 | 52100.0 | 45091.0 | 544735.0 | -38521.8 | -44550.0 |
| [illegible]1.0 | 2150.5 | 100840.9 | 478225.3 | 55300.0 | 47404.0 | 581025.3 | 27820.0 | -10730.3 |
| 552251.0 | 4708.0 | 655049.0 | 511705.2 | 58200.0 | 40450.0 | 610355.2 | 10003.8 | -30.5 |
| [illegible]55032.0 | 5755.0 | 741027.0 | 547523.0 | 61000.0 | 50727.0 | 659250.0 | -18223.3 | -18250.8 |
| [illegible]7045.0 | 4277.0 | 552120.8 | 585050.4 | 66000.0 | 51700.0 | 704350.4 | -52229.6 | -70480.4 |
| 4537547.0 | 127000.0 | 4514002.0 | 4402812.0 | 503141.0 | 355037.0 | 5227790.0 | -713127.4 | |

AGO 533393

Right-of-Way Leasing Act
(Millions of Dollars)

| | Year of TAPS Pipeline Operation | | | | Average 35 Years |
|---|---|---|---|---|---|
| | 1st | 5th | 10th | 20th | |
| At 4% ICC Return | 2.1 | 2.1 | 4.5 | 21.5 | 15.4 |
| At 5% ICC Return | 3.4 | 6.2 | 13.7 | 30.1 | 22.7 |
| At 7% ICC Return | 25.1 | 29.1 | 34.6 | 47.1 | 40.0 |

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

INCREASE REVENUES DUE
TO TAX INCREASE PROPOSALS

| Receipt Title | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| arette Tax Increase (From to 13¢ per pack) | $2,412,000 | $2,539,250 | $2,793,125 | $2,904,875 | $3,023,563 | $3,200,139 | $3,387,027 | $3,584,829 | $3,794,183 | $4,015,763 |
| License Tax Increase (From 2% 5% of net income) | 440,000 | 480,000 | 520,000 | 560,000 | 600,000 | 648,360 | 700,618 | 757,088 | 818,109 | 884,048 |
| hway Fuel Tax Increase (From 8¢ 10¢ per gallon with refund for off-hway use out of 10¢ gallon.) | 2,655,300 | 2,657,250 | 2,892,700 | 3,002,700 | 3,155,300 | 3,295,080 | 3,441,052 | 3,593,490 | 3,752,682 | 3,918,926 |
| rcraft Fuel Tax | 541,500 | 563,150 | 585,650 | 609,100 | 633,450 | 658,788 | 685,140 | 712,545 | 741,047 | 770,689 |
| Sub-Total | $6,048,800 | $6,439,650 | $6,791,475 | $7,076,675 | $7,412,313 | $7,802,367 | $8,213,837 | $8,647,952 | $9,106,021 | $9,589,426 |

AGO 533395

2/27/73

H.B. - 59 - 245 - public Hearing

El ... Bun — Study - tax rates -

first two Pages —

22 of 50 states 20 mill ceils exceeds

last week
Speaker -

45 counties
have 20 mill

Bill Schnur — Rose —

Tim —

KL field Kevin Burns

one ... Lyst Rule — 215

Mike Gardner - for limits —

AGO 533396

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

PRESS RELEASE

HOUSE RESOURCES COMMITTEE

Public Hearing

A public hearing by the House Resources Committee on House Bill #59.

"An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas."

The hearing to be held in the House Conference Room, Tuesday, February 20, 1973 at 3:30 P.M.

The public is invited and urged to attend. Further information concerning House Bill #59 or the public hearing may be obtained from Representative Joe McGill, Chairman House Resources Committee, Pouch V, Juneau, Alaska 99801

Joe McGill

Joe McGill, Chairman
House Resources Committee

AGO 533397

# MEMBERSHIP

## EIGHTH STATE LEGISLATURE

### 1973 - 1974

### House of Representatives

| Name | Address | District |
|---|---|---|
| Banfield, Mildred H. (R) | 320 Whittier St., Juneau 99801 | 4 |
| Barber, Edward G. (D) | 1001 L St., Anchorage 99501 | 7 |
| Beirne, Helen D. (R) | Box 4BB, Spenard 99503 | 10 |
| Bowman, Willard L. (D) | 1112 E 69th Ave., Anchorage 99502 | 10 |
| Bradner, Mike (D) | 915 Kellum St., Fairbanks 99701 | 17 |
| Carrol, Selwyn (R) | 425 "B" St., Fairbanks 99701 | 17 |
| Chance, Genie (D) | Box 2392, Anchorage 99510 | 7 |
| Degnan, Chuck (D) | Box 187, Unalakleet 99684 | 20 |
| Eliason, Richard I. (R) | Box 143, Sitka 99835 | 3 |
| Ferguson, Frank R. (NP) | Box 131, Kotzebue 99752 | 19 |
| Fink, Tom (R) | 1350 23rd St., Anchorage 99503 | 8 |
| Fischer, Helen M. (D) | 2023 Wildwood Lane, Anchorage 99503 | 8 |
| Freeman, Oral (D) | 2743 3rd Ave., Ketchikan 99901 | 1 |
| Fritz, Milo H. (R) | 2235 Vanderbilt Circle, Anchorage 99504 | 9 |
| Gardiner, Terry (D) | Box 1092, Ketchikan 99901 | 1 |
| Guy, Phillip (D) | Kwethluk 99621 | 15 |
| Hackney, W. Glenn (R) | 1136 Sunset Dr., Fairbanks 99701 | 17 |
| Hartig, Robert (R) | 3419 Fordham, Anchorage 99504 | 9 |
| Haugen, E. J. (R) | Box 248, Petersburg 99833 | 2 |
| Hillstrand, Earl D. (D) | 2100 Lake Otis Pkwy, Anchorage 99503 | 9 |
| Huber, John (D) | Box 2591, Fairbanks 99701 | 17 |
| Laktonen, Jacob Jr. (R) | Larsen Bay 99624 | 13 |
| McGill, Joseph E. (D) | Box 218, Dillingham 99576 | 14 |
| McVeigh, Richard L. (D) | 4809 Nottingham Way, Anchorage 99503 | 10 |
| Malone, J. Hugh (D) | P.O. Box 9, Kenai 99611 | 11 |
| Meeking, Russ (D) | 1540 "K" St., Anchorage 99501 | 7 |
| Miller, Jo Ann (R) | 836 "M" St., Apt. 110, Anchorage 99501 | 7 |
| Miller, Mike (D) | Box 1494, Juneau 99801 | 4 |
| Naughton, Edward F. (D) | Box 1097, Kodiak 99615 | 12 |
| Orsini, Joseph L. (R) | 2913 Alder Dr., Anchorage 99504 | 9 |
| Oso, Alfred O. (D) | P.O. Box 832, Palmer 99645 | 5 |
| Parker, William K. (D) | 1134 "G" St., Anchorage 99501 | 7 |
| Petersen, Lawrence D. (D) | P.O. Box 19, Ft. Yukon 99740 | 16 |
| Randolph, Richard (R) | Box 123, Fairbanks 99701 | 17 |
| Saylors, A. M. (R) | P.O. Box 4-084, Anchorage 99509 | 8 |
| Spocking, Keith W. (R) | Hope 99605 | 5 |
| Tillion, [illegible]n V. (R) | Halibut Cove 99603 | 11 |
| Urion, Richard K. (R) | Box 4-175, Anchorage 99503 | 9 |
| Warwick, Andrew S. (R) | 301 Kody, Fairbanks 99701 | 17 |
| Wilson, I. Lavell (R) | Box 156 Tok 99880 | 18 |

### Senate

| | | |
|---|---|---|
| Butrovich, John (R) | 1039 5th Ave., Fairbanks 99703 | J |
| Croft, Chancy (D) | 1541 "C" St., Anchorage 99501 | E |
| Groh, Clifford J (R) | 450 "C" St., Anchorage 99501 | E |
| Harris, Jose (R) | 1016 11th Ave., Anchorage 99501 | E |
| Hensley, Willie (D) | Box 33, Kotzebue 99752 | K |
| Holman, George H. (D) | Bethel 99559 | H |
| Kerttula, Palmer M. (D) | Box Z, Palmer 99645 | D |
| Lewis, C. R. (R) | 1922 Logan St., Anchorage 99504 | E |
| Meland, H. D. "Pete" (D) | Box 53, Sitka 99835 | B |
| Miller, Keith H. (R) | 836 "M" St., #202, Anchorage 99501 | E |
| Miller, Terry (R) | P.O. Box 80869, Fairbanks 99701 | J |
| Palmer, W. I. "Bob" (R) | Box 103, Ninilchik 99639 | F |
| Poland, Kathryn (D) | Box 45, Kodiak 99615 | G |
| Rader, John (D) | Box 2068, Anchorage 99510 | E |
| Ray, Bill (D) | 165 Behrends Ave., Juneau 99801 | C |
| Rettig, Ron L. (R) | 2567 Loussac Dr., Anchorage 99503 | E |
| Sackett, John (R) | Box 65, Galena 99741 | I |
| Thomas, Lowell Jr. (R) | 7022 Tanalian Dr., Anchorage 99502 | E |
| Young, Donald E. (R) | Box 119, Ft. Yukon 99740 | J |
| Ziegler, Robert H. Sr. (D) | Box 979, Ketchikan 99901 | A |



AGO 533399

# LEGISLATIVE COMMITTEE ASSIGNMENTS

1973 - 1974

## HOUSE

**Commerce**
Randolph (Chairman),
J. Miller (Vice Chairman),
Tillion, Urion, Bowman,
Fischer, Meekins

**Finance**
Hillstrand (Chairman),
Haugen (Vice Chairman),
Saylors, Specking, Warwick,
Barber, Freeman, Ose, Ferguson

**Health, Welfare & Education**
Beirne (Chairman),
Fritz (Vice Chairman), Hackney,
Hartig, Malone, Meekins,
Petersen

**Judiciary**
Tillion (Chairman),
Banfield (Vice Chairman),
Beirne, Orsini, Chance,
Malone, McVeigh

**Labor & Management**
Eliason (Chairman),
Urion (Vice Chairman),
Carrol, Wilson, Bowman,
Bradner, Parker

**Local Government**
Carrol (Chairman),
Hackney (Vice Chairman),
Fritz, Laktonen, Gardiner,
Guy, Petersen

**Resources**
McGill (Chairman),
Hartig (Vice Chairman),
Eliason, Laktonen, J. Miller,
Randolph, Wilson, Degnan,
Gardiner, Guy, Huber, Naughton,
Parker

**Rules**
McVeigh (Chairman),
Huber (Vice Chairman),
Banfield, Randolph, Bradner

**State Affairs**
Fischer (Chairman),
Orsini (Vice Chairman),
J. Miller, Wilson, Huber,
M. Miller, Naughton

## SENATE

**Commerce**
Lewis (Chairman),
K. Miller (Vice Chairman),
Harris, Kerttula, Ziegler

**Finance**
Groh (Chairman),
Lewis (Vice Chairman),
Butrovich, Palmer, Sackett,
Poland, Ray

**Health, Welfare & Education**
Thomas (Chairman),
Young (Vice Chairman),
Sackett, Croft, Hensley

**Judiciary**
Ziegler (Chairman),
Rettig (Vice Chairman),
Meland, Poland, Rader

**Labor & Management**
Harris (Chairman),
Lewis (Vice Chairman),
Young, Croft, Meland

**Local Government**
Rader (Chairman),
Hensley (Vice Chairman),
K. Miller, Young, Hohman

**Resources**
Sackett (Chairman),
Butrovich (Vice Chairman),
Palmer, Thomas, Hohman,
Meland, Rader

**Rules**
Palmer (Chairman),
Groh (Vice Chairman),
Butrovich, Thomas,
Ziegler

**State Affairs**
K. Miller (Chairman),
Harris (Vice Chairman),
Rettig, Kerttula,
Ray



AGO 533398

1/30/72

House Resources Committee
Public Hearing

House Bill #59

3:30 Hearing tape - tape 1 Side 1)

Rick Barnett - A-G office testifies
on behalf of adm. brought in
new amendments

and a few more
differences in this years Bill
and last years Bill.

Walborn -

4:15 Tape 1 Side 2

AGO 533400

IN THE HOUSE BY FINK

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to oil and gas revenue; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date.

(b) Local governmental units may levy a tax not to exceed 20 mills on not more than 25 per cent of the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. Payment of the tax levied under this subsection is in lieu of the appropriate portion of the tax levied

AGO 533401

by the state under (a) of this section.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) oil and gas produced in the state upon which gross production taxes are paid under AS 43.55.

Sec. 43.56.030. IN PLACE OF OTHER TAXES. Payment of the tax levied under this chapter is in place of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the state assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities except that the state assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a board of equalization.



Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in

this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53.200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provision of law, the tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FAILURE TO FILE: FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter with intent to evade the taxation is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. REGULATIONS. The state assessor and the Department of Revenue may adopt regulations as appropriate to carry out their

AGO 533403

respective duties under this chapter.

Sec. 43.56.120. DEFINITIONS. In this chapter

(1) "tax levying jurisdiction" means an organized borough or a city levying ad valorem taxes whether located inside or outside an organized borough;

(2) "taxable real and tangible personal property" means machinery, appliances and equipment used in the operation of wells producing oil or gas and tank farms, tanker terminals, gathering and transmission lines, and related facilities associated with the production and transportation of crude oil and natural gas; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter, but does not include property exempt from taxation under the constitution and laws of the state or of the United States, or any subsurface estate or property used in a consumer distribution system.

* Sec. 2. AS 38.35.140 is repealed and re-enacted to read:

Sec. 38.35.140. PAYMENT OF RENTAL. (a) The carrier shall agree in the lease, as a condition for obtaining the lease of state public land for pipeline right-of-way, that it will pay annually to the state as rent for the premises demised an amount determined in accordance with the provisions of AS 38.05.330 for the lease of state public land for easements and rights-of-way.

(b) Each lease of state public land for pipeline right-of-way shall provide that all money and other sums which become due to the state by reason of any provision of the lease is and shall always be a valid and first lien upon the buildings and improvements on the demised property, and upon all of the interests of the lessee carrier in the lease and in the property of the carrier transported by the pipeline subject to the lease and paramount to any mortgage which the

AGO 533404

carrier may execute on them, or any lien caused by the carrier.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

AGO 533405

IN THE HOUSE BY FINK

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to oil and gas revenue; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date. AGO 533406

(b) Local governmental units may levy a tax not to exceed 20 mills or not more than 25 per cent of the full and true value of taxable real and tangible personal property employed in the production and transportation of unrefined oil and gas. Payment of the tax levied under this subsection is in lieu of the appropriate portion of the tax levied

by the state under (a) of this section.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) oil and gas produced in the state upon which gross production taxes are paid under AS 43.55.

Sec. 43.56.030. IN PLACE OF OTHER TAXES. Payment of the tax levied under this chapter is in place of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the state assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities, except that the state assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a board of equalization.



Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in

this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53.200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provision of law, the tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FAILURE TO FILE: FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter with intent to evade the taxation is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. REGULATIONS. The state assessor and the Department of Revenue may adopt regulations as appropriate to carry out their

AGO 533408

respective duties under this chapter.

Sec. 43.56.120. DEFINITIONS. In this chapter

(1) "tax levying jurisdiction" means an organized borough or a city levying ad valorem taxes whether located inside or outside an organized borough;

(2) "taxable real and tangible personal property" means machinery, appliances and equipment used in the operation of wells producing oil or gas and tank farms, tanker terminals, gathering and transmission lines, and related facilities associated with the production and transportation of crude oil and natural gas; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter, but does not include property exempt from taxation under the constitution and laws of the state or of the United States, or any subsurface estate or property used in a consumer distribution system.

* Sec. 2. AS 38.35.140 is repealed and re-enacted to read:

Sec. 38.35.140. PAYMENT OF RENTAL. (a) The carrier shall agree in the lease, as a condition for obtaining the lease of state public land for pipeline right-of-way, that it will pay annually to the state as rent for the premises demised an amount determined in accordance with the provisions of AS 38.05.330 for the lease of state public land for easements and rights-of-way.

(b) Each lease of state public land for pipeline right-of-way shall provide that all money and other sums which become due to the state by reason of any provision of the lease is and shall always be a valid and first lien upon the buildings and improvements on the demised property, and upon all of the interests of the lessee carrier in the lease and in the property of the carrier transported by the pipeline subject to the lease and paramount to any mortgage which the

AGO 533409

carrier may execute on them, or any lien caused by the carrier.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

AGO 533410

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

PRESS RELEASE

HOUSE RESOURCES COMMITTEE

Public Hearing

A public hearing by the House Resources Committee on House Bill #59.

"An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas."

The hearing to be held in the House Conference Room, Tuesday, February 27, 1973 at 3:30 P.M.

The public is invited and urged to attend. Further information concerning House Bill #59 or the public hearing may be obtained from Representative Joe McGill, Chairman House Resources Committee, Pouch V, Juneau, Alaska 99801

Joe McGill, Chairman
House Resources Committee

AGO 533411

# Alaska State Legislature
## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

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PRESS RELEASE

HOUSE RESOURCES COMMITTEE

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Joe McGill, Chairman
House Resources Committee

AGO 533418

Resources
~~STATE AFFAIRS~~ COMMITTEE WORK SHEET

House

BILL NO. 59 DATE PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would: "an act providing for State tax on property used in connection with transportation of unrefined oil and gas;

When Bill Considered by ~~H~~ R Committee: 1/19/73

Action Taken by Committee: public hearing 1/30/73 3:30

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Committee moved to hold a public hearing on house Bill 59

Other Comments:

AGO 533419

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 59 DATE 1/30 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would:

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

P. 4 line 16 strike "Production And"

Witnesses Testifying Before Committee: (summary of testimony)

Rick Street AG's Office
Steve Corporate Tax

E. Westburne, Vice President - Agrium Pipeline Corp.

Send to Sub-Committee for further Study - Jan. 31, 1993 - Draw up recommendations

Hughes McGill, Chairman
[redacted] Hertig
Degnan Parker
Miller

AGO 533420

Introduced: 1/12/73
Referred: Resources, Local Government and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 59

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property employed in the transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date. The tax levied under this chapter does not apply to property subject to ad valorem taxation by a city or borough on January 1, 1973 and on January 1 of each succeeding tax year.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded



AGO 533421

under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used and around a well producing oil or gas and actually used in the operation of a well;

(3) oil and gas produced in the state upon which gross production taxes are paid under AS 43.55;

(4) pipelines less than 21 inches in diameter.

Sec. 43.56.030. IN PLACE OF OTHER TAXES. Payment of the tax levied under this chapter is in place of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the State Assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities, except that the State Assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a



AGO 533422

board of equalization.

Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53. 200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provision of law, the tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FAILURE TO FILE: FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter with intent to evade the taxation is guilty of a felony and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than five years, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from



AGO 533423

the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is authorized to be appropriated each year for payment to each tax levying jurisdiction an amount equal to the revenue which would be raised by application of the current year mill levy of the tax levying jurisdiction to 20 per cent of the value, as determined under this chapter for the current tax year, of property taxable under this chapter located in the tax levying jurisdiction.

Sec. 43.56.130. DEFINITIONS. In this chapter

(1) "tax levying jurisdiction" means an organized borough or a city levying ad valorem taxes whether located inside or outside an organized borough;

(2) "taxable real and tanagible personal property" means tank farms, tanker terminals, gathering and transmission lines, and related facilities associated with the (production and) transportation of crude oil and natural gas; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter, but does not include property exempt from taxation under the constitution and laws of the state or of the United States, or any subsurface estate or property used in a consumer distribution system.

Sec. 43.56.160. REGULATIONS. The State Assessor and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.



AGO 533424

Rec # 1 DELETE 43.56.030

Rec # 2 ALLOW 10 MILL TAX BY LOCAL GOVTS IN ADD TO 20 MILL STATE TAX

ADD TO 43 [illegible]

RATIONALE – 30 MILL STATUTORY LIMIT AT PRESENT ON AD VALOREM TAX

Rec # 3 – PROVIDE FOR AT LEAST A 7 MILL PORTION REFUNDED TO LOCAL GOVTS (COULD BE IN LIEU OF ANY OTHER TAX)

Introduced: 1/12/73
Referred: Resources, Local Government and Finance

IN THE HOUSE BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 59

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable real and tangible personal property employed in the transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities as distinguished from the facilities themselves; however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction, full and true value for each tax year shall be measured by the costs incurred or accrued with respect to the facility as of the assessment date. The tax levied under this chapter does not apply to property subject to ad valorem taxation by a city or borough on January 1, 1973 and on January 1 of each succeeding tax year.

Sec. 43.56.020. EXEMPTIONS. In addition to property excluded



AGO 533430

under sec. 130(2) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used and around a well producing oil or gas and actually used in the operation of a well;

(3) oil and gas produced in the state upon which gross production taxes are paid under AS 43.55;

(4) pipelines less than 21 inches in diameter.

Sec. 43.56.030. IN PLACE OF OTHER TAXES. Payment of the tax levied under this chapter is in place of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the State Assessor substantially in the manner provided in AS 29.53.060 - 29.53.160 for municipalities, except that the State Assessor shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the assembly or council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards and commissions.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of an assembly or council sitting as a

board of equalization.

Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.53. 200 - 29.53.390 except that the state is substituted for references to cities and boroughs.

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Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from



AGO 533432

the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is authorized to be appropriated each year for payment to each tax levying jurisdiction an amount equal to the revenue which would be raised by application of the current year mill levy of the tax levying jurisdiction to 20 per cent of the value, as determined under this chapter for the current tax year, of property taxable under this chapter located in the tax levying jurisdiction.

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Sec. 43.56.160. REGULATIONS. The State Assessor and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

DELETE "employed" and insert "actually used or designed as intended for use" in its place.

PAGE 1 LINES 26-28

DELETE lines 26-28 and substitute: "chapter does not apply to property upon which an ad valorem tax was levied by a city or a borough for the tax year beginning January 1, 1973, and upon which the tax continues to be levied for each succeeding tax year.

PAGE 4 LINE 16

DELETE "production and"

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

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AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

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PAGE 4 LINE 16

DELETE "production and"

AGO 533437

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

DELETE "employed" and insert "actually used or designed as intended for use" in its place.

PAGE 1 LINES 26-28

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PAGE 4 LINE 16

DELETE "production and"

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

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PAGE 4 LINE 16

DELETE "production and"

AGO 533439

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

DELETE "employed" and insert "actually used or designed as intended for use" in its place.

PAGE 1 LINES 26-28

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PAGE 4 LINE 16

DELETE "production and"

AGU 533440

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

DELETE "employed" and insert "actually used or designed as intended for use" in its place.

PAGE 1 LINES 26-28

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PAGE 4 LINE 16

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AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

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PAGE 4 LINE 16

DELETE "production and"

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 46 59 DATE 2/9 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would:

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

John Havelock Attorney General
Dept. of Treasury
Dept. of Revenue
Assistant Attorney General - Rick Garnett

AGO 533443

EDGAR W. WELLBAUM
ALYESKA PIPELINE SERVICE CO.
BOX 576
BELLEVUE, WASH. 98009

RICK GARNETT
A-G OFFICE

AGO 533444

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

PRESS RELEASE

HOUSE RESOURCES COMMITTEE

Public Hearing

A public hearing by the House Resources Committee on House Bill #59.

"An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas."

The hearing to be held in the House Conference Room, Tuesday, January 30, 1973 at 3:30 P.M.

The public is invited and urged to attend. Further information concerning House Bill #59 or the public hearing may be obtained from Representative Joe McGill, Chairman House Resources Committee, Pouch V, Juneau, Alaska 99801

Joe McGill

Joe McGill, Chairman
House Resources Committee

AGO 533445

"An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AGO 533446

CS House Bill 59 for

House Bill 59 ≒ 3/14/73

6 – for –
4 – against – C.S. adopted 3/14/73

÷ Pass Bill out on ÷ ? moved by Huber

Paul Robinson – Alaska pipeline Co.

Huber. difference between HB 59 –
C.S. HB 59

STATEMENT OF E. W. WELLBAUM

ON HOUSE BILL NO. 59

BEFORE THE RESOURCES COMMITTEE

ALASKA HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 30, 1973

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS EDGAR W. WELLBAUM. I AM VICE PRESIDENT OF ALYESKA PIPELINE SERVICE COMPANY. I APPEAR TODAY TO TESTIFY ON HOUSE BILL NO. 59, AN ACT WHICH WOULD IMPOSE A STATE TAX ON PROPERTY USED IN TRANSPORTATION OF UNREFINED OIL AND GAS.

AT THE OUTSET, I WOULD EMPHASIZE TO THE UTMOST OF MY ABILITY THAT THE PETROLEUM INDUSTRY GENERALLY, AND THE MANAGEMENT OF ALYESKA PIPELINE SERVICE COMPANY PARTICULARLY, ARE IN FULL ACCORD WITH THE PROPOSITION THAT THE PETROLEUM INDUSTRY AND ALL OF ITS COMPONENTS SHOULD BEAR A FAIR SHARE OF THE TAX BURDEN OF ALL STATES IN WHICH THEY DO BUSINESS. WE ARE CORPORATE CITIZENS AND EXPECT TO SHARE OUR RESPONSIBILITIES WITH ALL OTHER CITIZENS. I THINK THE RECORD OF OUR INDUSTRY IN ALL OF THE OIL AND GAS PRODUCING STATES CONFIRMS THIS. ITS RECORD IN ALASKA IS NO EXCEPTION. WE RECOGNIZE THE AD VALOREM TAX AS A PROPER EXERCISE OF THE TAXING POWER OF A STATE. HOWEVER, WE ARE CONVINCED THAT IT IS NOT ONLY UNFAIR BUT OF MOST DUBIOUS WISDOM TO SINGLE OUT ONE INDUSTRY OR ANY COMPONENT OF IT OR ANY ONE SEGMENT OF THE CITIZENRY FOR SPECIAL TAXES WHICH CANNOT BE DISTRIBUTED TO THE BROAD BASE OF PRODUCTIVE ACTIVITY AND ENTERPRISE THROUGHOUT THE STATE. WE FEEL ENACTMENT OF THIS BILL WOULD BE AGAINST THE BEST INTEREST OF THE CITIZENS OF ALASKA INCLUDING THE PRESENT AND POTENTIAL ALASKAN BUSINESS INTERESTS.

THERE CAN BE NO DOUBT THAT HOUSE BILL NO. 59 SINGLES OUT THE TRANS ALASKA PIPELINE FOR THE IMPOSITION OF A VERY SPECIAL AND VERY

AGO 533448

BURDENSOME TAX. THE BILL, IF ENACTED, WOULD IMPOSE ANNUALLY A TAX OF 20 MILLS ON "...PROPERTY EMPLOYED IN THE TRANSPORTATION OF UNREFINED OIL AND GAS." EXEMPTED ARE "...PIPELINES LESS THAN 21 INCHES IN DIAMETER." THIS LEAVES ONLY THE TRANS ALASKA PIPELINE TO BEAR THE BURDEN OF THE TAX. WITH SINGULAR IMPATIENCE, THE TAX WOULD BE IMPOSED BEFORE THE PIPELINE EXISTS, FOR IT APPLIES TO PIPELINES "...UNDER CONSTRUCTION OR AWAITING CONSTRUCTION...". FOR SUCH PIPELINES, THE VALUE IS DEFINED AS THE "...COSTS INCURRED OR ACCRUED...AS OF THE ASSESSMENT DATE" WHETHER OR NOT THE PIPELINE IS EVER COMPLETED.

I AM NOT A LAWYER AND I CERTAINLY DON'T MEAN TO RAISE ANY QUESTIONS ABOUT THE LEGALITY OF THE BILL. I AM MORE CONCERNED WITH ITS INTENT. LEGISLATIVE POLICY PROHIBITING THE PRACTICE OF SINGLING OUT ONE INDUSTRY OR ACTIVITY FOR SPECIAL TAXATION FINDS EXPRESSION IN THE CONSITUTIONS OF EVERY STATE IN THE UNION. IN ALASKA, ARTICLE II, SECTION 19 PROHIBITS THE LEGISLATURE FROM ENACTING LOCAL OR SPECIAL LEGISLATION IF GENERAL LEGISLATION IS APPLICABLE: AND ARTICLE IX, SECTION 2 PROHIBITS TAXATION OF PROPERTY OF NON-RESIDENT CITIZENS AT A RATE HIGHER THAN THAT APPLIED TO PROPERTY OF RESIDENTS. WHILE HOUSE BILL NO. 59 MAY NOT LEGALLY VIOLATE EITHER OF THOSE PROVISIONS OF THE ALASKA CONSTITUTION, IT CLEARLY VIOLATES THEIR EXPRESSED POLICY AND SPIRI , BOTH OF WHICH FORBID DISCRIMINATORY TAXATION AND OTHER LEGISLATION. NOT ONLY DOES HOUSE BILL NO. 59 SINGLE OUT THE TRANS ALASKA PIPELINE FOR SPECIAL TAXATION, IT TAXES AT ONE OF THE HIGHEST RATES IN THE STATE. THIS IS QUITE APPARENT FROM SECTION 43.56.120 OF THE BILL, WHICH WOULD AUTHORIZE ANNUAL APPROPRIATIONS TO THE TAXING JURISDICTIONS THROUGH WHICH THE PIPELINE WILL BE BUILT, BUT IT WILL RETURN TO SUCH A JURISDICITON ONLY THE AMOUNT OF TAX WHICH WOULD HAVE BEEN RAISED BY APPLICATION OF THE MILL LEVY OF THAT JURISDICTION FOR ANY

YEAR (COMPARED WITH THE 20 MILL LEVY IN THE BILL) TO ONLY 20% OF THE VALUE OF THAT PORTION OF THE PIPELINE LOCATED THEREIN. THUS, WHILE THE TAX UNDER HOUSE BILL NO. 59 WOULD BE IN LIEU OF ALL OTHER AD VALOREM TAXES, IT IS CLEARLY FAR IN EXCESS OF ANY OTHER AD VALOREM TAX IMPOSED BY ANY OTHER TAXING JURISDICITION THROUGH WHICH THE PIPELINE WILL BE BUILT.

THE STATE OF ALASKA MUST HAVE A WELL-PLANNED, FAR-SIGHTED, COMPREHENSIVE AND STABLE TAX BASE IF IT IS TO SATISFY ITS LONG-TERM FINANCIAL REQUIREMENTS, ACCOMMODATE THE INCREASING DEMANDS OF AN EXPANDING CITIZENRY AND MAINTAIN AN ATTRACTIVE CLIMATE FOR EXISTING AND NEW POTENTIAL BUSINESS INVESTMENT. INSTEAD OF WORKING TOWARD SUCH BENEFICIAL OBJECTIVES, HOUSE BILL NO. 59 WOULD ADD TO THE DEGENERATING POSTURE OF STATE TAXATION. AS YOU KNOW, SPECIAL LEGISLATION ENACTED TO APPLY SOLELY TO THE TRANS ALASKA PIPELINE HAS RESULTED IN COMPLEX LITIGATION WHICH MAY DELAY CONSTRUCTION AND POSTPONE PRODUCTION OF OIL AND GAS FROM PRUDHOE BAY ALONG WITH THE FLOW OF REVENUE AND ECONOMIC BENEFITS WHICH RESULT THEREFROM.

ENACTMENT OF HOUSE BILL NO. 59 WOULD BE ALL THE MORE REGRETABLE BECAUSE IT IS BY NO MEANS NECESSARY TO ANY EFFORT TO LEVY A FAIR AND PROPORTIONATE TAX ON THE PROPERTY AND ACTIVITY WHICH WILL BE INVOLVED IN THE TRANS ALASKA PIPELINE SYSTEM. THE RECORD CLEARLY SHOWS THAT THERE HAS NEVER BEEN THE SLIGHTEST OBJECTION FROM THE PETROLEUM INDUSTRY OR THE OWNERS OF THE TRANS ALASKA PIPELINE SYSTEM TO LEGISLATION WHICH APPLIES EQUALLY TO ALL CITIZENS AND TAXPAYERS IN THE TAXING JURISDICTION.

THERE IS NO DOUBT WHATEVER THAT IF AND WHEN OIL PRODUCTION STARTS AT PRUDHOE BAY AND MOVES THROUGH THE TRANS ALASKA PIPELINE SYSTEM TO VALDEZ, THE OIL INDUSTRY WILL PROVIDE THE LARGEST SHARE OF STATE REVENUE



AGO 533450

THROUGH ROYALTY AND TAXES. IT IS THUS UNFAIR AND UNNECESSARY TO CREATE SPECIAL AND DISCRIMINATORY TAXES ON THE TRANS ALASKA PIPELINE SYSTEM. SINCE IT WILL BE ONE OF THE MAJOR ECONOMIC UNITS IN ALASKA AND WILL EMPLOY PROPERTY OF GREAT VALUE, IT IS INEVITABLE THAT ANY FAIR, EQUITABLE AND FAR-SIGHTED TAX PROGRAM WILL DERIVE A MAJOR PORTION OF ITS REVENUE FROM THE PIPELINE.

IN CONCLUSION, I WOULD EMPHASIZE THAT WE REQUEST NO EXEMPTIONS WHATEVER FROM ANY TAXATION, BUT ONLY THAT WE BE SPARED THE BURDEN OF SPECIAL AND DISCRIMINATORY TAXATION. WE BELIEVE THAT THIS BILL IS DISCRIMINATORY, UNFAIR, PREMATURE AND THAT IT SHOULD NOT BE CONSIDERED FURTHER AT THIS TIME. WE BELIEVE THAT ANY TAXATION OF THE TRANS ALASKA PIPELINE SYSTEM SHOULD BE CONSIDERED AS PART OF AND COORDINATED WITH A LONG-TERM TAX PROGRAM OF THE STATE AS IT APPLIES NOT ONLY TO TRANSPORTATION OF OIL AND GAS BUT TO OTHER ECONOMIC ACTIVITY AS WELL. WHEN CONSIDERED IN THAT CONTEXT, WE ARE CONFIDENT THAT THIS AND FUTURE ALASKAN LEGISLATURES WILL TAX THE TRANS ALASKA PIPELINE SYSTEM AS AN INTEGRAL PART OF A COORDINATED PROGRAM OF TAXATION WHICH WILL NOT SINGLE OUT ANY ACTIVITY OR INDUSTRY TO BEAR A DISCRIMINATORY OR DISPROPORTIONATE SHARE OF THE TAX BURDEN OF THE STATE.



AGO 533451

AMENDMENT

Offered in the House by Attorney General

TO: HOUSE BILL NO. 59

AMENDMENT PAGE 1 LINE 14:

DELETE "employed" and insert "actually used or designed as intended for use" in its place.

PAGE 1 LINES 26-28

DELETE lines 26-28 and substitute: "chapter does not apply to property upon which an ad valorem tax was levied by a city or a borough for the tax year beginning January 1, 1973, and upon which the tax continues to be levied for each succeeding tax year.

PAGE 4 LINE 16

DELETE "production and"

House Bill 59
Revenue Projections 1974 - 1983
Assuming Construction Starts July 1, 1973
($000 Omitted)

| | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| ty Tax Collection Under HB 59 | $22055.9 | $40853.1 | $59947.6 | $69211.1 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 | $70000.0 |
| Shared to Local Governments (see below) | 1653.8 | 3063.1 | 4494.8 | 5189.2 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 | 5248.4 |
| venues to State Treasury | $20402.1 | $37790.0 | $55452.8 | $64021.9 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 | $64751.6 |

| Governments' Share of Property Tax: | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Slope Borough | $ 734.7 | $ 1360.8 | $ 1996.8 | $ 2305.3 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 | $ 2331.6 |
| Star Borough | 267.6 | 495.6 | 727.3 | 839.6 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 | 849.2 |
| f Valdez | 651.5 | 1206.7 | 1770.7 | 2044.3 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 | 2067.6 |
| Shared Revenues | $ 1653.8 | $ 3063.1 | $ 4494.8 | $ 5189.2 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 | $ 5248.4 |

AGO 533453

STATE OF ALASKA

Department of Revenue

# Budget Projections and Resulting Effect on the General Fund Balance for the Next Ten Fiscal Years

All revenue estimates, estimated expenditures and other assumptions not listed as "comments" or "assumptions" on the Budget Planning Model detail pages are taken from the Budget Document Supplement, Alaska, Fiscal Year 1973-74.

AGO 533454

STATE OF ALAS A
REVENUE

BUDGET PLANNING MODEL

RUN 13

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY'1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST Y = 7.00%

| ANN INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF G/P EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 642038.0 |
| 1[illegible]41.0 | 46154.4 | 255045.4 | 516000.0 | 20441.0 | 12135.0 | 357300.0 | -121654.6 | 520383.4 |
| [illegible]819.0 | 35883.6 | 221886.6 | 340372.5 | 30000.0 | 12821.0 | 383793.5 | -161906.9 | 359176.5 |
| 134827.3 | 18891.3 | 214878.3 | 304840.2 | 33200.0 | 13165.0 | 411205.2 | -196526.9 | 162649.6 |
| [illegible]364.0 | 6821.8 | 348465.8 | 356378.7 | 40000.0 | 26520.0 | 458898.7 | -113432.9 | 49156.7 |
| 511193.0 | 5617.4 | 516878.4 | 417704.8 | 45500.0 | 45076.0 | 508280.8 | 8595.6 | 57852.3 |
| 535618.0 | 6759.4 | 541775.4 | 440944.0 | 52100.0 | 45691.0 | 544735.0 | -2959.6 | 54892.6 |
| 5[illegible]71.3 | 6806.4 | 505077.4 | 478220.3 | 55300.0 | 47404.0 | 581023.3 | -15945.9 | 38946.8 |
| 5[illegible]3.0 | 5275.3 | 508304.3 | 511705.2 | 56200.0 | 46950.0 | 614855.2 | -45550.9 | -10644.2 |
| 5[illegible]4.0 | 1604.4 | 570038.4 | 547523.9 | 61000.0 | 50127.0 | 658650.9 | -82852.5 | -93296.7 |
| 5[illegible]5.3 | -4401.2 | 570283.3 | 585850.4 | 66800.0 | 51700.0 | 704350.4 | -127516.6 | -220813.3 |
| 4350[illegible]1.0 | 136452.7 | 4504333.0 | 4402812.0 | 469141.0 | 355857.0 | 5227720.0 | -883451.3 | |

AGO 533455

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

AGO 533

FEBRUARY 6, 1973

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN C.F. CASH BAL = 20.00%

ANN PER EXPEND GROWTH RATE AFTER 1ST YR = 8.00%

| ANN REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| AGO 533456 | | | | | | | | 642000.0 |
| [illegible] | [illegible] | 257767.4 | 518000.0 | 20441.0 | 12195.0 | 557636.0 | -100512.0 | 542135.4 |
| 225313.4 | 36044.0 | 261357.8 | 544150.5 | 30000.0 | 12021.0 | 586586.5 | -124422.5 | 417702.9 |
| [illegible] | 25736.0 | 275186.4 | 571001.7 | 33200.0 | 13185.0 | 618056.7 | -142900.0 | 275038.9 |
| [illegible] | 16423.1 | 415.35.1 | 461420.8 | 40036.0 | 20520.0 | 469946.8 | -54811.8 | 224721.2 |
| 575311.5 | 1[illegible] | 555111.3 | 455540.0 | 45500.0 | 45070.0 | 524210.0 | 70955.5 | 295716.4 |
| [illegible] | 25504.3 | 442535.8 | 468275.0 | 52100.0 | 46601.0 | 566014.0 | 57342.2 | 353058.6 |
| [illegible] | [illegible] | 645351.6 | 505081.5 | 55300.0 | 47494.0 | 606875.5 | 41224.5 | 394282.9 |
| [illegible] | 27727.1 | 65810[illegible].1 | 540139.4 | 58200.0 | 46418.0 | 652735.4 | 5582.2 | 397865.7 |
| [illegible] | 20110.4 | 662201.4 | 588625.0 | 61000.0 | 59217.0 | 708152.8 | -55607.5 | 301778.4 |
| [illegible] | 21552.5 | 667575.5 | 637811.0 | 58000.0 | 51710.0 | 755511.0 | -87352.1 | 275040.3 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

AGO 533

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 10.00%

| TOTAL INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF CAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| AGO 533457 | | | | | | | | 642030.0 |
| [illegible] | [illegible] | 250787.4 | 318000.0 | 20441.0 | 12103.0 | 357300.0 | -106512.6 | 542120.4 |
| 228519.0 | 56368.1 | 282413.1 | 350552.4 | 30000.0 | 12021.0 | 393353.4 | -150934.3 | 411191.1 |
| 230200.0 | 24348.8 | 275228.8 | 385505.3 | 35200.0 | 13105.0 | 451010.3 | -150721.7 | 294469.4 |
| 442000.0 | 10405.2 | 417091.2 | 424165.3 | 40000.0 | 28520.0 | 492003.3 | -75572.1 | 178897.3 |
| 375311.0 | 15408.1 | 501319.1 | 400557.3 | 45500.0 | 45070.0 | 557133.3 | -54185.3 | 213003.4 |
| 555700.0 | 17174.1 | 610042.0 | 513212.0 | 52100.0 | 45091.0 | 611003.0 | -5038.4 | 210021.4 |
| 423.23.3 | 18742.4 | 633783.3 | 504533.4 | 55300.0 | 47434.9 | 607327.4 | -27502.1 | 181458.4 |
| 624441.0 | 15235.5 | 641078.4 | 620305.0 | 58203.0 | 4 456.0 | 727055.9 | -85950.5 | 105400.9 |
| 648140.0 | 5473.8 | 653613.8 | 683384.1 | 61000.0 | 5 727.0 | 799411.1 | -145801.4 | -43801.6 |
| 641647.0 | -5645.1 | 640283.9 | 751561.9 | 65000.0 | 5 700.0 | 822261.9 | -229067.9 | -273575.5 |
| 4000420.0 | 167414.0 | 4567430.0 | 5070056.8 | 489141.0 | 55 857.0 | 5613000.0 | -910217.5 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN BY: RUN 46

DATE: FEBRUARY 5, 1975

COMMENTS:
PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

| FISCAL YEAR | NON INVESTMENT REVENUE | INVESTMENT INTEREST | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP AND TAXES OF C.F. EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|---|
| 1973 | | | | | | | | | 642038.0 |
| 1974 | 139664.0 | 46822.5 | 551886.0 | 310000.0 | 20441.0 | 12.05.0 | 357300.0 | -125413.1 | 517224.9 |
| 1975 | 202515.0 | 34275.0 | 457186.0 | 334599.0 | 50000.0 | 12321.0 | 377420.0 | -140231.4 | 376993.4 |
| 1976 | 231052.0 | 23754.0 | 256753.0 | 351328.0 | 53200.0 | 13.05.0 | 397605.0 | -141948.6 | 235052.6 |
| 1977 | 254511.0 | 11553.1 | 267834.1 | 368894.6 | 40000.0 | 28220.0 | 437414.6 | -169520.4 | 65532.4 |
| 1978 | 468345.0 | 3592.0 | 402457.0 | 387334.1 | 45500.0 | 45970.0 | 477015.1 | -88478.1 | -2945.7 |
| 1979 | 502422.0 | 4055.2 | 507203.2 | 400705.6 | 52100.0 | 45501.0 | 504406.6 | 82796.6 | 79826.9 |
| 1980 | 537051. | 11251.5 | 617972.5 | 427840.4 | 55300.0 | 47494.0 | 530634.4 | 86138.1 | 165965.0 |
| 1981 | 537251.0 | 17345.7 | 648830.7 | 448321.8 | 58200.0 | 48160.0 | 555041.8 | 93054.9 | 258813.9 |
| 1982 | 559882.0 | 23603.2 | 659485.2 | 470811.1 | 61000.0 | 50727.0 | 583138.1 | 76357.1 | 335171.0 |
| 1983 | 470.5.0 | 27 54.1 | 675787.0 | 496351.1 | 60800.0 | 51760.0 | (11851.1 | 62545.9 | 408316.9 |
| | 4567517.0 | 190167.2 | 4956782.0 | 4883179.0 | 469141.0 | 395537.0 | 5747857.0 | -242321.1 | |

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN 42

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS I. FY 1978
LIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD OF NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 30.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

| FISCAL YEAR ENDING JUNE 30 | INVESTMENT INTEREST REVENUE | TOTAL REVENUE | OPERATING EXPENDITURE | DEBT SERVICE | MISC EXP OIL TAXES OR GAP EX | TOTAL EXPENDITURE | SURPLUS OR DEFICIT | GENERAL FUND END OF YEAR |
|---|---|---|---|---|---|---|---|---|
| AGO 533459 | | | | | | | | 642636.0 |
| [illegible] | 48022.3 | 251486.0 | 318606.0 | 20441.0 | 12105.0 | 357390.0 | -125413.1 | 517225.9 |
| [illegible] | 34134.3 | 237048.9 | 340572.5 | 34000.0 | 12821.0 | 387393.5 | -146743.6 | 370481.3 |
| [illegible] | 21044.1 | 255005.1 | 368846.2 | 33900.0 | 15105.0 | 417855.2 | -156202.1 | 214279.1 |
| [illegible] | 8429.4 | 268004.5 | 380578.7 | 46000.0 | 28520.0 | [illegible] | -182894.4 | 21334.8 |
| [illegible] | -227.8 | 405017.4 | 417704.8 | 45500.0 | 45870.0 | 508260.8 | -102405.4 | -81070.7 |
| [illegible] | -1371.2 | 501250.8 | 446944.8 | 57100.0 | 49091.0 | 544755.0 | -36991.8 | -44550.9 |
| [illegible] | [illegible] | [illegible] | 478823.3 | 55300.0 | 47434.8 | 581015.3 | 27826.8 | -16750.3 |
| [illegible] | 4734.8 | 655040.0 | 511705.2 | 58200.8 | 48450.0 | 618355.2 | 16684.8 | -50.5 |
| [illegible] | 3755.8 | 641027.8 | 547523.9 | 61000.0 | 50727.8 | 659250.8 | -18223.8 | -18250.8 |
| [illegible] | 4.77.2 | 652120.8 | 585850.4 | 61000.0 | 51700.0 | 784550.4 | -52220.0 | -70470.4 |
| 4527527.0 | 227068.6 | 4514062.8 | 5462812.0 | 480141.0 | 355837.0 | 5827790.0 | -713127.4 | |

Right-of-Way Leasing Act
(Millions of Dollars)

| | Year of TAPS Pipeline Operation | | | | Average 35 Years |
|---|---|---|---|---|---|
| | 1st | 5th | 10th | 20th | |
| At 4% ICC Return | 2.1 | 2.1 | 4.5 | 21.5 | 15.4 |
| At 5% ICC Return | 3.4 | 6.2 | 13.7 | 30.1 | 22.7 |
| At 7% ICC Return | 25.1 | 29.1 | 34.6 | 47.1 | 40.6 |

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

INCREASE REVENUES DUE
TO TAX INCREASE PROPOSALS

| Receipt Title | FY 1974 | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| arette Tax Increase (From to 13¢ per pack) | $2,412,000 | $2,539,250 | $2,793,125 | $2,904,875 | $3,023,563 | $3,200,139 | $3,387,027 | $3,584,829 | $3,794,183 | $4,015,763 |
| k License Tax Increase (From 2% 6% of net income) | 440,000 | 480,000 | 520,000 | 560,000 | 600,000 | 648,360 | 700,618 | 757,088 | 818,109 | 884,048 |
| way Fuel Tax Increase (From 8¢ 10¢ per gallon with refund for off- way use out of 10¢ gallon.) | 2,655,300 | 2,857,250 | 2,892,700 | 3,002,700 | 3,155,300 | 3,295,080 | 3,441,052 | 3,593,490 | 3,752,682 | 3,918,926 |
| ercraft Fuel Tax | 541,500 | 563,150 | 585,650 | 609,100 | 633,450 | 658,788 | 685,140 | 712,545 | 741,047 | 770,689 |
| Sub-Total | $6,048,800 | $6,439,650 | $6,791,475 | $7,076,675 | $7,412,313 | $7,802,367 | $8,213,837 | $8,647,952 | $9,106,021 | $9,589,426 |

AGO 533461

HB 71

"An Act making special appropriations for the limited entry program for commercial fisheries, and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

RESOURCES COMMITTEE REPORT

on

House Bill #71

The Resources Committee intent in passing out House Bill 71 was that of funding the Entry Commission for the fiscal year 1973, and not necessarily the endorsement of Senate Bill 39, but the endorsement of a much needed limited entry program.

Joe McGill, Chairman
House Resources Committee

Joe McGill

# HOUSE RESOURCES COMMITTEE WORK SHEET

| BILL NO. | DATE | PAGE | TITLE | SPONSOR | FURTHER REFERRALS |
|---|---|---|---|---|---|

This Bill If Enacted Would: House Bill 71
2/16/73

71 do pass —
passed out

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

HB 73

"An Act restricting open to entry lands to state residents."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends.

_____ recommends:

_____ Chairman

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 73 DATE 1/24 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would:

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Representative Hanson -

Hulen - does he Ok. put to 660 for ~~ex~~ ~~hour~~ → 330

Naughton to move Tell out ↔ Carries

# Alaska State Legislature

REPRESENTATIVE
Joe McGill
POUCH V
JUNEAU, ALASKA 99801

HOME ADDRESS
BOX 218
DILLINGHAM, ALASKA 99576

Chairman
Resources Committee

## House of Representatives

UNOFFICIALLY

HB #73

The Attorney General's residency expert said he believes the word "resident" to be alright in this bill. They could come up with strong argument and they also believed that they could defend the constitutionally of it.

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

Resources Committee Report
on
House Bill 73

The only change in 38.05.077 - was the insertion of the word "resident" after deliberation and an unofficially given opinion from the Attorney General's office on the bill's definition of resident the Committee approved this Act.

Joe McGill, Chairman
House Resources Committee

HB 82

"An Act relating to stream rehabilitation in national forests; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
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Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

Resources Committee Report
on
House Bill 82

The Resources Committee has met and approved House Bill #82 feeling that the monies would be well spent on a worth while project.

Joe McGill

Joe McGill, Chairman
House Resources Committee

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

**DEPARTMENT OF ADMINISTRATION**

OFFICE OF THE COMMISSIONER / POUCH C — JUNEAU 99801

25 January 1973

Mr. Bob Christianson
House Resource Committee
House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Mr. Christianson:

As requested, following is a breakdown of National Forest receipts received by the State for FY 72-73 under the provisions of 16 U.S.C. Section 500 and the distribution made to the organized boroughs:

| Tongass National Forest | Percentage of Borough Within Forest | Distributed Amount |
|---|---|---|
| Ketchikan Gateway Borough | 4.94% | $ 42,056 |
| City and Borough of Sitka | 11.47% | 97,648 |
| City and Borough of Juneau | 8.55% | 72,789 |
| Haines Borough | 3.79% | 32,266 |
| Remaining in State General Fund | 71.25% | 606,578 |
| Total Received | 100.00% | $851,337 |

| Chugach National Forest | | |
|---|---|---|
| Greater Anchorage Area Borough | 5.82% | $ 1,793 |
| Kenai Penninsula Borough | 21.30% | 6,562 |
| Kodiak Island Borough | 9.71% | 2,991 |
| Remaining in General Fund | 63.17% | 19,460 |
| Total Received | 100.00% | $30,806 |

| | |
|---|---|
| Total received from Tongass and Chugach National Forests | $882,143 |
| Distributed to Organized Boroughs | $256,105 |
| Remaining in General Fund | $626,038 |

Sincerely yours,

Joseph R. Henri

JOSEPH R. HENRI
Commissioner

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 82 DATE 1/24 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would:

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Illusion

Hubert to move this out of Committee - Recommendation Tendered

HB 101

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| ST WE ABRUSKA | | | SLEETMUTE | AK | 99668 | | 0001 |
| LT THOS T ADAMS JR | | 717TH AC & W SQ | TATALINA AFS | AK | 99695 | | 0002 |
| THOMAS H ADONEY SR | | | NORDALTON | AK | 99640 | | 0003 |
| BOB T AH POOK | | | ANAKTUVUK | AK | 99721 | | 0005 |
| HARRY J AHLFORS | ELMENDORF ROD & GUN CLUB | | ELMENDORF AFB | AK | 99506 | | 0007 |
| FRANK ALSTROM | | BOX 317 | ALAKANUK | AK | 99554 | | 0021 |
| KEN ALVESTAD | N C COMPANY | BOX 280 | KENAI | AK | 99611 | | 0027 |
| ALLAN G ANDERSON | GENERAL DELIVERY | | TAKOTNA | AK | 99675 | | 0026 |
| JOSEPH A ANDREIS | GREAT NORTHERN GUNS | 2920 TUDOR RD | ANCHORAGE | AK | 99502 | | 0028 |
| HERBERT APASSINGOK | | | CAMPBELL | AK | 99742 | | 0036 |
| ROSALIND G ARMANTROUT | | MILE 160 GLENN HWY | PALMER | AK | 99645 | | 0041 |
| DWIGHT ARNOLD | | | NOATAK | AK | 99761 | | 0046 |
| FRANCES W ATWATER | | BOX 153 | EAGLE RIVER | AK | 99577 | | 0052 |
| RICHARD BAILEY | | BOX 724 | PELICAN | AK | 99832 | | 0056 |
| CRYSTAL W BAKER | TELE TRIP INS CO | DX 6 467 | ANCHORAGE | AK | 99502 | | 0057 |
| W C BAKER | BOX 489 | | PETERSBURG | AK | 99833 | | 0058 |
| MARIE BALCH | | MILE 34 SALCHA | FAIRBANKS | AK | 99701 | | 0061 |
| PAUL MILLER | PAY N SAVE | 3901 SEWARD HWY | ANCHORAGE | AK | 99501 | | 0085 |
| MELVIN J BEAGLE | ALASKA SPORTSMANS MALL | 512 CUSHMAN | FAIRBANKS | AK | 99701 | | 0088 |
| GRAFTON BERGMAN | | BOX 6 | FORT YUKON | AK | 99740 | | 0096 |
| FRANCIS C BERNHOFT | BEAVER SPORTING GOODS | BOX 46 | MCGRATH | AK | 99627 | | 0100 |
| ROBINSON BLANKINSHIP | | | KIANA | AK | 99749 | | 0121 |
| ROBERT D BOOMER | HARBOR HARDWARE | 29 STEDMAN | KETCHIKAN | AK | 99901 | | 0123 |
| DONALD R BRANUM | YUKON MERCANTILE | BOX 45 | GALENA | AK | 99741 | | 0139 |
| FRED BRAUN | BRAUNS SPORT SHOPPE | DRAWER D | KENAI | AK | 99611 | | 0141 |
| ANN BRICKER | | BOX 7 | GOLD BAY | AK | 99571 | | 0142 |
| ARCHIE BROWER | | | KAKTOVIK | AK | 99747 | | 0143 |
| STANLEY BROWN | PAXSONS LODGE | | GAKONA | AK | 99586 | | 0151 |
| MILDRED BRYANT | | ST RT | WASILLA | AK | 99687 | | 0156 |
| CALTON BUCHANAN | | BOX 350 | SUTTONA | AK | 99669 | | 0161 |
| LARRY D BUDDE | SHEPARD TRADING CO | BOX 62 | ST MARYS | AK | 99658 | | 0163 |
| ALBERT BUNCH | | 406 FIFTH AVE | ANCHORAGE | AK | 99501 | | 0166 |
| LOUIS BUNYAN | | | HOOPER BAY | AK | 99604 | | 0171 |
| LOIS BURBECK | NORTHERN COMMERCIAL CO | BOX 650 | FAIRBANKS | AK | 99701 | | 0176 |
| ELIZABETH CAMPBELL | | | MEYERS CHUCK | AK | 99903 | | 0181 |
| MARY CARL | | ST RT WILLOW RD | WASILLA | AK | 99687 | | 0186 |
| MICHI CARLOS | CITY CLERK | | UNALASKA | AK | 99685 | | 0190 |
| PAUL CARLSON | | | PEDRO BAY | AK | 99647 | | 0196 |
| CHARLES L CHANDLER | | BOX 374 | NUKE BAY | AK | 99671 | | 0201 |
| RONALD CHARLES ADFG | 2805 DENALI | | ANCHORAGE | AK | 99503 | | 0204 |
| EUGENE CHASE | | | GUSTAVUS | AK | 99826 | | 0206 |
| WILLIAM CHASE | | | ANVIK | AK | 99558 | | 0211 |
| BEVERLY CHRISTENSEN | | | CLAM GULCH | AK | 99568 | | 0221 |
| MAURICE CHRISTIE ADFG | BOX 68 | | BETTLES | AK | 99726 | | 0223 |
| K D CHRISTOFFERSEN | | 410 CLIMAX | FAIRBANKS | AK | 99701 | | 0226 |
| ROBERT CLAUS | | BOX 547 | FAIRBANKS | AK | 99701 | | 0231 |
| ROBERT E CLUTTS | | BOX 15 | ANCHOR POINT | AK | 99556 | | 0233 |
| ROBERT A COGHILL | | BOX 485 | NENANA | AK | 99760 | | 0241 |
| CORRINE COLRUD | THE POTPOURRI | | USIBELLI | AK | 99698 | | 0251 |

STATE OF ALASKA, DEPARTMENT OF REVENUE, FISH AND GAME LICENSE DIVISION
SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING



| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| KATHLEEN G CONN | | 240 S FRANKLIN | JUNEAU | AK | 99801 | REVENUE | 0256 |
| PHIL CONNER (FWP) | PUBLIC SAFETY BLDG | POUCH N | JUNEAU | AK | 99801 | | 0261 |
| CARPEL C CONNICK | | BOX 71 | BETHEL | AK | 99559 | | 0266 |
| CLINTON CONVERSE (FWP) | | BOX 200 | WRANGELL | AK | 99929 | | 0271 |
| TSGT HOWARD B COURTNEY | 743RD AC & W SQ | BOX 742 | CAMPION AFS | AK | 99790 | | 0278 |
| HARRY L COVERT | SITKA COLD STORAGE | BOX 78 | SITKA | AK | 99835 | | 0279 |
| ALAN CRANE | | BOX 62 | DILLINGHAM | AK | 99576 | ADFG | 0282 |
| LESLIE I CRANE | SPORTER ARMS | BOX 295 | HOMER | AK | 99603 | | 0283 |
| ALBERT J CRUVER | ARMY NAVY SURPLUS | BOX 658 | KENAI | AK | 99611 | | 0286 |
| RICHARD C CRUVER | ARMY NAVY SURPLUS | 320 FOURTH AVE | ANCHORAGE | AK | 99501 | | 0291 |
| KERMITH CULP | | BOX 117 | HAINES | AK | 99827 | | 0296 |
| RUTH CUNNINGHAM | | BOX 188 | NORTH POLE | AK | 99705 | | 0301 |
| 1/SGT PATRICK J DALY SS | 719 AC & W SQ | BOX 161 | SPARREVOHN | AK | | AAC | 0305 |
| VELMA DAVIDSON | | | HOPE | AK | 99605 | | 0316 |
| HENRY DEACON | | | GRAYLING | AK | 99590 | | 0321 |
| FRED S DEWEY | | | NOYUK | AK | 99753 | | 0331 |
| LEONARD DOUGLAS | | | SHUNGNAK | AK | 99773 | | 0340 |
| DOLORES DRASHNER | | | CANTWELL | AK | 99729 | | 0341 |
| VERA N DUL | FORKS ROADHOUSE | STAR ROUTE | WILLOW | AK | 99688 | | 0344 |
| PHIL DURANT | | BOX 737 | SEWARD | AK | 99664 | | 0346 |
| LORENE ELLIS | | P NENESNA | CHISTOCHINA | AK | 99[illegible] | | 0361 |
| ELSIE M ELMORE | % SEARS ROEBUCK CO | 700 NORTHERN LIGHTS BLVD | ANCHORAGE | AK | 9950[illegible] | | 0362 |
| MAXINE EMBERG | | BOX 95 | DILLINGHAM | AK | 99576 | | 0363 |
| JAMES R ENGBERG | FLINTS SPORTING GOODS | BOX 126 | GAKONA | AK | 99586 | | 0369 |
| NICK EPCHOOK | | | KWETHLUK | AK | 99621 | | 0371 |
| CLINTON C ERICK | ERICKS TAXIDERMY | 816 INTL AIRPORT RD | ANCHORAGE | AK | 99502 | | 0375 |
| BARBARA FISHER | | ST RT C BIG LAKE | WASILLA | AK | 99687 | | 0376 |
| WAYNE FLEEK | BOX 276 | | KING SALMON | AK | 99613 | | 0381 |
| PAT FLINN | | BOX 279 | CORDOVA | AK | 99574 | | 0386 |
| FLORENCE FLORESKE | | POUCH N | JUNEAU | AK | 99801 | F & W PROT | 0391 |
| DAN FRANCE | | BOX 1330 | SOLDOTNA | | AK996[illegible] | ADFG | 0396 |
| MARGARET FRASER | | MILE 79 RICHARDSON HWY | COPPER CENTER | AK | 99573 | | 0411 |
| WARREN FYTEN | | MILE 29 STEESE HWY | CHATANIKA | AK | 99701 | | 0421 |
| JUNE GARROUTTE | | BOX 173 | NINILCHIK | AK | 99639 | | 0431 |
| G O GERMAIN | CARIBOU WARDS | BOX 4 1 | ANCHORAGE | AK | 99504 | | 0436 |
| TRIMBLE GILBIRT | | | ARCTIC VILLAG | AK | 99722 | | 0441 |
| ELAINE M GILES | | DRAWER P | SELDOVIA | AK | 99663 | | 0445 |
| ED GLOTFELTY MGR | CITY OF KENAI | BOX 580 | KENAI | AK | 99611 | | 0450 |
| ALECK GRIECHEN | | BRISTOL BAY | PILOT POINT | AK | 99655 | | 0456 |
| RONALD GROSSI | | PT 2 | KASILOF | AK | 99610 | | 0461 |
| HERBERT HADLEY | | | BUCKLAND | AK | 99727 | | 0471 |
| JEAN A HAMILTON | ALCOM EXCHANGE RR 1203 | BOX 109 | FT GREELY | AK | 98733 | | 0475 |
| JAMES HAMMER | | BOX 249 | PETERSBURG | AK | 99833 | | 0486 |
| PATRICIA HAMMERSMITH | | BOX 38 | CORDOVA | AK | 99574 | | 0488 |
| DONALD C HANKS | BOONDOCK TAXIDERMY | BOX 6 1 | EAGLE RIVER | AK | 99577 | | 0490 |
| RITA HATCH | | BOX 1 | CHITINA | AK | 99566 | | 0496 |
| MARY ANN HAUGEN | | BOX 87 | UNALAKLEET | AK | 99684 | | 0501 |
| RICHARD HEMMEN | | BOX 36 | MCGRATH | AK | 99627 | ADFG | 0511 |
| WALTER HERMES | KING MOUNTAIN LODGE | MI 77 GLENN HWY | PALMER | AK | 99645 | | 0513 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| DOROTHY HIBBS | | | GIRDWOOD | AK | 99587 | | 0516 |
| WANDA J HILL | | ALASKAN EXCHANGE BR 1201 | ELMENDORF AFB | AK | 99506 | | 0520 |
| REV JOHN A HINSVARK | | | CHEFORNAK | AK | 99561 | | 0531 |
| JAMES W HOAG | ALPINE GENERAL STORE | BOX 43 | SUTTON | AK | 99674 | | 0534 |
| CLARA HONEA | | BOX 17 | RUBY | AK | 99768 | | 0546 |
| DAVID HORTON | | BOX 1488 | JUNEAU | AK | 99801 | | 0551 |
| ELEANOR HOUSE | FISH & WILDLIFE DIV | 1616 CUSHMAN | FAIRBANKS | AK | 99701 | | 0555 |
| DONALD HUNTER | | | FORTUNA LEDGE | AK | 99585 | | 0571 |
| BETTY L ISAACS | | BOX 72 | CRAIG | AK | 99921 | | 0580 |
| THOMAS L JACKSON JR | JACKSONS SPORTING GOODS | BOX 357 | KAKE | AK | 99830 | | 0585 |
| CARL JACOBSON JR | ANGOON TRADING CO | | ANGOON | AK | 99820 | | 0591 |
| VIRGIL 'RED' JAMES | | | CHISTOCHINA | AK | 99695 | | 0596 |
| GENE JENNE | PLATINUM TRADING CO | | PLATINUM | AK | 99651 | | 0601 |
| MARY JOHN | MARYS TRADING POST | | NIKOLAI | AK | 99691 | | 0611 |
| GARY N JOHNSON | MY 3 SONS DRIVE IN | GEN DEL | TALKEETNA | AK | 99676 | | 0618 |
| GUS JOHNSON | | BOX 576 | SEWARD | AK | 99664 | | 0621 |
| K BURTON JOHNSON | | DRAWER B F | MT VIEW | AK | 99504 | | 0626 |
| JACK W JORDAN | DIV OF PROTECTION | BOX 836 | SEWARD | AK | 99664 | | 0638 |
| TERRY JORDAN | | BOX 24 | GLENNALLEN | AK | 99588 | ADFG | 0641 |
| GERTRUDE JURGELEIT | SHEEP MTN LODGE | MILE 113 GLENN HWY | PALMER | AK | 99645 | | 0646 |
| LUCY KASAYULIE | | | GOODNEWS BAY | AK | 99589 | | 0661 |
| PETE KASHEVAROFF | | BOX 962 | NOME | AK | 99762 | ADFG | 0666 |
| CLARENCE KATCHATAG | | | SHAKTOOLIK | AK | 99771 | | 0671 |
| STEVE E KAURA | ALCOM EXCHANGE | BOX 5 389 | FT RICHARDSON | AK | 99505 | | 0674 |
| SOLOMON KAWAGLEY | | | AKIAK | AK | 99557 | | 0676 |
| DAVID E KENDALL | | MILE 56 RICHARDSON HWY | VALDEZ | AK | 99686 | | 0686 |
| CLARENCE KENNEDY | | | KIVALINA | AK | 99750 | | 0691 |
| KEN KILLION | VALU MART | 1000 E NO LOTS | ANCHORAGE | AK | 99504 | | 0697 |
| GARY KING | | 1231 NORTHERN LTS BLVD | ANCHORAGE | AK | 99503 | | 0701 |
| MIKE KINSEY | B & W DISCO | 714 3RD AVE | FAIRBANKS | AK | 99701 | | 0706 |
| ALICE KITKOON | | BOX 157 | HYDABURG | AK | 99922 | | 0711 |
| FRANK H KLEPSER | | BOX 239 | KETCHIKAN | AK | 99901 | | 0716 |
| JESS B KNIGHT | RIEDERMAN GENERAL STORE | BOX 42 | EAGLE | AK | 99738 | | 0718 |
| DOROTHY KNIGHTEN | | ST RT THE FISHHOUSE | SEWARD | AK | 99664 | | 0721 |
| DONALD P KOENIGS | | BOX 1889 | KETCHIKAN | AK | 99901 | WHALE PASS | 0723 |
| JAN KOSLOSKY | | BOX 1 | PALMER | AK | 99645 | | 0726 |
| WALTER D KRAFT | | BOX 1217 | KODIAK | AK | 99615 | | 0731 |
| DOUGLAS J KUBAT | | GEN DEL | LANTWELL | AK | 99729 | | 0732 |
| ANDREW J KUNAYAK | | | DIOMEDE | AK | 99762 | | 0733 |
| ALICE LENNERT | BOX 1348 | | COFFMAN COVE | AK | 99950 | | 0742 |
| JOHN H LEITHOLF | SPORTSMANS MARINE SUPPLY | STAR ROUTE A HOMER SPIT | HOMER | AK | 99603 | | 0743 |
| ELFRIEDA LEWIS | | BOX G | CONDE | AK | 99570 | | 0746 |
| KENNETH LEWIS | | BOX 261 | HOMER | AK | 99603 | ADFG | 0751 |
| REA F LINGLE | | BOX 357 | SKAGWAY | AK | 99840 | | 0756 |
| SGT ROBERT LOCHMAN | DEPT OF PUBLIC SAFETY | BOX 1065 | KODIAK | AK | 99615 | | 0760 |
| MONA B LONG | | BOX 1295 HINIAK AFS | KODIAK | AK | 99615 | | 0771 |
| CECIL C MCCLAIN | | BOX 11 | SITKA | AK | 99835 | | 0781 |
| EMIL MCGORD SR | | | TYONEK | AK | 99682 | | 0786 |
| DONALD B MCCUMBY | PAY N SAVE DRUGS | 250 3RD & GRAEME | FAIRBANKS | AK | 99701 | | 0788 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| RICHARD MCINTYRE | | 412 SECOND AVE | FAIRBANKS | AK | 99701 | | 0796 |
| ELEANOR MCKIRGAN | | BOX 2711 | FAIRBANKS | AK | 99701 | | 0801 |
| EDWARD P MADSEN | | BOX 1387 | JUNEAU | AK | 99801 | | 0806 |
| RALPH MANN | | BOX 263 | KOTZEBUE | AK | 99752 | ADFG | 0808 |
| LOIS MARKGRAF | | MILE 39 RICHARDSON HWY | FAIRBANKS | AK | 99701 | | 0811 |
| ROGER L MARLOW | | BOX 2212 | KETCHIKAN | AK | 99901 | | 0816 |
| VILAS D MARSH | | MANLEY | HOT SPRINGS | AK | 99765 | | 0821 |
| NANCY MARX | | BOX 173 | HYDER | AK | 99923 | | 0835 |
| DELORES MATTER | KUSKO SALES | CX,487 | ANIAK | AK | 99557 | | 0841 |
| CORWIN A MATTHEWS | PAY'N PAK SPORTS | 1770 E NORTHERN LIGHTS | ANCHORAGE | AK | 99503 | | 0842 |
| NANCY MATTHEWS | | BOX 1225 | NOME | AK | 99603 | | 0843 |
| MILTON MAYR | DEPT OF REVENUE | 604 BARNETTE | FAIRBANKS | AK | 99701 | SUPPLIES ONLY | 0844 |
| JAMES L MESSER | NOME HARDWARE | BOX 850 | NOME | AK | 99762 | | 0845 |
| GLORIA MICHAELS | ALPINE HEATING OILS | BOX 64 | SUTTON | AK | 99674 | | 0846 |
| DIANE J MILLER | | BOX 404 | NORTHWAY | AK | 99764 | | 0849 |
| MARY F MILLER | PT BAKER TRADING POST | BOX 403 | POINT BAKER | AK | 99927 | | 0850 |
| MICHAEL D NADEAU | RMN INDUSTRIES | BOX 299 | CLEAR | AK | 99704 | | 0880 |
| WALTER NAYOKPUK | | | SHISHMAREK | AK | 99772 | | 0891 |
| FLORENCE R NESS | FOODLANES | CX 503 | VALDEZ | AK | 99686 | | 0898 |
| ROBERT NEWLIN | | | NOORVIK | AK | 99763 | | 0901 |
| TOM NICHOLS | F & W PRO OFFICER | BOX 69 | YAKUTAT | AK | 99689 | | 0915 |
| JOSEPH NOONGWOOK | | | SAVOONGA | AK | 99769 | | 0921 |
| GEORGE NORTON | | BOX 492 | DELTA JNCTN | AK | 99737 | | 0926 |
| STEVE NOWATAK | | KOKHANOK BAY | ILIAMNA | AK | 99606 | | 0929 |
| DONALD OKTOLLIK | | | POINT HOPE | AK | 99766 | | 0936 |
| DAVID E OLERUD | NORTH STAR SPTG GOODS | CX 266 | HAINES | AK | 99827 | | 0938 |
| KENNETH D OLSEN | SPORTSMAN LODGE | | COOPER LNDNG | AK | 99572 | | 0941 |
| ARNOLD OMHOLT | | BOX 127 | KING SALMON | AK | 99613 | | 0946 |
| WILLIAM C ONEAL | SPORTSMANS ASSN | | EIELSON AFB | AK | 99702 | | 0948 |
| DERMOTT OTOOLE | | | TENAKEE SPRNG | AK | 99841 | | 0951 |
| EINAR OTTESEN | | BOX 140 | WRANGELL | AK | 99929 | | 0956 |
| ERNEST E OXEREOK | | | WALES | AK | 99783 | | 0961 |
| DONALD PETERS | | | HOLY CROSS | AK | 99602 | | 0971 |
| MYRNA L PETERS | | | ELFIN COVE | AK | 99825 | | 0986 |
| MAY H PICKENS | | | CAPE POLE | AK | 99950 | | 1001 |
| VIOLET PIERCE | | | CENTRAL | AK | 99730 | | 1006 |
| BEATRICE POSTON | | KINGNA CREEK | SAMONA | AK | 99586 | | 1016 |
| CAROLINE POWELL | | BOX 156 | YAKUTAT | AK | 99689 | | 1021 |
| RICHARD T PREVOST | RED HAT SPTG GOODS | CEN DEL | CLEAR | AK | 99704 | | 1031 |
| CHARLES PYLES | REVENUE | BOX 960 | ANCHORAGE | AK | 99510 | SUPPLIES ONLY | 1035 |
| WAYNE RACINE | | | MOOSE PASS | AK | 99631 | | 1041 |
| MARY LOU REDMOND | | | INDIAN | AK | 99540 | | 1056 |
| ROBERT REDSTON (EWP) | | BOX 1020 | SITKA | AK | 99835 | | 1061 |
| STEPHEN REYNOLDS | | 2805 DENALI | ANCHORAGE | AK | 99503 | ADFG | 1066 |
| ERNEST ROBERTSON | THE TACKLE SHOP | BOX 531 | SITKA | AK | 99835 | | 1076 |
| JAMES G ROBINETT JR | BOX 35 | | KING COVE | AK | 99612 | | 1077 |
| MICHAEL ROSCOVIUS | | BOX 304 | HAINES | AK | 99827 | F & W PROT | 1096 |
| CHARLES RUSH | | BOX 3729 | ANCHORAGE | AK | 99501 | | 1111 |
| BOYD RUSSELL | | BOX 407 | THORNE BAY | AK | 99950 | | 1116 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| MARGARET S RUSSELL | KOTZEBUE FISHERY COOP | BOX 343 | KOTZEBUE | AK | 99752 | | 1118 |
| JUDITH SARO | | ST RT C BOX 250 | PALMER | AK | 99645 | | 1126 |
| DAVID SACCHEUS | | | ELIM | AK | 99739 | | 1131 |
| H F SCHAUB | BELL ISLAND HOT SPRINGS | | BELL ISLAND | AK | 99901 | | 1133 |
| G D SCHOTT | USCG EXCHANGE | BOX 31 | KODIAK | AK | 99615 | | 1134 |
| HILDA SEE | | BOX 98 | HOONAH | AK | 99829 | | 1141 |
| MABEL SHANAHAN | BETTLES MARKET | | BETTLES FIELD | AK | 99726 | | 1153 |
| FRANK SHARP (FWP) | | BOX 2321 | KETCHIKAN | AK | 99901 | | 1156 |
| B R SHELTON | NAVY EXCHANGE OFFICER | BOX 8 | ADAK | AK | 99791 | | 1158 |
| ALLEN J SHONTZ | | BOX 347 | BARROW | AK | 99723 | | 1161 |
| GLEN SHOULDA | | | WAINWRIGHT | AK | 99782 | | 1176 |
| FREDERICK W SHOWALTER | WAKEFIELD SEAFOODS INC | BOX 188 | PORT LIONS | AK | 99550 | | 1177 |
| FRANKLIN SIMON | | | HUSLIA | AK | 99746 | | 1178 |
| ROBERT SIGNEROS | ALCOM EXCHANGE #23 | | FT WAINWRIGHT | AK | 99703 | | 1179 |
| ARTHUR SKINNER | | BOX 30 | JUNEAU | AK | 99801 | | 1186 |
| CINDY ANN SMITH | WHITTIER MARINE | | WHITTIER | AK | 99501 | | 1187 |
| FRED SMITH | | BOX 610 | PALMER | AK | 99645 | ADFG | 1188 |
| JAMES SMITH | BOX 305 | | IDK | AK | 59789 | ADFG | 1189 |
| LYLE D SMITH | KINGS STORE | BOX 146 | HAINES | AK | 99827 | | 1190 |
| ODON E SOETH AGENT | REEVE ALEUTIAN AIRWAYS | | PORT HEIDEN | AK | | | 1192 |
| WALLACE A SONNENBURG | WARM SPRINGS ENTERPRISES | | BARANOF | AK | 99822 | | 1193 |
| JEAN SPEERSTRA | | BOX 186 | GLENNALLEN | AK | 99588 | | 1194 |
| DAVID C STOUT | JAMES STORE | I 1264 ALASKA HWY | IDK | AK | 99780 | | 1204 |
| ROBERT SUCHY | | 2727 TONGASS AVE | KETCHIKAN | AK | 99901 | | 1211 |
| CLARA M TALL | | | CHEVAK | AK | 99563 | | 1221 |
| WILLIAM P TAYLOR | TONGASS TRADING CO | BOX 468 | KETCHIKAN | AK | 99901 | | 1224 |
| HENRY TEELUK | | KOTLIK | ALAKANUK | AK | 99554 | | 1226 |
| BILLY E THOMPSON | LOG GIFT SHOP | BOX 1159 | SOLDOTNA | AK | 99669 | | 1249 |
| DOROTHY THOMPSON | | MILE 1223 ALASKA HWY | IDK | AK | 59780 | | 1251 |
| JACK R THORNTON | JONAS BROS OF ALASKA | 300 W 5TH AVE | ANCHORAGE | AK | 99501 | | 1258 |
| SARAH TICKETT | POSTMASTER | | AMBLER | AK | 99786 | | 1260 |
| ERNEST TIEMANN | | | WINILCHIK | AK | 99639 | | 1266 |
| MARY TWEET | | | TELLER | AK | 99778 | | 1281 |
| ROSE V TYLER | TYLER LOGGING CO | BOX 630 | PETERSBURG | AK | 99833 | | 1285 |
| LAURA L TYSON | MOOSE RIVER RESORT | | STERLING | AK | 99672 | | 1291 |
| BENJAMIN UTTEREYUK | NATIVE STORE MANAGER | | SCAMMON BAY | AK | 99662 | | 1300 |
| MARY VALKA | | | LOWER KALSKAG | AK | 99626 | | 1306 |
| DAVE WAARVIK (FWP) | | BOX 667 | PETERSBURG | AK | 99833 | | 1316 |
| ALLIE G WARNER | LURE OF THE NORTH | BOX 1160 | SOLDOTNA | AK | 99669 | | 1328 |
| FRANK R WARREN JR | | | CIRCLE CITY | AK | 99733 | | 1329 |
| HARRY WARREN | BROWNS SPTSMAN SERV | STAR ROUTE | STERLING | AK | 99672 | | 1330 |
| JULIAN P WEIR | | MI 182 GLENN HWY BOX 275 | GLENNALLEN | AK | 99588 | | 1331 |
| IRA WEISNER | WEISNER TRADING CO | | KAMPART | AK | 99767 | | 1336 |
| JERRY L WELLS | GULF AIR TAXI | BOX 37 | YAKUTAT | AK | 99689 | | 1338 |
| CAROLINE WESTERBERG | | BOX 667 | PETERSBURG | AK | 99833 | ADFG | 1341 |
| MARCELINE WHITE | | ST RT C BOX 280 | PALMER | AK | 99645 | | 1346 |
| ROSALIE M WHITE | | BOX 38 | WILLOW | AK | 99688 | | 1351 |
| G O WIEGNER | | 1200 TUDOR ST | ANCHORAGE | AK | 99504 | | 1356 |
| JENNIE WILLIAMS | | | ALLAKAKET | AK | 99720 | | 1368 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC LISTING

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| JACK WILLIAMSON | | 3930 MT VIEW DR | ANCHORAGE | AK | 99504 | | 1376 |
| MARK R WILSON | HAMILTONS PLACE | MI 48.5 STERLING HWY | COOPER LNDG | AK | 99572 | | 1380 |
| MARILOU WINCHESTER | | 2805 DENALI | ANCHORAGE | AK | 99503 | ADFG | 1386 |
| BRUCE WOODFORD | | BOX 428 | SOLDOTNA | AK | 99669 | | 1396 |
| JACQUELINE WOODS | | BOX 306 | KLAWOCK | AK | 99925 | | 1398 |
| MARIE WRIGHT | | BOX A | PALMER | AK | 99645 | | 1401 |
| WILLIAM WYATT | | BOX 568 | VALDEZ | AK | 99686 | | 1406 |
| JACK L YOUNG | AK TECHTONIC ENTERPRISES | BOX 45 | KOTZEBUE | AK | 99752 | | 1415 |

01/18/73

STATE OF ALASKA, DEPARTMENT OF REVENUE, FISH AND GAME LICENSE DIVISION
SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN



| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGEN |
|---|---|---|---|---|---|---|---|
| ADAK 98791 | | | | | | | |
| B R SHELTON | NAVY EXCHANGE OFFICER | BOX 8 | ADAK | AK | 98791 | | 115 |
| AKIAK 99557 | | | | | | | |
| SOLOMON KAWAGLEY | | | AKIAK | AK | 99557 | | 067 |
| ALAKANUK 99554 | | | | | | | |
| FRANK ALSTROM | | BOX 312 | ALAKANUK | AK | 99554 | | 002 |
| ALLAKAKET 99720 | | | | | | | |
| JENNIE WILLIAMS | | | ALLAKAKET | AK | 99720 | | 136 |
| AMBLER 99786 | | | | | | | |
| SARAH TICKETT | POSTMASTER | | AMBLER | AK | 99786 | | 126 |
| ANAKTUVUK 99721 | | | | | | | |
| BOB T AHGOOK | | | ANAKTUVUK | AK | 99721 | | 000 |
| ANCHORAGE 99502 | | | | | | | |
| JOSEPH A ANDREIS | GREAT NORTHERN GUNS | 2920 TUDOR RD | ANCHORAGE | AK | 99502 | | 002 |
| CRYSTAL W BAKER | TELE TRIP INS CO | BOX 6 467 | ANCHORAGE | AK | 99502 | | 005 |
| PAUL MILLER | PAY N SAVE | 3901 SEWARD HWY | ANCHORAGE | AK | 99501 | | 008 |
| ALBERT BUNCH | | 406 FIFTH AVE | ANCHORAGE | AK | 99501 | | 016 |
| RONALD CHARLES ADFG | 2805 DENALI | | ANCHORAGE | AK | 99503 | | 020 |
| RICHARD C CROVER | ARMY NAVY SURPLUS | 320 FOURTH AVE | ANCHORAGE | AK | 99501 | | 029 |
| ELSIE M ELMORE | * SEARS ROEBUCK CO | 700 NORTHERN LIGHTS BLVD | ANCHORAGE | AK | 99503 | | 036 |
| CLINTON C FICK | FICKS TAXIDERMY | 816 INTL AIRPORT RD | ANCHORAGE | AK | 99502 | | 037 |
| G O GERMAIN | CARIBOU WARDS | BOX 4 1 | ANCHORAGE | AK | 99504 | | 043 |
| KEN KILLION | VALU MART | 1000 E NO LGTS | ANCHORAGE | AK | 99504 | | 059 |
| GARY KING | | 1231 NORTHERN LTS BLVD | ANCHORAGE | AK | 99503 | | 070 |
| CORWIN A MATTHEWS | PAY'N PAK SPORTS | 1770 W NORTHERN LIGHTS | ANCHORAGE | AK | 99503 | | 084 |
| CHARLES PYLES | REVENUE | BOX 360 | ANCHORAGE | AK | 99510 | SUPPLIES ONLY | 103 |
| STEPHEN REYNOLDS | | 2805 DENALI | ANCHORAGE | AK | 99503 | ADFG | 106 |
| CHARLES RUSH | | BOX 3728 | ANCHORAGE | AK | 99501 | | 111 |
| JACK R THORNTON | JONAS BROS OF ALASKA | 300 W 5TH AVE | ANCHORAGE | AK | 99501 | | 125 |
| G O WIEGNER | | 1200 TURPIN RD | ANCHORAGE | AK | 99504 | | 135 |
| JACK WILLIAMSON | | 3930 MT VIEW DR | ANCHORAGE | AK | 99504 | | 137 |
| MARILOU WINCHESTER | | 2805 DENALI | ANCHORAGE | AK | 99503 | ADFG | 138 |
| ANCHOR POINT 99586 | | | | | | | |
| ROBERT E CLUTTS | | BOX 154 | ANCHOR POINT | AK | 99586 | | 023 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| ANGOON 99820 | | | | | | | |
| CARL JACOBSON JR | ANGOON TRADING CO | | ANGOON | AK | 99820 | | 0591 |
| ANIAK 99557 | | | | | | | |
| DELORES MATTER | KUSKO SALES | BX 487 | ANIAK | AK | 99557 | | 0841 |
| ANVIK 99558 | | | | | | | |
| WILLIAM CHASE | | | ANVIK | AK | 99558 | | 0211 |
| ARCTIC VILLAG 99722 | | | | | | | |
| TRIMBLE GILBERT | | | ARCTIC VILLAG | AK | 99722 | | 0441 |
| AUKE BAY 99821 | | | | | | | |
| CHARLES L CHANDLER | | BOX 374 | AUKE BAY | AK | 99821 | | 0201 |
| BARANOF 99822 | | | | | | | |
| WALLACE A SONNENBURG | WARM SPRINGS ENTERPRISES | | BARANOF | AK | 99822 | | 1193 |
| BARROW 99723 | | | | | | | |
| ALLEN J SHONTZ | | BOX 347 | BARROW | AK | 99723 | | 1161 |
| BELL ISLAND 99901 | | | | | | | |
| H F SCHAUB | BELL ISLAND HOT SPRINGS | | BELL ISLAND | AK | 99901 | | 1133 |
| BETHEL 99559 | | | | | | | |
| DARREL C CONNICK | | BOX 71 | BETHEL | AK | 99559 | | 0266 |
| BETTLES 99726 | | | | | | | |
| MAURICE CHRISTIE ADFG | BOX 68 | | BETTLES | AK | 99726 | | 0223 |
| MABEL SHANAHAN | BETTLES MARKET | | BETTLES FIELD | AK | 99726 | | 1153 |
| BUCKLAND 99727 | | | | | | | |
| HERBERT HADLEY | | | BUCKLAND | AK | 99727 | | 0471 |
| CAMPION AFS 99790 | | | | | | | |
| TSGT HOWARD B COURTNEY | 743RD AC & W SQ | BOX 742 | CAMPION AFS | AK | 99790 | | 0278 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| CANTWELL 99729 | | | | | | | |
| DOLORES DRASHNER | | | CANTWELL | AK | 99729 | | 0341 |
| CANTWELL 99729 | | | | | | | |
| DOUGLAS J KUBAT | | GEN DEL | CANTWELL | AK | 99729 | | 0732 |
| CAPE POLE 99950 | | | | | | | |
| MAY H PICKENS | | | CAPE POLE | AK | 99950 | | 1001 |
| CENTRAL 99730 | | | | | | | |
| VIOLET PIERCE | | | CENTRAL | AK | 99730 | | 1006 |
| CHATANIKA 99701 | | | | | | | |
| WARREN FYTEN | | MILE 29 STEESE HWY | CHATANIKA | AK | 99701 | | 0421 |
| CHEFORNAK 99561 | | | | | | | |
| REV JOHN A HINSVARK | | | CHEFORNAK | AK | 99561 | | 0531 |
| CHEVAK 99563 | | | | | | | |
| CLARA M TALL | | | CHEVAK | AK | 99563 | | 1221 |
| CHISTOCHINA 99695 | | | | | | | |
| LORENE ELLIS | | % NEBESNA | CHISTOCHINA | AK | 99695 | | 0361 |
| VIRGIL 'RED' JAMES | | | CHISTOCHINA | AK | 99695 | | 0596 |
| CHITINA 99566 | | | | | | | |
| RITA HATCH | | BOX 1 | CHITINA | AK | 99566 | | 0496 |
| CIRCLE CITY 99733 | | | | | | | |
| FRANK R WARREN JR | | | CIRCLE CITY | AK | 99733 | | 1329 |
| CLAM GULCH 99568 | | | | | | | |
| BEVERLY CHRISTENSEN | | | CLAM GULCH | AK | 99568 | | 0221 |
| CLEAR 99704 | | | | | | | |
| MICHAEL D NADEAU | RMN INDUSTRIES | BOX 299 | CLEAR | AK | 99704 | | 0660 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| RICHARD T PREVOST | RED HAT SPTG GOODS | GEN DEL | CLEAR | AK | 99704 | | 1031 |
| COFFMAN COVE 99950 | | | | | | | |
| ALICE LEHNERT | BOX 1348 | | COFFMAN COVE | AK | 99950 | | 0742 |
| COHOE 99570 | | | | | | | |
| ELFRIEDA LEWIS | | BOX G | COHOE | AK | 99570 | | 0746 |
| COLD BAY 99571 | | | | | | | |
| ANN BRICKER | | BOX 7 | COLD BAY | AK | 99571 | | 0142 |
| COOPER LNDNG 99572 | | | | | | | |
| KENNETH D OLSEN | SPORTSMAN LODGE | | COOPER LNDNG | AK | 99572 | | 0941 |
| MARK R WILSON | HAMILTONS PLACE | MI 48.5 STERLING HWY | COOPER LNDG | AK | 99572 | | 1380 |
| COPPER CENTER 99573 | | | | | | | |
| MARGARET FRASER | | MILE 79 RICHARDSON HWY | COPPER CENTER | AK | 99573 | | 0411 |
| CORDOVA 99574 | | | | | | | |
| PAT FLINN | | BOX 279 | CORDOVA | AK | 99574 | | 0386 |
| PATRICIA HAMMERSMITH | | BOX 38 | CORDOVA | AK | 99574 | | 0488 |
| CRAIG 99921 | | | | | | | |
| BETTY L ISAACS | | BOX 72 | CRAIG | AK | 99921 | | 0580 |
| DELTA JNCTN 99737 | | | | | | | |
| GEORGE NORTON | | BOX 892 | DELTA JNCTN | AK | 99737 | | 0926 |
| DILLINGHAM 99576 | | | | | | | |
| ALAN CRANE | | BOX 62 | DILLINGHAM | AK | 99576 | ADFG | 0282 |
| MAXINE EMBERG | | BOX 95 | DILLINGHAM | AK | 99576 | | 0363 |
| DIOMEDE 99762 | | | | | | | |
| ANDREW J KUNAYAK | | | DIOMEDE | AK | 99762 | | 0733 |
| EAGLE 99738 | | | | | | | |
| JESS B KNIGHT | BIEDERMAN GENERAL STORE | BOX 42 | EAGLE | AK | 99738 | | 0716 |
| EAGLE RIVER 99577 | | | | | | | |
| FRANCES W ATWATER | | BOX 153 | EAGLE RIVER | AK | 99577 | | 0052 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| DONALD C HANKS | BOONDOCK TAXIDERMY | BOX 621 | EAGLE RIVER | AK | 99577 | | 0490 |
| EIELSON AFB 99702 | | | | | | | |
| WILLIAM C ONEAL | SPORTSMANS ASSN | | EIELSON AFB | AK | 99702 | | 0948 |
| ELFIN COVE 99825 | | | | | | | |
| MYRNA L PETERS | | | ELFIN COVE | AK | 99825 | | 0986 |
| ELIM 99739 | | | | | | | |
| DAVID SACCHEUS | | | ELIM | AK | 99739 | | 1131 |
| ELMENDORF AFB 99506 | | | | | | | |
| HARRY J AHLFORS | ELMENDORF ROD & GUN CLUB | | ELMENDORF AFB | AK | 99506 | | 0007 |
| WANDA J HILL | | ALASKAN EXCHANGE BR 1201 | ELMENDORF AFB | AK | 99506 | | 0520 |
| FAIRBANKS 99701 | | | | | | | |
| MARIE BALCH | | MILE 34 SALCHA | FAIRBANKS | AK | 99701 | | 0061 |
| MELVIN J BEAGLE | ALASKA SPORTSMANS MALL | 512 CUSHMAN | FAIRBANKS | AK | 99701 | | 0088 |
| LOIS BURDECK | NORTHERN COMMERCIAL CO | BOX 650 | FAIRBANKS | AK | 99701 | | 0176 |
| K D CHRISTOFFERSEN | | 610 CUSHMAN | FAIRBANKS | AK | 99701 | | 0226 |
| ROBERT CLAUS | | BOX 547 | FAIRBANKS | AK | 99701 | | 0231 |
| ELEANOR HOUSE | FISH & WILDLIFE DIV | 1616 CUSHMAN | FAIRBANKS | AK | 99701 | | 0555 |
| MIKE KINSEY | B & W DISCO | 714 3RD AVE | FAIRBANKS | AK | 99701 | | 0704 |
| CONALD B MCCUMBY | PAY N SAVE DRUGS | 250 3RD & GRAEHL | FAIRBANKS | AK | 99701 | | 0786 |
| RICHARD MCINTYRE | | 412 SECOND AVE | FAIRBANKS | AK | 99701 | | 0796 |
| ELEANOR MCKIRGAN | | BOX 2711 | FAIRBANKS | AK | 99701 | | 0801 |
| LOIS MARGRAF | | MILE 39 RICHARDSON HWY | FAIRBANKS | AK | 99701 | | 0811 |
| MILTON MAYR | DEPT OF REVENUE | 604 BARNETTE | FAIRBANKS | AK | 99701 | SUPPLIES ONLY | 0844 |
| FT GREELY 98733 | | | | | | | |
| JEAN A HAMILTON | ALCOM EXCHANGE BR 1203 | BOX 109 | FT GREELY | AK | 98733 | | 0475 |
| FT RICHARDSON 99505 | | | | | | | |
| STEVE E KAURA | ALCOM EXCHANGE | BOX S 389 | FT RICHARDSON | AK | 99505 | | 0674 |
| FT WAINWRIGHT 99703 | | | | | | | |
| ROBERT SISNEROS | ALCOM EXCHANGE #23 | | FT WAINWRIGHT | AK | 99703 | | 1179 |
| FORT YUKON 99740 | | | | | | | |
| GRAFTON BERGMAN | | BOX A | FORT YUKON | AK | 99740 | | 0096 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| FORTUNA LEDGE 99585 | | | | | | | |
| DONALD HUNTER | | | FORTUNA LEDGE | AK | 99565 | | 0571 |
| GAKONA 99586 | | | | | | | |
| STANLEY BROWN | PAXSONS LODGE | | GAKONA | AK | 99586 | | 0151 |
| JAMES R ENGBERG | FLINTS SPORTING GOODS | BOX 126 | GAKONA | AK | 99586 | | 0369 |
| GALENA 99741 | | | | | | | |
| DONALD R BRANUM | YUKON MERCANTILE | BOX 45 | GALENA | AK | 99741 | | 0139 |
| GAMBELL 99742 | | | | | | | |
| HERBERT APASSINGOK | | | GAMBELL | AK | 99742 | | 0036 |
| GIRDWOOD 99587 | | | | | | | |
| DOROTHY HIBBS | | | GIRDWOOD | AK | 99587 | | 0516 |
| GLENNALLEN 99588 | | | | | | | |
| TERRY JORDAN | | BOX 24 | GLENNALLEN | AK | 99588 | ADFG | 0541 |
| JEAN SPEERSTRA | | BOX 186 | GLENNALLEN | AK | 99588 | | 1194 |
| JULIAN P WEIR | | MI 182 GLENN HWY BOX 275 | GLENNALLEN | AK | 99588 | | 1351 |
| GOODNEWS BAY 99589 | | | | | | | |
| LUCY KASAYULIE | | | GOODNEWS BAY | AK | 99589 | | 0661 |
| GRAYLING 99590 | | | | | | | |
| HENRY DEACON | | | GRAYLING | AK | 99590 | | 0321 |
| GUSTAVUS 99826 | | | | | | | |
| EUGENE CHASE | | | GUSTAVUS | AK | 99826 | | 0206 |
| HAINES 99827 | | | | | | | |
| KERMITH CULP | | BOX 117 | HAINES | AK | 99827 | | 0296 |
| DAVID E OLERUD | NORTH STAR SPTG GOODS | BOX 266 | HAINES | AK | 99827 | | 0936 |
| MICHAEL ROSCOVIUS | | BOX 304 | HAINES | AK | 99829 | F & W PROT | 1096 |
| LYLE D SMITH | KINGS STORE | BOX 146 | HAINES | AK | 99827 | | 1190 |
| HOLY CROSS 99602 | | | | | | | |
| DONALD PETERS | | | HOLY CROSS | AK | 99602 | | 0971 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| HOMER 99603 | | | | | | | |
| LESLIE I CRANE | SPORTER ARMS | BOX 295 | HOMER | AK | 99603 | | 0283 |
| JOHN H LEIBOLE | SPORTSMANS MARINE SUPPLY | STAR ROUTE A HOMER SPIT | HOMER | AK | 99603 | | 0743 |
| KENNETH LEWIS | | BOX 261 | HOMER | AK | 99603 | ADFG | 0751 |
| NANCY MATTHEWS | | BOX 1225 | HOMER | AK | 99603 | | 0843 |
| HOONAH 99829 | | | | | | | |
| HILDA SEE | | BOX 98 | HOONAH | AK | 99829 | | 1141 |
| HOOPER BAY 99604 | | | | | | | |
| LOUIS BUNYAN | | | HOOPER BAY | AK | 99604 | | 0171 |
| HOPE 99605 | | | | | | | |
| VELMA DAVIDSON | | | HOPE | AK | 99605 | | 0316 |
| HUSLIA 99746 | | | | | | | |
| FRANKLIN SIMON | | | HUSLIA | AK | 99746 | | 1178 |
| HYDABURG 99922 | | | | | | | |
| ALICE KITKOON | | BOX 157 | HYDABURG | AK | 99922 | | 0711 |
| HYDER 99923 | | | | | | | |
| NANCY MARX | | BOX 173 | HYDER | AK | 99923 | | 0835 |
| INDIAN 99540 | | | | | | | |
| MARY LOU REDMOND | | | INDIAN | AK | 99540 | | 1056 |
| JUNEAU 99801 | | | | | | | |
| KATHLEEN G CONN | | 240 S FRANKLIN | JUNEAU | AK | 99801 | REVENUE | 0256 |
| PHIL CONNER (EWP) | PUBLIC SAFETY BLDG | POUCH N | JUNEAU | AK | 99801 | | 0261 |
| FLORENCE FLORESKE | | POUCH N | JUNEAU | AK | 99801 | F & W PROT | 0391 |
| DAVID HORTON | | BOX 1488 | JUNEAU | AK | 99801 | | 0551 |
| EDWARD P MADSEN | | BOX 1387 | JUNEAU | AK | 99801 | | 0806 |
| ARTHUR SKINNER | | BOX 30 | JUNEAU | AK | 99801 | | 1186 |
| KAKE 99830 | | | | | | | |
| THOMAS L JACKSON JR | JACKSONS SPORTING GOODS | BOX 397 | KAKE | AK | 99830 | | 0585 |
| KAKTOVIK 99747 | | | | | | | |
| ARCHIE BROWER | | | KAKTOVIK | AK | 99747 | | 0143 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| KASILOF 99610 | | | | | | | |
| RONALD GROSSL | | RT 2 | KASILOF | AK | 99610 | | 0461 |
| KENAI 99611 | | | | | | | |
| KEN ALVESTAD | N C COMPANY | BOX 280 | KENAI | AK | 99611 | | 0022 |
| FRED BRAUN | BRAUNS SPORT SHOPPE | DRAWER D | KENAI | AK | 99611 | | 0141 |
| ALBERT J CRUVER | ARMY NAVY SURPLUS | BOX 658 | KENAI | AK | 99611 | | 0286 |
| ED GLOTFELTY MGR | CITY OF KENAI | BOX 580 | KENAI | AK | 99611 | | 0450 |
| KETCHIKAN 99901 | | | | | | | |
| ROBERT D BOOMER | HARBOR HARDWARE | 29 STEDMAN | KETCHIKAN | AK | 99901 | | 0123 |
| FRANK H KLEPSER | | BOX 239 | KETCHIKAN | AK | 99901 | | 0716 |
| DONALD P POENIGS | | BOX 1889 | KETCHIKAN | AK | 99901 | WHALE PASS | 0723 |
| ROGER L MARLOW | | BOX 2212 | KETCHIKAN | AK | 99901 | | 0816 |
| FRANK SHARP (FWP) | | BOX 2321 | KETCHIKAN | AK | 99901 | | 1156 |
| ROBERT SUCHY | | 2727 TONGASS AVE | KETCHIKAN | AK | 99901 | | 1211 |
| WILLIAM P TAYLOR | TONGASS TRADING CO | BOX 468 | KETCHIKAN | AK | 99901 | | 1224 |
| KIANA 99749 | | | | | | | |
| ROBINSON BLANKINSHIP | | | KIANA | AK | 99749 | | 0121 |
| KING COVE 99612 | | | | | | | |
| JAMES G ROBINETT JR | BOX 35 | | KING COVE | AK | 99612 | | 1077 |
| KING SALMON 99613 | | | | | | | |
| WAYNE FLEEK | BOX 276 | | KING SALMON | AK | 99613 | | 0381 |
| ARNOLD OMHOLT | | BOX 127 | KING SALMON | AK | 99613 | | 0946 |
| KIVALINA 99750 | | | | | | | |
| CLARENCE KENNEDY | | | KIVALINA | AK | 99750 | | 0691 |
| KLAWOCK 99925 | | | | | | | |
| JACQUELINE WOODS | | BOX 306 | KLAWOCK | AK | 99925 | | 1398 |
| KODIAK 99615 | | | | | | | |
| WALTER O KRAFT | | BOX 1217 | KODIAK | AK | 99615 | | 0731 |
| SGT ROBERT LOCHMAN | DEPT OF PUBLIC SAFETY | BOX 1005 | KODIAK | AK | 99615 | | 0760 |
| MONA B LONG | | BOX 1305 CHINIAK AFS | KODIAK | AK | 99615 | | 0771 |
| G D SCHOTT | USCG EXCHANGE | BOX 31 | KODIAK | AK | 99615 | | 1134 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| ILIAMNA 99606 | | | | | | | |
| STEVE NOWATAK | | KOKHANOK BAY | ILIAMNA | AK | 99606 | | 0929 |
| ALAKANUK 99554 | | | | | | | |
| HENRY TEELUK | | KOTLIK | ALAKANUK | AK | 99554 | | 1226 |
| KOTZEBUE 99752 | | | | | | | |
| RALPH MANN | | BOX 263 | KOTZEBUE | AK | 99752 | ADFG | 0808 |
| MARGARET B RUSSELL | KOTZEBUE FISHERY COOP | BOX 343 | KOTZEBUE | AK | 99752 | | 1118 |
| JACK L YOUNG | AK TECHTONIC ENTERPRISES | BOX 45 | KOTZEBUE | AK | 99752 | | 1415 |
| KOYUK 99753 | | | | | | | |
| FRED S DEWEY | | | KOYUK | AK | 99753 | | 0331 |
| KWETHLUK 99621 | | | | | | | |
| NICK EPCHOOK | | | KWETHLUK | AK | 99621 | | 0371 |
| LOWER KALSKAG 99626 | | | | | | | |
| MARY VALKA | | | LOWER KALSKAG | AK | 99626 | | 1306 |
| MCGRATH 99627 | | | | | | | |
| FRANCIS C BERNHOFT | BEAVER SPORTING GOODS | BOX 46 | MCGRATH | AK | 99627 | | 0100 |
| RICHARD HEMMEN | | BOX 36 | MCGRATH | AK | 99627 | ADFG | 0511 |
| HOT SPRINGS 99765 | | | | | | | |
| VILAS D MARSH | | MANLEY | HOT SPRINGS | AK | 99765 | | 0621 |
| MEYERS CHUCK 99903 | | | | | | | |
| ELIZABETH CAMPBELL | | | MEYERS CHUCK | AK | 99903 | | 0101 |
| MOOSE PASS 99631 | | | | | | | |
| WAYNE RACINE | | | MOOSE PASS | AK | 99631 | | 1041 |
| MT VIEW 99504 | | | | | | | |
| K BURTON JOHNSON | | DRAWER R F | MT VIEW | AK | 99504 | | 0626 |
| NENANA 99760 | | | | | | | |
| ROBERT A COGHILL | | BOX 489 | NENANA | AK | 99760 | | 0241 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| NIKOLAI 99691 | | | | | | | |
| MARY JOHN | MARYS TRADING POST | | NIKOLAI | AK | 99691 | | 0611 |
| NINILCHIK 99639 | | | | | | | |
| JUNE GARROUTTE | | BOX 173 | NINILCHIK | AK | 99639 | | 0431 |
| ERNEST TIEMANN | | | NINILCHIK | AK | 99639 | | 1266 |
| NOATAK 99761 | | | | | | | |
| DWIGHT ARNOLD | | | NOATAK | AK | 99761 | | 0046 |
| NOME 99762 | | | | | | | |
| PETE KASHEVAROF | | BOX 962 | NOME | AK | 99762 | ADFG | 0666 |
| JAMES L MESSER | NOME HARDWARE | BOX 850 | NOME | AK | 99762 | | 0845 |
| NONDALTON 99640 | | | | | | | |
| THOMAS H AGONEY SR | | | NONDALTON | AK | 99640 | | 0003 |
| NOORVIK 99763 | | | | | | | |
| ROBERT NEWLIN | | | NOORVIK | AK | 99763 | | 0901 |
| NORTH POLE 99705 | | | | | | | |
| RUTH CUNNINGHAM | | BOX 188 | NORTH POLE | AK | 99705 | | 0301 |
| NORTHWAY 99764 | | | | | | | |
| DIANE J MILLER | | BOX 404 | NORTHWAY | AK | 99764 | | 0849 |
| PALMER 99645 | | | | | | | |
| ROSALIND G ARMANTROUT | | MILE 160 GLENN HWY | PALMER | AK | 99645 | | 0041 |
| WALTER HERMES | KING MOUNTAIN LODGE | MI 77 GLENN HWY | PALMER | AK | 99645 | | 0513 |
| GERTRUDE JURGELEIT | SHEEP MTN LODGE | MILE 113 GLENN HWY | PALMER | AK | 99645 | | 0646 |
| JAN KOSLOSKY | | BOX 1 | PALMER | AK | 99645 | | 0726 |
| JUDITH SABO | | ST RT C BOX 250 | PALMER | AK | 99645 | | 1126 |
| FRED SMITH | | BOX 610 | PALMER | AK | 99645 | ADFG | 1188 |
| MARCELINE WHITE | | ST RT C BOX 280 | PALMER | AK | 99645 | | 1346 |
| MARIE WRIGHT | | BOX A | PALMER | AK | 99645 | | 1401 |
| PEDRO BAY 99647 | | | | | | | |
| PAUL CARLSON | | | PEDRO BAY | AK | 99647 | | 0196 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| PELICAN 99832 | | | | | | | |
| RICHARD BAILEY | | BOX 724 | PELICAN | AK | 99832 | | 0056 |
| PETERSBURG 99833 | | | | | | | |
| W C BAKER | BOX 489 | | PETERSBURG | AK | 99833 | | 0058 |
| JAMES HAMMER | | BOX 249 | PETERSBURG | AK | 99833 | | 0486 |
| ROSE V TYLER | TYLER LOGGING CO | BOX 630 | PETERSBURG | AK | 99833 | | 1285 |
| DAVE WAARVIK (FWP) | | BOX 667 | PETERSBURG | AK | 99833 | | 1316 |
| CAROLINE WESTERBERG | | BOX 667 | PETERSBURG | AK | 99833 | ADFG | 1341 |
| PILOT POINT 99695 | | | | | | | |
| ALECK GRIECHEN | | BRISTOL BAY | PILOT POINT | AK | 99695 | | 0456 |
| PLATINUM 99651 | | | | | | | |
| GENE JENNE | PLATINUM TRADING CO | | PLATINUM | AK | 99651 | | 0601 |
| POINT BAKER 99927 | | | | | | | |
| MARY F MILLER | PT BAKER TRADING POST | BOX 493 | POINT BAKER | AK | 99927 | | 0850 |
| POINT HOPE 99766 | | | | | | | |
| DONALD OKTOLLIK | | | POINT HOPE | AK | 99766 | | 0936 |
| PORT HEIDEN | | | | | | | |
| ODON E SOETH AGENT | REEVE ALEUTIAN AIRWAYS | | PORT HEIDEN | AK | | | 1192 |
| PORT LIONS 99550 | | | | | | | |
| FREDERICK W SHOWALTER | WAKEFIELD SEAFOODS INC | BOX 188 | PORT LIONS | AK | 99550 | | 1177 |
| RAMPART 99767 | | | | | | | |
| IRA WEISNER | WEISNER TRADING CO | | RAMPART | AK | 99767 | | 1336 |
| RUBY 99768 | | | | | | | |
| CLARA HONEA | | BOX 17 | RUBY | AK | 99768 | | 0546 |
| ST MARYS 99658 | | | | | | | |
| LARRY D BUDDE | SHEPPARD TRADING CO | BOX 62 | ST MARYS | AK | 99658 | | 0163 |
| SAVOONGA 99769 | | | | | | | |
| JOSEPH NOONGWOOK | | | SAVOONGA | AK | 99769 | | 0921 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| SCAMMON BAY 99662 | | | | | | | |
| BENJAMIN UTTEREYUK | NATIVE STORE MANAGER | | SCAMMON BAY | AK | 99662 | | 1300 |
| SELDOVIA 99663 | | | | | | | |
| ELAINE M GILES | | DRAWER B | SELDOVIA | AK | 99663 | | 0443 |
| SEWARD 99664 | | | | | | | |
| PHIL DURANT | | BOX 737 | SEWARD | AK | 99664 | | 0346 |
| GUS JOHNSON | | BOX 576 | SEWARD | AK | 99664 | | 0621 |
| JACK W JORDAN | DIV OF PROTECTION | BOX 836 | SEWARD | AK | 99664 | | 0638 |
| DOROTHY KNIGHTEN | | ST RT THE FISHHOUSE | SEWARD | AK | 99664 | | 0721 |
| SHAKTOOLIK 99771 | | | | | | | |
| CLARENCE KATCHATAG | | | SHAKTOOLIK | AK | 99771 | | 0671 |
| SHISHMAREK 99772 | | | | | | | |
| WALTER NAYOKPUK | | | SHISHMAREK | AK | 99772 | | 0691 |
| SHUNGNAK 99773 | | | | | | | |
| LEONARD DOUGLAS | | | SHUNGNAK | AK | 99773 | | 0340 |
| SKAGWAY 99840 | | | | | | | |
| BEA F LINGLE | | BOX 357 | SKAGWAY | AK | 99840 | | 0756 |
| SLEETMUTE 99668 | | | | | | | |
| STEVE ABRUSKA | | | SLEETMUTE | AK | 99668 | | 0001 |
| SOLDOTNA 99669 | | | | | | | |
| DALTON BUCHANAN | | BOX 390 | SOLDOTNA | AK | 99669 | | 0161 |
| SITKA 99835 | | | | | | | |
| HARRY L COVERT | SITKA COLD STORAGE | BOX 78 | SITKA | AK | 99835 | | 0279 |
| CECIL C MCCLAIN | | BOX 118 | SITKA | AK | 99835 | | 0781 |
| ROBERT REDSTON (FWP) | | BOX 1020 | SITKA | AK | 99835 | | 1061 |
| ERNEST ROBERTSON | THE TACKLE SHOP | BOX 531 | SITKA | AK | 99835 | | 1076 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| DAN FRANCE | | BOX 1330 | SOLDOTNA | | AK996 | ADFG | 0396 |
| BILLY E THOMPSON | LOG GIFT SHOP | OX 1159 | SOLDOTNA | AK | 99669 | | 1249 |
| ALLIE G WARNER | LURE OF THE NORTH | BOX 1160 | SOLDOTNA | AK | 99669 | | 1328 |
| BRUCE WOODFORD | | BOX 428 | SOLDOTNA | AK | 99669 | | 1396 |
| SPARREVOHN | | | | | | | |
| T/SGT PATRICK J DALY SS | 719 AC & W SQ | BOX 161 | SPARREVOHN | AK | | AAC | 0305 |
| STERLING 99672 | | | | | | | |
| LAURA L TYSON | MOOSE RIVER RESORT | | STERLING | AK | 99672 | | 1291 |
| HARRY WARREN | BROWNS SPTSMAN SERV | STAR ROUTE | STERLING | AK | 99672 | | 1330 |
| SUTTON 99674 | | | | | | | |
| JAMES W HOAG | ALPINE GENERAL STORE | BOX 43 | SUTTON | AK | 99674 | | 0534 |
| GLORIA MICHAELS | ALPINE HEATING OILS | BOX 64 | SUTTON | AK | 99674 | | 0846 |
| TAKOTNA 99675 | | | | | | | |
| ALLAN G ANDERSON | GENERAL DELIVERY | | TAKOTNA | AK | 99675 | | 0026 |
| TALKEETNA 99676 | | | | | | | |
| GARY N JOHNSON | MY 3 SONS DRIVE IN | GEN DEL | TALKEETNA | AK | 99676 | | 0618 |
| TATALINA AFS 99695 | | | | | | | |
| LT THOS T ADAMS JR | | 717TH AC & W SQ | TATALINA AFS | AK | 99695 | | 0002 |
| TELLER 99778 | | | | | | | |
| MARY TWEET | | | TELLER | AK | 99778 | | 1281 |
| TENAKEE SPRNG 99841 | | | | | | | |
| DERMOTT OTOOLE | | | TENAKEE SPRNG | AK | 99841 | | 0951 |
| THORNE BAY 99950 | | | | | | | |
| BOYD RUSSELL | | BOX 407 | THORNE BAY | AK | 99950 | | 1116 |
| TOK 99789 | | | | | | | |
| JAMES SMITH | BOX 305 | | TOK | AK | 99789 | ADFG | 1189 |
| DAVID C SYOUT | JAMES STORE | I 1264 ALASKA HWY | TOK | AK | 99780 | | 1204 |
| DOROTHY THOMPSON | | MILE 1223 ALASKA HWY | TOK | AK | 99780 | | 1251 |
| TYONEK 99682 | | | | | | | |
| EMIL MCCORD SR | | | TYONEK | AK | 99682 | | 0786 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| UNALAKLEET 99684 | | | | | | | |
| MARY ANN HAUGEN | | BOX 82 | UNALAKLEET | AK | 99684 | | 0501 |
| UNALASKA 99685 | | | | | | | |
| MICHI CARLOS | CITY CLERK | | UNALASKA | AK | 99685 | | 0190 |
| USIBELLI 99898 | | | | | | | |
| CORRINE COLRUD | THE POTPOURRI | | USIBELLI | AK | 99898 | | 0251 |
| VALDEZ 99686 | | | | | | | |
| DAVID E KENDALL | | MILE 56 RICHARDSON HWY | VALDEZ | AK | 99686 | | 0686 |
| FLORENCE R NESS | FOODLANES | BOX 503 | VALDEZ | AK | 99680 | | 0898 |
| WILLIAM WYATT | | BOX 568 | VALDEZ | AK | 99686 | | 1406 |
| WAINWRIGHT 99782 | | | | | | | |
| GLEN SHOULDA | | | WAINWRIGHT | AK | 99782 | | 1176 |
| WALES 99783 | | | | | | | |
| ERNEST E OXEREOK | | | WALES | AK | 99783 | | 0961 |
| WASILLA 99687 | | | | | | | |
| MILDRED BRYANT | | ST RT | WASILLA | AK | 99687 | | 0156 |
| MARY CARL | | ST RT WILLOW RD | WASILLA | AK | 99687 | | 0186 |
| BARBARA FISHER | | ST RT C BIG LAKE | WASILLA | AK | 99687 | | 0376 |
| WHITTIER 99501 | | | | | | | |
| CINDY ANN SMITH | WHITTIER MARINE | | WHITTIER | AK | 99501 | | 1187 |
| WILLOW 99688 | | | | | | | |
| VERA N DUL | FORKS ROADHOUSE | STAR ROUTE | WILLOW | AK | 99688 | | 0344 |
| ROSALIE M WHITE | | BOX 38 | WILLOW | AK | 99688 | | 1351 |
| WRANGELL 99929 | | | | | | | |
| CLINTON CONVERSE (FWP) | | BOX 200 | WRANGELL | AK | 99929 | | 0271 |
| EINAR OTTESEN | | BOX 140 | WRANGELL | AK | 99929 | | 0956 |
| YAKUTAT 99689 | | | | | | | |
| TOM NICHOLS | F & W PRO OFFICER | BOX 68 | YAKUTAT | AK | 99689 | | 0915 |

SPORT FISH AND GAME LICENSE OFFICERS
ALPHABETIC BY TOWN

| NAME | BUSINESS NAME | STREET | CITY | ST | ZIP | REMARKS | AGENT |
|---|---|---|---|---|---|---|---|
| CAROLINE POWELL | | BOX 156 | YAKUTAT | AK | 99689 | | 1021 |
| JERRY L WELLS | GULF AIR TAXI | BOX 37 | YAKUTAT | AK | 99689 | | 1338 |

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

**DEPARTMENT OF REVENUE**

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

January 29, 1973

The Honorable Joe McGill
Chairman, House Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

In Re: House Bill No. 101

Dear Representative McGill:

Passage of House Bill No. 101 will raise the commission due a license officer for sale of fish and game licenses (both sport fishing and commercial fishing) from the present five percent to ten percent. This will not result in an increase in budget cost but rather a decrease in the amount of revenue received.

Attached is a copy of a detailed memorandum from Ralph Kimlinger, Manager, Juneau Field Office, Department of Revenue, indicating the revenue loss and problems of administration of the bill.

If you have any questions on the material submitted by Mr. Kimlinger, please advise.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Acting Commissioner

RDS: agm
Attachment

02-0018

STATE
of ALASKA

# MEMORANDUM

DEPT. OF REVENUE
RECEIVED

JAN 25 3 01 PM '73

JUNEAU, ALASKA

TO: R. D. Stevenson
Acting Commissioner
Dept. of Revenue

DATE FILE January 24, 1973

FROM: Ralph Kimlinger, Manager
Juneau Field Office
Dept. of Revenue

SUBJECT: HB 101 Licence Vendor's Commissions

Passage of HB 101 will raise the commission due a license officer for sale of Fish and Game licenses (both Sport Fish and Commercial Fishing) from the present 5% to 10%. The above will not result in an increase in budget cost but rather a decrease in the amount of revenue received.

Effect on Treasury

Based on the 1972 Calender Year Sales approximately $111,500 less per year would accrue to the state from license sales if the commission is increased.

Problems of Administration

1. HB 101 does not provide for an effective date. Each license officer is required to report sales on a monthly basis and any change in commission rate should be effective on the 1st day of the month. I would recommend an effective date of 1/1/74.
2. HB 101 reduces the commission to those vendors who only sell the 25¢ license. We have 92 vendors with sales made up wholly of 25¢ licenses or at least the majority of their sales are 25¢ licenses. These vendors presently keep the 25¢ license fee as their commission. Under this bill they would get a commission of 2.5¢ per license on these sales.

   I feel that the above will result in the loss of many of the vendors in the bush areas of the state and as a result many residents of Alaska will be unable to secure the licenses they need to hunt, fish and trap legally.

RK/rd

HB 109

"An act making a special appropriation to the Department of Public Safety, division of fish and wildlife protection, for the purpose of purchasing two patrol boats; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ _____ Chairman

Introduced: 1/
Referred: Resou
Finance

BY MCGILL, ELIASON AND NAUGHTON

IN THE HOUSE

HOUSE BILL NO. 109

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety, division of fish and wildlife protection, for the purpose of ~~purchasing~~ acquisition, outfitting & operation of two patrol boats; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $450,000 is appropriated from the general fund to the Department of Public Safety, division of fish and wildlife protection, ~~to purchase~~ for acquisition, outfitting and operation of two patrol boats for enforcement purposes in southcentral Alaska, including Kodiak and the Alaska Peninsula.

* Sec. 2. ~~This Act takes effect July 1, 1973~~. effective upon approval.

House Resource amendments

Introduced: 1/22/73
Referred: Resources and Finance

BY MCGILL, ELIASON AND NAUGHTON

IN THE HOUSE

HOUSE BILL NO. 109

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety, division of fish and wildlife protection, for the purpose ~~of purchasing~~ of acquisition and outfitting as patrol boats; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $450,000 is appropriated from the general fund to the Department of Public Safety, division of fish and wildlife protection, to purchase two patrol boats for enforcement purposes in southcentral Alaska, including Kodiak and the Alaska Peninsula.

* Sec. 2. This Act takes effect ~~July 1, 1973~~. upon passage of the bill.

5%

15 225,000 T-Boats a piece

boat boats each cost about a million $82,000 → Dept. of Fish

130
130
260,000
55
3 15
370
37 0

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 109
Title: Appropriation for Patrol Boats
Requested by: Legislative Finance Date: February 8, 1973
Return Date Requested: February 15, 1973
Agency: Dept. of Public Safety Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Natural Resource Management and Environmental Conservation

A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | 94.3 | 99.0 | 104.0 | 109.2 | 114.6 |
| 200 | TRAVEL | | | | | | |
| 300 | CONTRACTUAL | | 289.7 | 30.0 | 35.0 | 40.0 | 40.0 |
| 400 | COMMODITIES | | 56.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| 500 | EQUIPMENT | | | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | | | | | | | |
| | TOTAL | | 440.0 | 159.0 | 169.0 | 179.2 | 184.6 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | | 440.0 | 159.0 | 169.0 | 179.2 | 184.6 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | / | 4/ | 4/ | 4/ | 4/ | 4/ |
| MAN MONTHS (P./T.) | / | 48/ | 48/ | 48/ | 48/ | 48/ |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is assumed that salaries for FY '74 will be the same as now and that the salary schedule for House District #12 will be used. The two vessels will be operated by four Protection Officers. Detail of estimated expenditures is attached.

IV. ATTACHMENTS

V. DATE: February 9, 1973 PREPARED BY: S. D. Stauffer

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

# Costs of Two "T Boats"

| | |
|---|---|
| Architect's fee | $ 7,000.00 |
| Major repairs ($130,000.00 each) | $260,000.00 |
| Includes remodeling to provide adequate fuel tanks and crew's quarters, new engines for main power and generators, radar, depth sounder, radios, use of marine way and all labor. | |
| Miscellaneous equipment and repairs | $ 30,000.00 |
| Includes life jackets, life rafts, skiffs, outboard motors, mattresses, pillows, blankets, fire extinguishers, charts, navigation instruments, dishes, cooking utensils, finders, lines. | |
| Insurance | $ 17,600.00 |
| Moorage | $ 400.00 |
| Fuel | $ 14,600.00 |
| Heating fuel | $ 500.00 |
| Lube oil | $ 800.00 |
| Paint bottoms | $ 1,200.00 |
| Food ($1.40 per meal) | $ 6,100.00 |
| Salaries | $ 78,600.00 |
| Employee benefits (20%) | $ 15,700.00 |
| Transportation of things (parts) | $ 1,000.00 |
| Toll calls (parts, etc.) | $ 500.00 |
| Miscellaneous service (mechanic's charges) | $ 2,000.00 |
| Miscellaneous repairs | $ 4,000.00 |
| Total | $440,000.00 |

# HOUSE RESOUPCES COMMITTEE WORK SHEET

BILL NO. 109 DATE 2/6 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would: Appropriate

When Bill Considered by RA Committee:

Action Taken by Committee: Passed unanimously

Amendments: Amended to Provide That: Change effective date.
line 13 - ~~to pay~~ for ~~Acquisition~~ outfitting
and operation of two patrol. Line 15 upon
passage - Change title accordingly -

Witnesses Testifying Before Committee: (summary of testimony)

J McGee - He needs this amount
J. Gardiner -

$150 - $170,000 to operate the season
$450,000 would include everything
65' x 17'
No tools 5-25' 6-19' 2
19' are open boats
How did the Division of Protection
I move move to send out of Committee
Except for effective date to upon enactment." - Motion
adopt line 93 - Unanimous Refer to Rules

# A M E N D M E N T

Offered in the HOUSE By _____

To: _____ HOUSE BILL NO. ____

_____ SENATE BILL NO. ____

AMENDMENT: Page_____ Line____

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

RESOURCES COMMITTEE REPORT

on

House Bill #109

This House Bill is a special appropriation for the purpose of acquition, outfitting, and operation of two patrol boats, 65' size, enabling the Department of Public Safety, Division of Protection, to get out on the fishing grounds, for the purpose of enforcement.

The Department of Public Safety reported to the Committee that at present, their largest vessel is 25' and not capable of off shore work.

The Bill unanimously passed the Resources Committee with a do pass recommendation.

Joe McGill

Joe McGill, Chairman
House Resources Committee

HB 110

# A M E N D M E N T

Offered in the HOUSE By Resources Committee

To: _____ HOUSE BILL NO. 110

_____ SENATE BILL NO. ____

AMENDMENT: Page 1 Line 8-9

"An Act making a special appropriation to the Department of Public Safety, division of fish and wildlife protection, for the purpose of leasing a helicopter; and providing an effective date."

# COMMITTEE REPORT

FINANCE

## HOUSE

Mr. Speaker: Date Feb 4 1973

The Committee on _____ has had HB 110 _____ under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DC PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 110
Title: Appropriation for Helicopter Patrol
Requested by: Legislative Finance Date: 2/8/73
Return Date Requested: 2/15/73
Agency: Department of Public Safety Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Fish & Wildlife Protection

A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | | | | | |
| 200 | TRAVEL | | | | | | |
| 300 | CONTRACTUAL | | 51.3 | | | | |
| 400 | COMMODITIES | | | | | | |
| 500 | EQUIPMENT | | | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | | | | | | | |
| | TOTAL | | 51.3 | | | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | | 51.3 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | / | / | / | / | / | / |
| MAN MONTHS (P./T.) | / | / | / | / | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Lease of helicopter for 90 days = $37,800
(180 hours @ $210 per hour)

Lease of 42 foot boat for 90 days = $13,500
Personnel, supplies, etc. will be paid from
regular operating budget.

IV. ATTACHMENTS

None.

V. DATE: 2-9-73 PREPARED BY: S. D. Stauffer

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

HOUSE RESOURCES COMMITTEE REPORT

on

House Bill #110

The Resources Committee has met and approved House Bill #110 intending that the monies be spent on a helicopter and other enforcement equipment badly needed for the Division of Enforcement, Department of Public Safety. Enabling them to do a better job of enforcement of our fisheries in Alaska.

Joe McGill

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. 110 DATE 2/6 PAGE TITLE SPONSOR FURTHER REFERRALS

This Bill If Enacted Would: Appropriate

When Bill Considered by RA Committee: Feb. 6, 1973

Action Taken by Committee: Unanimously passed

Amendments: Amended to Provide That: Line 13 delete a "helicopter - to lease equipment - Line 15 - Change "effective date" - day of passage etc.

Witnesses Testifying Before Committee: (summary of testimony)

J. McGee - Testified -

Commissioner Chapple - Testified

Naughton Unanimous to pass D. Miller objects

I objects to amend D Miller

Unanimous

Introduced: 1/22/73
Referred: Resources and Finance

IN THE HOUSE

BY MCGILL, ELIASON AND NAUGHTON

HOUSE BILL NO. 110

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Public Safety, division of fish and wildlife protection, for the purpose of leasing ~~a helicopter~~ equipment; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $50,000 is appropriated from the general fund to the Department of Public Safety, division of fish and wildlife protection ~~to lease a helicopter~~ to lease equipment for enforcement purposes in southcentral Alaska, including Kodiak and the Alaska Peninsula.

* Sec. 2. This Act takes effect July 1, 1973.

HB 135

"An Act providing for the issuance of general obligation bonds in the amount of $5,000,000 for the purpose of funding production and rehabilitation projects for recreational and commercial fisheries; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# A M E N D M E N T

Offered in the HOUSE By Services Committee

To: _____ HOUSE BILL NO. 135

_____ SENATE BILL NO. ____

AMENDMENT: Page 1 Line 27

Add the words "the provisions"

GEORGE HERRINGTON
ERIC SUTCLIFFE
NATHAN D ROWLEY
WILLIAM H ORRICK, JR.
WALTER G OLSON
WILLIAM D MAZE
EDWARD E MITCHELL
SIDNEY E ROBERTS
JAMES H BENNET
C. RICHARD WALKER
JAMES F CRAFTS, JR
ANDREW DOWNEY ORRICK
JAMES A HAYNES
RICHARD C. SALLADIN

RICHARD J. LUCAS
CARLO S. FOWLER
DONALD A SLICHTER
PAUL A MERRER
JAMES R MADISON
DILLMAN C RINSELL, JR.
WILLIAM L HOISINGTON
THOMAS R SHEARER, JR.
CAMERON W WOLFE, JR.
JOSEPH J HUGHES
RALPH C WALKER
H PETER LILLEVAND
WILLIAM E. DONOVAN

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE
COUNSELORS AND ATTORNEYS AT LAW
ELEVENTH FLOOR
600 MONTGOMERY STREET
SAN FRANCISCO, CALIFORNIA 94111
TELEPHONE (415) 392-1122

W. H. ORRICK, SR
OF COUNSEL

CABLE "ORRICK"
TELEX 34-0973

DEPT. OF LAW
RECEIVED
FEB 5 10 37 AM '73
JUNEAU, ALASKA
FILE

February 1, 1973

Miss Donna D. Spragg
Assistant Attorney General of Alaska
Pouch K, State Capitol
Juneau, Alaska 99801

Dear Miss Spragg:

I have noticed Senate Bill No. 77 and House Bill No. 135, which appear to be identical and which appear to have a good chance of passage, in view of the number of sponsors in each house.

Before final passage of either of these bills, I believe that two minor corrections should be made in them and I have a question concerning them.

1. In section 2, on line 27 of page 1, I suggest that "the proceeds" be changed to "such uses." In other words, the proceeds do not "include" any projects and are not "limited to" any projects. It is the uses of those proceeds which should include, or be limited to, particular projects.

2. In the proposition in section 4, on lines 17 and 18 on page 2, I suggest that "projects for" be inserted between "rehabilitation" and "recreational" and that "projects" be deleted after "fisheries" and before the question mark. This will conform the description of purpose in the proposition with that in section 1 and in the title of the bill, and it will also improve what is now a very awkward series of words ("production and rehabilitation recreational and commercial fisheries projects").

3. As you know, general obligation bonds can be issued only for capital improvements. I assume that the production and rehabilitation projects to be funded are capital improvements, but I am curious as to the nature of these projects. I think that some investigation to ascertain that they are clearly capital improvements may be in order, and I also wonder why the word "funding" was used in place of the customary phrase "paying the cost of."

Sincerely yours,

C. Richard Walker

cc: Mr. Kenneth W. Kadow
Mr. R. D. Stevenson
Mr. Joseph R. Henri
Mr. Arthur H. Peterson

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

**DEPARTMENT OF REVENUE**

OFFICE OF THE COMMISSIONER / POUCH S — JUNEAU 99801

February 5, 1973

The Honorable Joe McGill
Alaska State Representative
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

In Re: House Bill No. 135

Dear Representative McGill:

For the consideration of the House Finance Committee I am enclosing a copy of a letter from C. Richard Walker, State Bond Counsel, concerning House Bill No. 135, an Act providing for the issuance of general obligation bonds in the amount of $5,000,000 for the purpose of funding production and rehabilitation projects for recreational and commercial fisheries.

Very truly yours,

R. D. Stevenson
Acting Commissioner

RDS: agm
Enclosure

cc: The Honorable Earl Hillstrand
Chairman, House Finance Committee

The Honorable Terry Gardiner
Co-sponsor House Bill No. 135

HB 138

FISH
COMMISSION

RESEARCH HEADQUARTERS

ROUTE 2, BOX 31A • • • CLACKAMAS, OREGON • • • 97015

TOM McCALL
GOVERNOR

COMMISSIONERS
EDW. G. HUFFSCHMIDT, Chairman
McKEE A. SMITH, Vice Chairman
JOSEPH I. EOFF, Member

ROBERT W. SCHONING
State Fisheries Director

AIR MAIL

January 3, 1972

Mr. E. J. Huizer, Deputy Commissioner
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99801

Dear Ed:

Your letter to Gene concerning private chum hatcheries in Oregon was forwarded to me. I am rapidly becoming our "chum" man, through no particular effort on my part!

I have enclosed (1) a copy of Chapter 203, 1971 Oregon laws. This is the new law that allows private chum hatcheries in Oregon; (2) policies and procedures developed by our agency to handle applications; and (3) a copy of our application form.

We have received seven applications (each with $100 fee) to date and have issued one permit. The second application received will be reviewed next month and I expect a permit will be granted.

Also enclosed is a copy of the one permit we have issued. It gives you some idea of what is involved and how we responded.

I will be seeing you in Sacramento in January if you attend the PMFC meeting called by Dr. Harville. If you have any questions, we can talk them over at this time.

Sincerely,

Wallace F. Hublou
Director of Research

cc: Kruse

H-5 (15)

Director
Fish. Dir.
Wild. Sup.
U. S. Sup.
JUN 2 1971



the provisions of the contract shall be awarded to one of the parties, the prevailing party, whether he is the party specified in the contract or not, at trial or on appeal, shall be entitled to reasonable attorney fees in addition to costs and necessary disbursements.

(2) Attorney fees provided for in a contract described in subsection (1) of this section shall not be subject to waiver by the parties to any such contract which is entered into after the effective date of this Act. Any provision in such a contract which provides for a waiver of attorney fees is void.

(3) As used in this section "prevailing party" means the party in whose favor final judgment or decree is rendered.

(4) As used in this section "contract" includes any instrument or document evidencing a debt.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

## CHAPTER 203

### AN ACT

[HB 1328]

Relating to privately operated chum salmon hatcheries.

**Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) The commission may issue a permit, subject to such restrictions and regulations as the commission deems desirable, to any person to construct and operate a chum salmon hatchery.

(2) The application for a permit to construct and operate a chum salmon hatchery shall include an application fee of $100.

SECTION 2. (1) Prior to issuance of any permit by the commission, a public hearing shall be held. Notice of the hearing shall be published at least once and at least 10 days prior to the hearing in a newspaper of general circulation in each of the counties in which the hearing is to be held, or if no such newspaper is published in that county or counties, then such a newspaper in an adjoining county.

(2) The hearing shall be conducted by either the commission or a representative designated by the commission.

(3) The commission shall notify the State Game Commission prior to any public hearing and shall obtain their recommendation on the proposed private hatchery.

SECTION 3. No permit shall be issued:

(1) Which may tend to deplete any natural run of anadromous fish or any population of resident game fish.

(2) Which may result in waste or deterioration of fish.

(3) If the proposed operation is to be located on the same stream or river or tributary thereof on which a state or federal fish culture facility is established or is planned to be established.

(4) If the proposed operation is not consistent with sound resource management and is not in close proximity to the ocean.

(5) If the commission determines the applicant does not have the financial capability to successfully construct and operate the hatchery or may not properly conduct the operation authorized under the permit.

SECTION 4. All fish released under this 1971 Act during the time they are in the wild will be the property of the state and may be taken under angling or commercial fishing laws of this state until they return to the private hatchery.

SECTION 5. Any permit granted by the commission pursuant to this 1971 Act shall contain at least the following conditions:

(1) All propagated fish released into state waters shall as far as the commission determines practical be marked.

(2) Prior to release into state waters, the fish must be subject to examination by a qualified fish pathologist approved by the commission to determine that they are not diseased or infected with any disease which in the opinion of the commission may be detrimental to the state fishery resources. Cost of such examination shall be paid by the permittee. No fish shall be released without written approval from the commission. The commission may require diseased fish to be destroyed. The commission shall not suffer civil or criminal liability for any fish destroyed under this section.

(3) The permittee may be authorized by the commission to divert all fish returning to the stream to an inspection area, the location of such area to be approved by the commission, to examine all fish for the purpose of identifying propagated fish.

(4) Notwithstanding the provisions of ORS chapters 509 and 511, the permittee shall have the right to take for commercial purposes, only those fish the commission determines were propagated by the permittee, and the commission's decision is final.

(5) It shall be unlawful for the permittee to conduct any activity not authorized by the permit or fail to conduct activities required by the permit without approval of the commission.

(6) The permittee shall pay all reasonable costs incurred by the commission as a result of the operation of the private hatchery.

SECTION 6. (1) If the commission finds that the operation described in the permit is not in the best public interest, it may alter the conditions of the permit to mitigate such adverse effects or may cause an orderly termination of the operation under the permit. Proceedings to cause such alteration or termination shall be conducted in accordance with ORS chapter 183. An orderly termination shall not exceed a four-year period and shall culminate in the revocation of the permit in its entirety. During this period the permittee may continue to examine and take specified propagated chum salmon according to the provisions of the permit but may not release additional fish.

(2) If the commission finds the operation has caused deterioration of natural run of anadromous fish or any population of resident game fish in the waters covered by the permit, it may require the permittee to return the fish populations to the same condition that existed prior to issuance of the permit. The State Game Commission may require the permittee to return the resident game fish population to the same condition that existed prior to issuance of the permit. If the permittee fails to take appropriate action, the Fish Commission of the State of Oregon or the State Game Commission may take such action and the permittee shall bear any cost incurred by either commission.



SECTION 7. The commission, after first assuring all natural and artificial fish production needs of this state have been met, including the needs of all federal and other state fish culture facilities located on the Columbia River and its tributaries, may provide at a reasonable fee chum salmon fish or the sexual products therefrom to any person granted a permit by the commission pursuant to this 1971 Act.

SECTION 8. The provisions of ORS chapter 508 shall apply to the taking and sale of chum salmon artificially reared under any permit granted by the commission pursuant to this 1971 Act.

SECTION 9. Nothing in this 1971 Act is intended to give the permittee any equity in any of the waters or fish of the state.

SECTION 10. Nothing in this 1971 Act shall imply an intent to permit commercial fishing in any rivers south of the mouth of the Columbia River except as provided in subsection (4) of section 5 of this Act.

SECTION 11. All moneys received by the commission under this 1971 Act except those under section 8 of this Act shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of costs of administration incurred by the commission in carrying out the provisions of this 1971 Act, that portion of the balance of the moneys in this suspense account as of the end of each fiscal year shall be deposited to the General Fund for general governmental purposes.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

## CHAPTER 204

## AN ACT [SB 345]

Relating to workmen's compensation benefits; amending ORS 656.210; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

Section 1. ORS 656.210 is amended to read:

656.210. (1) When the total disability is only temporary, the workman shall receive during the period of that total disability compensation equal

# POLICIES AND PROCEDURES PERTAINING TO THE OPERATION OF PRIVATE CHUM SALMON HATCHERIES IN OREGON

Fish Commission of Oregon
September 1971

The following policies and procedures have been adopted by the Fish Commission under the authority of Chapter 203, 1971 Oregon Laws, pertaining to private chum salmon hatcheries. The policies apply to all permit holders and will be amended or changed as the Commission deems desirable to protect the resource or to uphold the best public interest.

## General

1. Permits are not transferable. If a permit holder sells his hatchery the new owner must apply for a new permit.

2. The private hatchery operator is responsible for obtaining his own eggs. Source of the eggs must first be approved by the Fish Commission.

3. Eggs at the state hatchery on Whiskey Creek, tributary to Netarts Bay, may be available for purchase by permit holders. We expect a few eggs to be available in 1972 and perhaps up to 3 million in 1973.

4. Eggs, and the resulting alevins, sold to permittees by the state shall not be resold.

5. Under no conditions are eggs and fish to be transferred in any way to waters other than specified in the permit.

6. Surplus chum salmon gametes from fish returning to private hatcheries may be made available to the state and/or authorized operators of other private hatcheries in Oregon. Eggs transported to other locations shall be treated as specified by the Fish Commission pathologist to prevent disease transmission.

7. Pathology examinations shall be conducted by Fish Commission pathologists.

## Purchase of Eggs from Netarts Hatchery

1. Priority among permit holders to purchase eggs from the state shall be according to date application was filed with the Commission (first come - first served). In the case of persons expressing interest before the law was in effect, priority shall be according to date of written interest as filed with the Commission.

2. Term of priority for purchasing eggs will generally be 3 consecutive years. The Commission will make exceptions as it deems desirable.

3. Up to one (1) million eggs will be sold to the first permit holder before selling any to the holder next on the list; and so on down the list. If permit holders do not wish to buy the entire 1 million eggs reserved for them, the state may sell the remainder to the permit holder next in line as part of his 1 million egg quota. If eggs are still available after each permit holder has had a chance to buy 1 million eggs, the procedure will be repeated until all available eggs have been sold.

4. The charge for eggs from Netarts Hatchery shall be $5.00 per female spawned. The basis for this is $2.00 per thousand eggs and an average of 2,500 eggs per female. The eggs will not be counted.

5. Only "green" (newly spawned) eggs will be made available at Netarts Hatchery. Buyers must be willing and prepared to take small lots (10,000 or more) of eggs on a daily basis.

Services Charges

In compliance with Section 5 (2) and (6) of Chapter 203, 1971 Oregon Laws, permit holders shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of private chum salmon hatcheries. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.

2. Pathologist services for examining fish prior to release.

3. Costs resulting from problems requiring Commission action; i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which requires investigation and revision of the permit.

4. An overhead charge of 15% will be assessed against direct costs to cover administrative costs.

The amount charged will be the actual wages (including other personnel expenses), travel expenses, and required supplies. Permit holders will generally be informed of necessary service charges before such services are rendered.

PRIVATE CHUM HATCHERY APPLICATION

Fish Commission of Oregon
307 State Office Building
1400 S.W. 5th Avenue
Portland, Oregon 97201

Name _____
Last Middle Initial First

Address _____ _____ _____
Street or Box No. City Zip

Phone _____ _____
Office Home

Business (Give name and nature) _____

_____

Location of Proposed Hatchery

Stream name _____,

Tributary of (Name of major stream or bay) _____

County _____

Description of Property (Legal description, landmarks, miles from stream mouth) _____

_____

_____

_____

_____

_____

Owner of Property _____

If leased, duration of lease _____

Proposed Methods (Describe what you plan to do and how you are going to do it.)

Proposed Stock Source

Previous Experience in Fisheries Related Work

What do you expect to do with returning adults? (Describe any agreements you have with fish buyers or other industry representatives.)

Financial Statement

Condition at close of business _____, 19_____

## ASSETS

| | | Amount |
|---|---|---|
| 1. | Cash: On hand $_____ In Bank $_____ Elsewhere $_____ | |
| 2. | Notes receivable: Due within 90 days | |
| | Due after 90 days | |
| | Past due | |
| 3. | Accounts receivable | |
| 4. | Deposits for bids or other guarantees: Recoverable within 90 days | |
| | Recoverable after 90 days | |
| 5. | Interest accrued on loans, securities, etc. | |
| 6. | Real Estate: Used for business purposes | |
| | Not used for business purposes | |
| 7. | Stocks and bonds: Listed--present market value | |
| | Unlisted--present value | |
| 8. | Materials in stock | |
| 9. | Equipment, book value | |
| 10. | Furniture and fixtures, book value | |
| 11. | Other assets | |
| | Total Assets* | |

## LIABILITIES

| | | |
|---|---|---|
| 1. | Notes payable: To banks regular | |
| | To banks for certified checks | |
| | To others | |
| 2. | Accounts payable: Not past due | |
| | Past due | |
| 3. | Real estate encumbrances | |
| 4. | Other liabilities | |
| 5. | Reserves | |
| 6. | Capital stock paid up: Common | |
| | Preferred | |
| 7. | Surplus (net worth) | |
| | Total Liabilities* | |

* The amounts shown as "Total Assets" and "Total Liabilities" must be identical.

I declare that I have examined this application, including the financial statement, and to the best of my knowledge and belief it is true, correct, and complete.

(Signature of Applicant)_____

December 1, 1971

PRIVATE CHUM SALMON HATCHERY PERMIT

In accordance with the provisions of Chapter 203, Oregon Laws 1971, Keta Corporation, an Oregon corporation, is authorized to construct and operate a chum salmon hatchery on Sand and Jewell Creeks, Tributaries of Sand Lake, in Tillamook County.

The following restrictions shall apply to the construction and operation of the Keta Corporation's private chum salmon hatchery:

1. All of the provisions of Chapter 203, 1971 Oregon laws shall apply.
2. The permit shall be contingent upon getting an approved water right for withdrawing water from Jewell Creek to operate the hatchery.
3. The design of the fish rack and trap, as well as location shall be approved by the commission before the rack and trap are installed.
4. The rack must be attended and the fish trap emptied daily during the entire period the rack and trap are operated. Attention must be given to operation of the facility to prevent theft of fish, to adjust for changing water conditions, and to otherwise prevent damage to fish which might be blocked or trapped.

5. All species of fish caught in the trap, other than chum salmon, shall be placed upstream as promptly and carefully as possible.

6. For three years starting in 1971 chum salmon from the Sand Creek system shall be allowed to be used for hatchery stock as per the following directions:

   a. The first 25 female and 25 male chum salmon which appear at the rack(s) shall be placed upstream.

   b. The next 50 female and 50 male chum salmon may be spawned.

   c. The next 50 female and 50 male chum salmon are to be released upstream for natural spawning.

   d. The next 50 female and 50 male chum salmon may be spawned. This is all the fish that can be spawned and will provide an estimated 250,000 eggs.

   e. If any more chum are trapped they shall also be placed upstream for natural spawning.

   f. During the three years natural stocks are being utilized as hatchery brood stock the fish rack(s) shall be opened on December 1 and no more fish of that run trapped after that date.

7. All carcasses of chum salmon spawned from native stock in 1971, 1972, and 1973 shall be delivered promptly to the Fish Commission for state disposal.

8. A record shall be maintained for the commission of the species, number, and date fish are placed above the trap and of the number of fish which die in the trap or are spawned.

9. One dollar per thousand shall be paid to the State of Oregon for eggs collected from native fish spawned from the Sand Creek system in 1971, 1972, and 1973. To avoid the necessity of counting eggs, a charge of $2.50 per female will be imposed (calculated by estimating that, on the average, each female will have 2,500 eggs).

The amount charged will be the actual wages (including other personnal expenses), travel expenses, and required supplies. The permit holder will generally be informed of necessary service charges before such services are rendered.

Adopted and signed this first day of December, 1971.

FISH COMMISSION OF OREGON

_____

CHAIRMAN

_____

VICE-CHAIRMAN

_____

COMMISSIONER

10. Beginning in 1974 all chum salmon returning to the Sand Creek rack in excess of the greatest number of chum handled during 1971, 1972, and 1973 will be considered as fish produced by the hatchery and may be killed and disposed of by the Keta Corporation.

11. Beginning in 1974 the greatest number of chum salmon that were handled at the Sand Creek rack in 1971, 1972, and 1973 shall be placed above the rack before any fish are claimed and killed by the Keta Corporation.

12. The above restrictions will be reviewed annually by the Fish Commission and desired modifications will be made after consultation with the permittee.

SERVICE CHARGES

In compliance with Subsections(2) and (6) of Section 5 of Chapter 203, 1971 Oregon Laws, the permit holder shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of this private chum salmon hatchery. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.
2. Pathologist services for examining fish prior to release.
3. Costs resulting from problems requiring commission action, i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which require investigation and revision of the permit.
4. An overhead charge of 15 percent will be assessed against direct costs to cover administrative costs.

SAMPLE

Permit No. _____

# WASHINGTON DEPARTMENT OF FISHERIES SALMON AQUACULTURE QUARTERLY REPORT

Owners Name: _____ Species: _____

County Located: _____ Year of Egg Take (Brood Year): _____

Nearest Town: _____ Origin of Stock: _____

Geographic Area (Bay or Stream): _____ Date Covered (check one):

_____ Jan-March _____ Apr-June _____ July-Sept _____ Oct-Dec

## OPERATIONAL PROCEDURES

| Numbers Handled | Numbers | Pounds |
|---|---|---|
| 1. Fish (or eggs) received during quarter: | | |
| 2. Fish (or eggs) on hand at end of quarter: | | |
| 3. Fish dying in ponds during quarter: | | |
| 4. Fish sold during quarter: | | |
| **Pounds Produced** | | |
| 5. Pounds of fish on hand at end of previous quarter: | | |
| 6. NET POUNDS GAIN - add lines 2 and 4 and subtract line 6: | | |

**Food**

10. Type used (brand name if any): _____
11. Amount of food used (in pounds): _____
12. CONVERSION - divide line 11 by line 9: _____

**Disease**

13. Diagnosis of type: _____

_____

_____

14. Treatment: _____

_____

15. Drug or medication used - amount: _____

_____

_____

-over-

Water

16. Weekly maximum-minimum temperature during quarter:

| Week No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Max.Temp. | | | | | | | | | | | | | |
| Min.Temp. | | | | | | | | | | | | | |

17. Water used - estimate maximum and minimum water used as expressed in average cubic feet per second (cfs)

Minimum _____ cfs _____ cfs _____ cfs

Minimum _____ cfs _____ cfs _____ cfs

REMARKS: Please comment on any facets of your operation which may be of interest, such as predation, biological observations, etc.

RECEIVED
DEPARTMENT OF FISHERIES

Return completed report to Hatcheries Division, Washington Department of Fisheries, Room 115, General Administration Building, Olympia, Washington 98504, within 10 days of the end of each calendar quarter.

DECEMBER, 1970
75 CENTS

# THE AMERICAN & WORLD AQUACULTURE NEWS

CC7645
MR. R. F. REIMAN
P.O. BOX 155
AUKE BAY, AK 99821

Multi-million Dollar Farm

This operation is now bankrupt - $3.5 million loss to private investors and govt.

# Canadian Mariculture Facility Begins Operation

By Gary K. Gunstrom

SEA FARMING IN THE Canadian Maritime Provinces presently consists of the efforts of one company, Sea Pool Fisheries Ltd., located at Clam Bay, near Lake Charlotte, Nova Scotia, forty miles northeast of Halifax. An abundance of clear spring and ocean water and close proximity to the Halifax International Airport make the site ideal for the planned annual production of 4,000,000 lbs. of Atlantic salmon and trout marketed fresh to restaurants, clubs, and supermarkets.

The origins of the company date back to 1963 when a study of the feasibility of raising salmon and trout for marketing on a year around, uniform-size basis was initiated by potential investors with visits to existing fish farms in North America, an extensive literature review, and correspondence with various authorities. Convinced that such a project had good possibilities, a suitable site was chosen after much investigation. One thousand acres of woodland and tide flats fronting on the ocean at Clam Bay were purchased in 1966, and the research and feasibility phase of the project was initiated. A pilot plant was constructed and a limited number of outdoor pools installed. During the following three years the objective was to investigate the most suitable species of fish, the most profitable methods of feeding, and the best technical methods of providing a year around source of filtered, aerated water at an optimum rearing temperature of 50-55° F.

TEN-POUND COMMERCIAL PACKAGES of fresh trout are shipped four to a [illegible] receive shipments promptly by air-freight.

## Species Selection

Selected breeds of fish, including rainbow trout *(Salmo gairdneri)*, rainbow-steelhead hybrids, brook trout *(Salvelinus fontinalis)*, and Atlantic salmon *(Salmo salar)* were grown at Clam Bay during this research and feasibility phase. They went through the complete cycle, from egg to market size. In addition, a brood stock of these species was developed, which became well adapted to local environmental conditions.

Initial sources of eggs and fry included donations of rainbow trout from the College of Fisheries, University of Washington; Atlantic salmon and brook trout from the Canada Department of Fisheries, Maritimes Region; and brook trout fingerlings purchased from private hatcheries in the Province of Quebec. It is anticipated that within two years brood stocks on the property will yield sufficient spawn to render importation of stocks from other agencies unnecessary. Excess eggs in future years will, in fact, be used for donation to other fishery concerns, and some will be sold commercially.

## Trial Marketing

Trial quantities of fresh rainbow and brook trout were marketed in Montreal supermarkets in 1968 to test the quality and flavor of the fish and the market price. Public preference for

these fish over frozen, lower-priced imported products gave much encouragement for the development of the overall project.

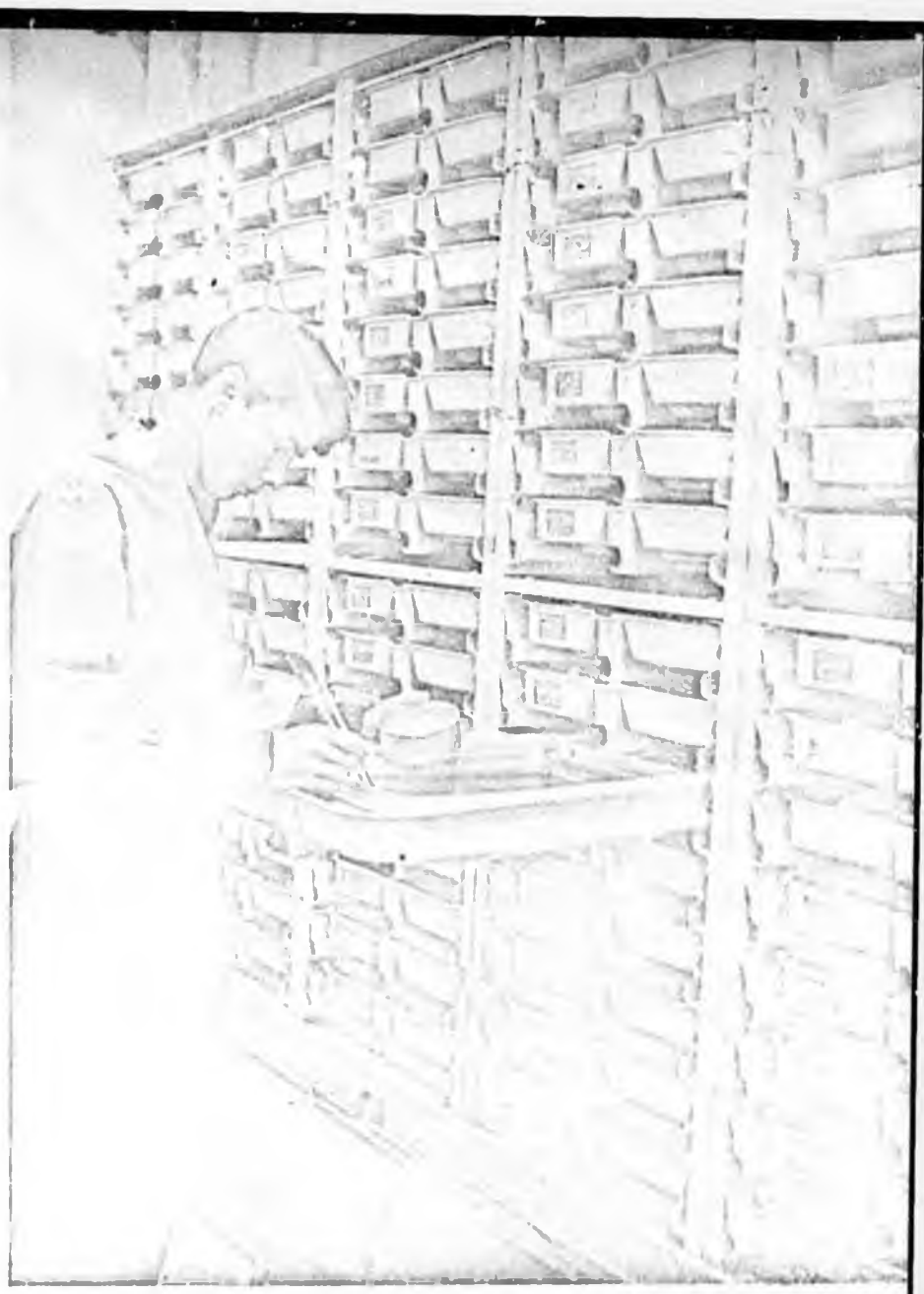
The construction of permanent hatchery and rearing facilities began in January, 1969, and progress was such that the company was able to establish itself as a commercial enterprise in January, 1970.

The developmental years were a real learning experience, and not without their problems and misfortunes. Cold-snaps, occurring before adequate water heating was installed, floods, power failures, and a general pessimism on the part of Federal agencies all contributed to set-backs in the program to establish Sea Pool Fisheries as a new industry in the Maritimes. Most of these obstacles have been, or are being overcome, however, and the coming months will find "Sea Pool" salmon and trout in the major east coast markets.

## Production

Following the establishment of commercial status, a regular marketing schedule based on numbers of fish on hand, future acquisition of eggs and fingerlings, brood stock production, projected growth rates, and average allowable mortalities, was designed. Regular weekly marketing began in January, 1970, with fresh 1/2 lb. (dressed weight) rainbow trout being shipped to Montreal. Initial marketing, although insignificant at 200 lbs. per week, will build to 40,000 lbs. per week by 1972. Also, by that time the main market emphasis will have switched from the trout, which is fast growing and relatively easy to rear, to Atlantic salmon for which there is always a high market demand. Other species marketed will include brook trout *(Salvelinus fontinalis)*, Chinook salmon *(Oncorhynchus tschawytscha)* and possibly Arctic char *(Salvelinus alpinus)*. Chinook salmon will be marketed at 15 lbs. as a smoked product. Atlantic salmon and a portion of rainbow stock will be marketed at 3 to 15 lbs. on a fresh basis. Retail price will vary with species and market location.

In order to market year around on a weekly schedule, it is necessary to rear the fish in filtered, temperature controlled, pH controlled, closed-cycle facilities. Such controlled environment systems, employing 100% sea water in the advanced growth stages, and coupled with a high quality diet, provide for the regulation of growth,



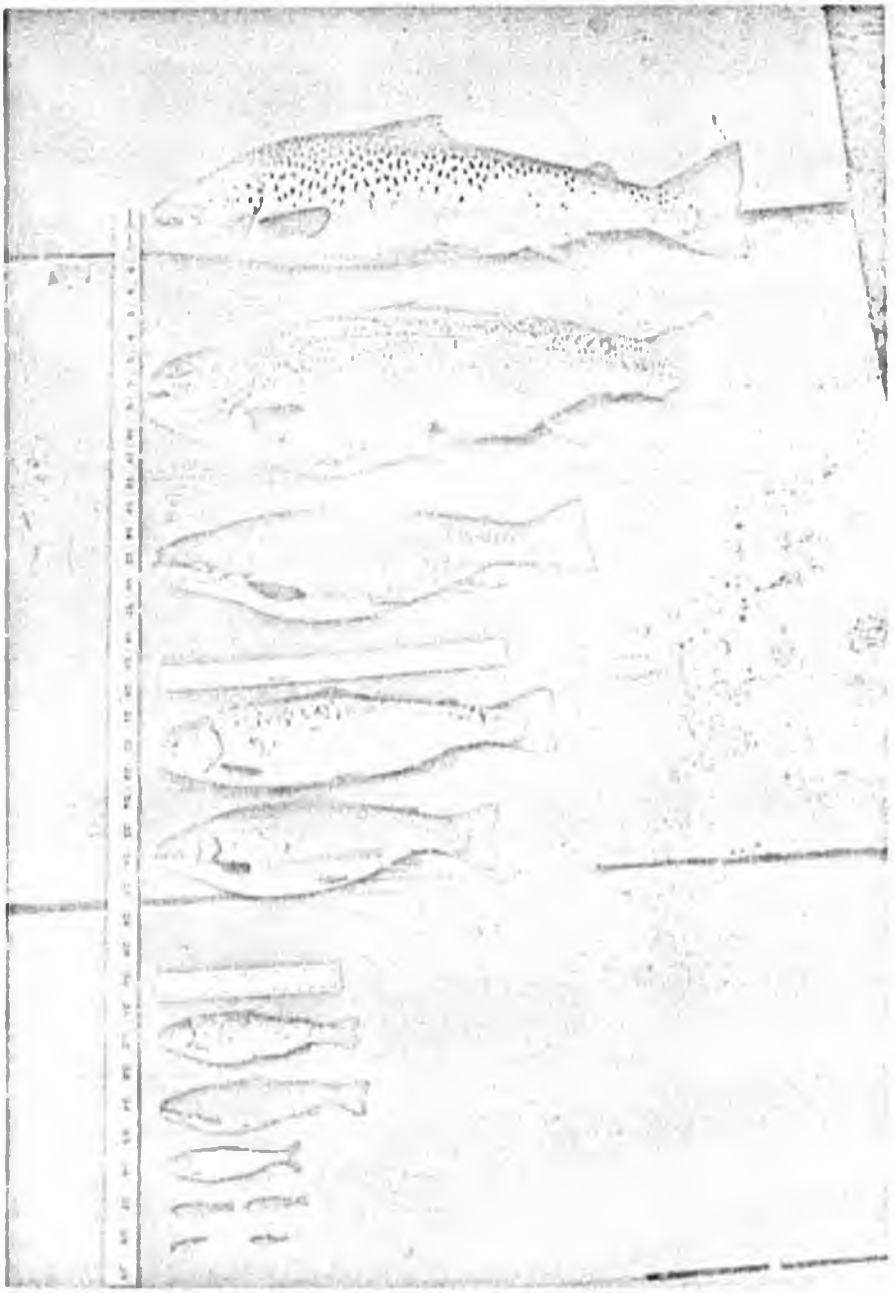
THE DOUBLE INCUBATOR at Sea Pool's mariculture facility can carry up to 4 million trout eggs at a time. The picture above shows routine egg-picking at the incubator. Below, the author is shown at work in the quality control laboratory.

color and condition of the product. These facilities, in which over 90% of the water is re-used, allow for conservation of water, removal of organic and nitrogenous wastes, lower heating costs, and as a result, easier control of the rearing environment. They are multi-pool systems with associated gravel and oyster shell filters designed and constructed along the principles developed by Burrows (Burrows and Combs, 1968).

Rearing water is heated nine months of the year by direct steam injection from boilers which total 800 H.P. and yield 20,000,000 B. T. U.'s per hour. Boiler power is also [illegible] to operate the company's own independent electrical plant.

Growth scheduling that produces a marketable trout in eight months calls for ever increasing salinity as the fish grow. Sea water supplies trace minerals which are absorbed through their skin and gills. It lowers the disease probability, as the majority of fish diseases encountered at hatcheries are freshwater borne. Also, it has been discovered that the fish color up in it nicely. In addition, our sea water pumps are known to bring in extraneous marine supplements to the diet such as small shrimps, copepods, etc.

The rapid growth required also necessitates a high-protein diet. The production diet is the result of years of research at the College of Fisheries, University of Washington. It is manufactured on the site from autolysed, pre-digested ground-fish, fish meal, various cereal additives, vitamins, and sea food by-products high in carotenoid pigments, such as shrimp offal. The end product is a moist pellet that is eagerly accepted by the fish. It provides for rapid growth, and produces excellent internal color. This diet, which is produced at a cost of about 10¢ per pound, provides a conversion rate of 1.5:1, at present. At this time production fish feed is prepared in a small area originally designed for the preparation of research diets in small lots. When construction of the main feed production area is completed it is expected that automation will reduce production costs and at the same time enable us more easily to produce a consistently uniform diet that will result in an even lower conversion rate. On site requirements will total two to three million pounds of feed per year, and in addition, the company is seeking a market of approximately two million pounds for sale to other fishery concerns.



SPECIMENS OF FISH being raised at the Sea Pool mari-farm are shown. The top fish is a 22-month old Atlantic Salmon. The next two are 18-month old Rainbow and Speckled Trout. Next are 1/2 pound market size Rainbow and Speckled Trout that are 8 and 10 months old. The fry specimens are a 5-month old Rainbow Trout, a 7-month old Speckled Trout, a 3-month old Chinook Salmon, two 1-month old Rainbow Trout and two 2-month old Atlantic Salmon.

## Installations and Facilities

A production schedule of this magnitude requires extensive site development and a large capital expenditure.

Outdoor rearing facilities on the site at present include two modules of twenty-five-foot diameter fibreglass pools. Each module consists of ten pools which are constructed so that there are five pools on either side of a 150-foot long concrete filter box. Also present is a cluster of six fifty-foot fibreglass pools which surround a central fifty-foot filter pool. Within the next year construction will also be completed on three larger plastic lined gravel pools. One of these will measure 135 feet in diameter. The other two will be oval in design, measuring 500 feet long by 80 feet wide. These pools, designed for long term rearing of large (5-15 lb.) market fish will possess self-contained filtration systems. Dyked sea water empoundments and raceways will also be used for future rearing.

Indoor rearing facilities have been installed in the hatchery building which also contains offices, an experimental diet production room, a walk-in freezer, incubation facilities and the research laboratory. Indoor rearing facilities include one module of ten eight-foot diameter fibreglass pools constructed so that there are five pools on either side of a fifty-foot long filter box, and twenty 9" x 2' x 14' rearing troughs. The incubation facility can accommodate two to four million eggs at any one time, depending on the species. The eggs are kept in Heath tray incubation units.

In addition to the main hatchery there is also a "quarantine" hatchery to accommodate newly arrived eggs or fry, or freshly spawned eggs taken from brood stock. This building contains four 3' x 4' x 24' troughs that are used for rearing, or indoor spawning of brood stock, and incubation facilities that can accommodate one million eggs.

Great care has been taken to ensure that no toxic materials were used in construction of rearing or incubation facilities. All piping is either PVC or fibre glass. Concrete filter boxes are lined with inert plastic sheeting or painted with epoxy resin.

Fresh water for the hatchery building is pumped from clear, underground springs that have a year around average temperature of approximately 50° F., and a two-acre artificial lake. Another artificial lake, approximately four acres in area, supplies fresh water to the outdoor rearing facilities via a twenty-two inch gravity-flow siphon line. These two artificial lakes are, in turn, fed via creeks from two larger natural lakes in the surrounding watershed.

A major plant facility has recently been completed. This building, 50' wide by 300' long contains administrative offices, the boiler plant, a shop, the production fish food plant and the fish processing and packaging plant.

Other major installations include two modern residences for management personnel, a warehouse, a sea water pump house, and an applied research center.

## Research

A modern laboratory facility permits detailed analysis of water quality, hematology and diets in relation to good fish culture, and also makes possible basic and applied research into various aspects of aquaculture. Laboratory studies range from the testing of new equipment and procedures to the prevention and treatment of fish diseases.

The laboratory staff is also responsible for investigating the suitability of other species of marine life for aquaculture. Rearing water, heated during the cooler months, naturally results in a heated effluent which flows through tidal channels and pools on its way to the sea. The possibilities provided by these warmer-than-normal potential rearing areas are unlimited. Commercial production of oysters, crabs, lobsters and clams will be investigated during the next few years in these areas.

Also on the property, a research facility known as the Ocean Sciences Applied Research Centre is nearing completion on a point overlooking the sea. This building will contain a wet laboratory, a dry laboratory, three fresh or sea water aquariums ranging in capacity from 2,000 to 22,500 gallons, a library and reading room, and various other sophisticated research facilities, plus accommodations for 10 to 12 visiting scientists. Applied research to be supported by private and Federal grants will be conducted in the field of aquaculture. It is hoped that this will become one of the major applied fishery research centers in North America.

THIS HOUSE WAS BUILT at the Sea Pool facility to serve as an Ocean Sciences Applied Research Center. It contains laboratories, aquariums, a library and living facilities for research scientists.

## Future Development

During the coming years as the company develops and expands a portion of the site will be developed as a major tourist attraction. Facilities will include a put-and-take sports fishery where Atlantic salmon and trout may be caught any time of the year, a sports shop and a restaurant.

On the success of this venture will depend, to a large degree, the future of commercial fish farming of salmonids on a large scale. It is envisaged by the planners and Directors of Sea Pool Fisheries Limited that the ground work being laid at Clam Bay will provide the impetus and knowledge that will lead to many more such developments in various parts of the world. ■

LITERATURE CITED

Burrows, Roger E. and Bobby D. Combs 1968. Controlled environments for salmon propagation. The Progressive Fish Culturist, Vol. 30, No. 3.

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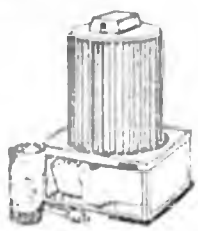
Cage Culture of Trout in Warmwater Lakes
Story on page 4

# To Market, To Market, To Buy A Small Salmon

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By B. G. Ledbetter
Oceanic Commission of Washington


## From Pacific Northwest Sea

There are only six cities in the world where you can enjoy a new culinary delight — pan-size salmon, sometimes called mini-salmon or baby salmon, reared entirely in captivity from egg to harvest. If all goes well with the Puget Sound aquaculture enterprises of Domsea Farms, Inc., a subsidiary of Union Carbide Corp., this new gourmet treat could be available throughout the country and the world in a few years.

Selected restaurants in Boston, Baltimore, Washington, D.C., San Francisco, Los Angeles, and Seattle have offered these young coho (silver) and chinook (king) salmon to customers and club members since shortly after the harvest began on 3 January.

This is the ultimate test of an aquaculture project begun in November 1970 by Ocean Systems, Inc. (OSI) near Manchester, Washington. When each salmon goes into the oven or pan, onto the dinner plate and fork, and into a man's mouth, the whole story of how it got there — after more than a year's toil by sea farmers, day and night, in cold rain and wind and ponds and tides and boats — is suddenly irrelevant, forgotten, unknown, or meaningless, as the customer's tongue, eyes, nose, and memory pass judgment on each morsel. The meat is the message. There is seldom a second chance.

John G. Martin, a San Francisco food broker, said customer and chef reaction at expense account-type restaurants has been good. "These salmon are superior to trout, there's no real comparison. When they've both been on the same menu, the higher-priced salmon has outsold the trout by as much as five to one."

Through Jon Lindbergh, OSI (an ocean engineering firm in Reston, Virginia and an affiliate of Union Carbide) became interested in salmon aquaculture research being done by scientists of the National Marine Fisheries Service. When Conrad Mahnken, biological oceanographer, and Anthony Novotny, fishery research biologist, put some Minter Creek coho into some net pens floating in saltwater in July 1969, the fish already were one and a half years old, but it took 20 of them to weigh one pound. By August 1970, however, they weighed one to three pounds each. During those 13 months their growth rate was as high as 3.3 per cent of body weight per day, and their food conversion rate was as low as 1.4 pounds of feed per pound of fish produced.

On the basis of studies of these and other salmon, Lindbergh convinced OSI to begin a co-operative pilot salmon aquaculture project, with technical assistance from NMFS, to determine if a low-cost mode of large-scale farming could be developed.

Could results as good as those in the floating laboratory be achieved on a commercial scale? The strategy was to raise enough fish so that questions and problems would arise and solutions could be found — but not

so many fish that failures would be disastrous. OSI ran the pilot project to find the answers. Domsea Farms was incorporated in January 1972 to make salmon aquaculture work.

Because of the life cycle of salmon, the pilot project naturally separates into four phases: incubation, freshwater cultivation, saltwater cultivation and harvest, and test marketing and analysis.

### Incubation: 700,000 coho and 463,000 chinook

After obtaining a permit from the state Department of Fisheries to purchase about 700,000 coho salmon eggs, OSI personnel, supervised by Novotny, took eggs and sperm on 9 and 19 November 1970 from ripe coho returning to spawn at the Skykomish Hatchery, located on May Creek, about four miles east of Sultan and 40 miles northeast of Seattle. The eggs filled 51 plastic one gallon jugs, and enough sperm was taken to allow one cup (one-half to two-thirds full) per gallon of eggs. Packed on ice, they were taken to the OSI hatchery at Beaver Creek near Manchester (a three hour trip), where each cup of sperm was added to five gallons of eggs, allowed to sit for one minute, then washed, drained and split into two incubator trays.

About 460,000 chinook fry were later added to this project. The chinook eggs were incubated and hatched at the University of Washington under the direction of Dr. Lauren R. Donaldson, famed selective breeder of salmonids (PNWS, Fall 1971 issue).

No new technology was developed during the incubation phase. There have been salmon hatcheries in the state since 1895, and perhaps more is known about hatchery rearing of salmon than any other species.

Problems did occur, however, from faulty fertilization, siltation caused by heavy rains, low water temperatures, and saprolegnia (a fungus). Filtration, heating, and recirculation systems helped control the situation.

By 15 January 1971 over 95 per cent of the surviving eggs had hatched. By month's end, the overall mortality was estimated at 36 per

*Continued on next page*

On 16 October 1971 the *USS Sacramento* (AOE-1) offloaded fuel at the Navy's Manchester Fuel Depot, while just around Orchard Point some 270,000 chinook and 240,000 coho salmon were enclosed in OSI's four floating net pens in Clam Bay. The surface area of the bay is about 200 acres. The *Brown Bear* is moored to the 800' pier (top center). Manchester is at the bottom of the picture.

This photograph illustrates the concept of the multiple use of coastal waters and the problem of competition for space. Here two supposedly incompatible activities, oil handling and fish farming, have coexisted since 1969. Recreational boaters and sport fishermen also use these waters, and two 382-foot state ferries steam through Rich Passage (top and right) enroute to Bremerton or Seattle every hour, about 18 hours every day. *(U.S. Navy Photo)*


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cent. From the original 700,000 eggs, about 445,000 coho salmon were still alive.

### Freshwater cultivation at Glud's Ponds

On 6-7 February about 420,000 coho fry were transferred by truck from the hatchery at Beaver Creek to Glud's upper (south) pond — (Glud rhymes with food) — near Brownsville. Very few were lost in the transportation, but 100,000 were wiped out overnight by suffocation in floating nets at the pond.

Two days later, transfer of 463,000 chinook fry from the University of Washington began. The fry, which were already feeding before the move, weighed 668 pounds and were hauled to Glud's lower (north) pond on 9-12 February. There were very few mortalities. These fish were produced from genetically selected spawners that were developed by Dr. Donaldson. For 20 years the chinook which he selected for spawning were chosen for maximum growth, disease resistance, fecundity, and early maturity. The state fisheries department permit authorizing the inclusion of these chinook in the project was to provide comparative data between Donaldson's chinook and the Skykomish coho.

Both the chinook and coho were fed a dry salmon feed. Since metabolic rate of the fish lowers with a decrease in water temperature, the growth rate during February was slow. The food conversion rate by the coho was 2.3 pounds of feed per pound of fish produced, but for the chinook it was a very high 5.75. In mid-March the chinook diet was changed to a moist pellet. Their food conversion dropped to 2.98 for the month and their health improved.

The best food conversion rate during the freshwater cultivation phase was by the coho in June, when 0.9 pounds of feed produced one pound of fish. How can a fish gain more weight than the weight of food it eats? It can't. But because the weight of the food is a dry weight (about 4 per cent moisture) and the weight of the fish is a wet weight (much greater moisture), the ratio turns out less than 1:1. Indeed, food conversion of 0.8 is possible.

The best food conversion by the chinook during this phase was 1.74 in April. Transfer of the chinook to saltwater began on 19 May, and the conversion rate for that month was 1.23.

On 9 February an oil-fired heater with the capacity to deliver 20 gallons of heated water per minute into the coho pond was installed and began operating. At the heater's outflow pipe the water was 17°C(62.6°F) above the pond temperature, and the fish showed their preference for it by schooling in the plume.

By mid-April the heater was unnecessary, but aerators had to be installed to maintain the necessary dissolved oxygen level. Several recirculation pumps and more aerators were added in May. The entire creek flow was now directed through the ponds.

Four automatic feeders, installed in March, spread pellets and mash over the ponds every 15 minutes from dawn to dusk. Supplemental hand feeding in the corners of the chinook pond was required hourly.

Disease and parasites were never a problem during the freshwater cultivation phase.

On 29 April, almost six months after the project started, a $100,000 grant was made to OSI by the Sea Grant Program. It was an unusual grant in several ways. It was the first Sea Grant awarded solely to a private firm. It was awarded by and is monitored through the Northwest Administrative Service Office of the National Oceanic and Atmospheric Administration located in Seattle, rather than the Office of Sea Grant. Sea Grant requires matching funds at the ratio of at least two to one; i.e., the grantee must at least match every two Sea Grant dollars with one of his own. In this case, however, OSI is paying about three dollars for every Sea Grant dollar.

The grant was made to aid in (a) rearing the salmon, (b) testing the product's marketability with NMFS assistance, and local agencies on aquaculture principles, compatibility laws to permit commercial salmon


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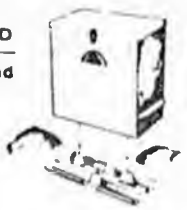
| 400 lb. | 3 Acres |
| 1400 lb. | 3 Acres |
| 2000 lb. | 3 Acres |



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culture. As with all Sea Grant sponsored research projects, a public report is being perpared and should be available sometime next fall. It will include the results of a study on the environmental impact of the project.

**Saltwater cultivation at Clam Bay**

"Assuming the water quality is good, the three most important factors in selecting a site for saltwater salmon rearing are water temperature, current flow, and storm protection," said Lindbergh. "The temperature should not range below 6°C (42.8°F) or above 16°C (60.8°F). Continuous current flow is best. Occasional currents up to three knots can be tolerated."

Mahnken added that adjoining land for support facilities is essential. "In fact very few sites are available that embody all of the desired combination of physical, biological, and social requirements for salmon farming," he said.

Clam Bay has the necessary characteristics.

When can chinook and coho be put in saltwater with little risk of mortality? The critical factor is not age or season. Apparently is is weight. When a chinook reaches about five grams (0.17 ounces), its organs, particularly the kidney, are sufficiently developed to make the biological adjustments that all anadramous fish make at smolt size when they migrate to sea. For coho the minimum weight is 15 grams (0.5 ounces).

The early introduction of these fish into seawater is one of the unique aspects of this project. Within four months after the hatch, the chinook were ready for transfer. Some coho were ready in 6 months. Lindbergh feels these times can be shortened to three and five months, respectively.

Another unique aspect of this project is the use of large floating net pens. Lindbergh listed five advantages:

- Free flowing tidal water currents are used to bring dissolved oxygen into the pens and to flush out metabolic wastes; pumping power is unnecessary.
- Net pens are resilient and yield with the currents.
- Net pens are a low capital investment facility in comparison with fixed structures and diked ponds.
- Water temperatures are relatively constant without the sharp variations characteristic of pond cultivation, due to the large thermal mass of Puget Sound.
- Net pens are moored and therefore only permanent; their installation and use causes little change to the environment.

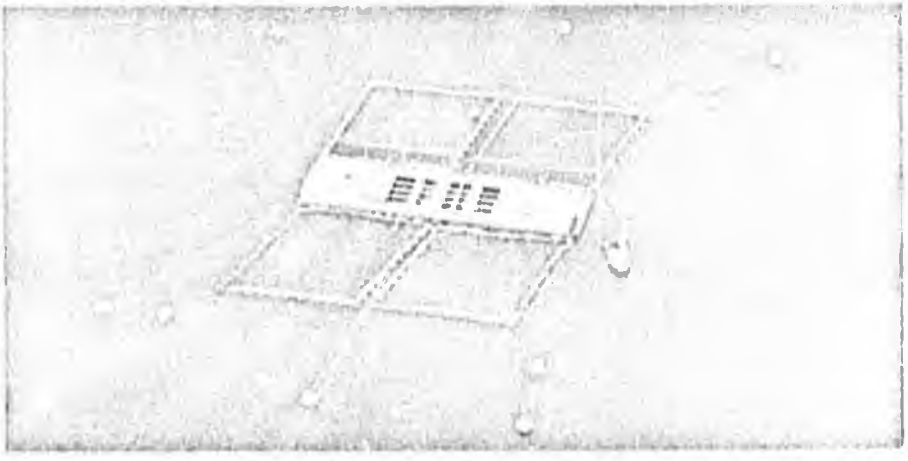
Fish transfers to Clam Bay between May and mid-August were made to temporary floating nets alongside the *Brown Bear*. The main 100'x24' platform for holding the four main floating net pens in the middle of the bay was launched and anchored on 15 July. The fish were moved into these in late July and August.

Some 395,000 chinook were trucked from Glud's Ponds to Clam Bay in 35 trips. An additional 7000 were given to NMFS for experiments or release. Losses at the pond due to handling and sorting were 1170, and another 10,000 were purposely released to migrate downstream. Draining the pond into the creek flushed another 1000 downstream.

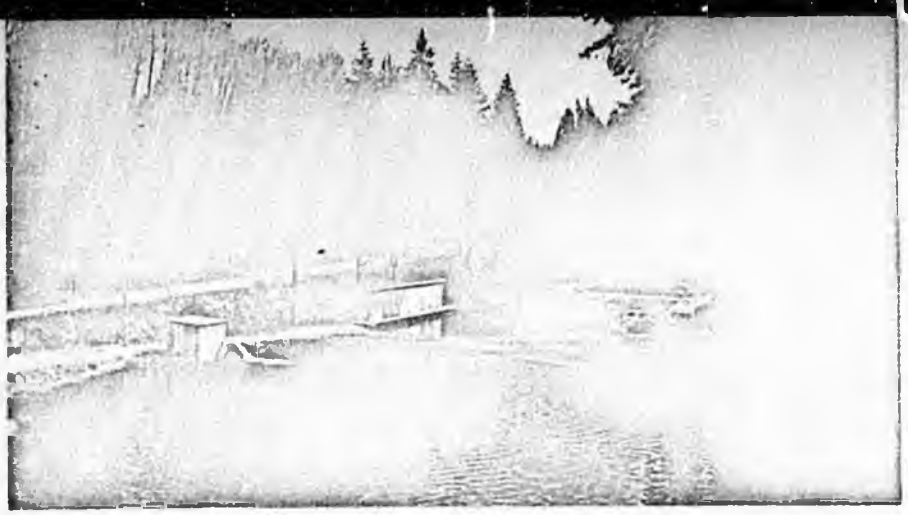
Only about 900 chinook were lost in transportation to Manchester. Although the fish were in excellent health, they did weaken from the stress of the move, and the first attack of Vibriosis occurred.

"Vibrio" is an infection caused by any of several strains of bacteria always present in saltwater. Salmon most likely will succumb to it during periods of high temperatures or stress. About 19,500 small chinook died

*Continued on next page*



By 13 October 1971 four types of nets were in use at the salmon farm in Clam Bay. Chinook are in the two west pens (at top), and coho are in the two east pens (at bottom). Surrounding each pair are perimeter nets to keep out dogfish sharks. Suspended on poles above each fish pen are bird predator nets. Several small experimental nets are suspended below the raft's center. Each of the main pens measures 50' x 50' x 25' deep, and a system of buoys and counterweights keeps the four corners taut during all the tidal conditions. On the morning of 14 August, however, a 3/8" steel cable holding the northwest corner of the west nets broke. The 2 knot current from the northwest forced the northwest net almost flat against the raft, killing 5,000 chinook. The underdesigned mooring system forced costly repairs and alterations for several months. (Photo by Dr. Richard B. Thompson, NMFS)



Glud's Ponds, 25 March 1972. A creek runs out of the woods (right background) and then north between the road and the hatchery. Water is simply diverted from the creek to fill the ponds. By late spring when the creek flow rate decreases to about 500 gallons per minute, the whole water supply must be used. In winter the water is heated at the inlet gate into the coho pond. The pump in the chinook pond (left foreground) draws water from the pond, not the creek; its purpose is to cause circulation and keep the dissolved oxygen level high. The outlet gate is just to the left of the pump house.

from the disease between 8 and 23 June. Mortalities were averaging 1740 per day when the fish were put on a medicated diet of terramycin-treated food. The trend reversed in three days.

Vibrio struck again between 29 June and 8 July and was quickly controlled. Dead chinook: 24,826.

It was decided that in all future transfers a prophylaxis treatment of terramycin-spiked food would be used prior to and after the move to saltwater.

This was done when the chinook were transferred to the main net pens in the middle of the bay between 23 July and 12 August, and very little disease broke out. But scale loss during handling, which causes loss of body fluids, combined with water temperatures above 14°C (57.2°F) to contribute to 33,632 chinook mortalities.

Many of these dead sank to the bottom of the nets, attracting dogfish sharks. While eating the mortalities, they chewed holes in the sides and bottom of the nets. Divers took three female dogfish, 2 1/2 to 3 1/2 feet stomachs contained 58 chinook. Five days later they took another four. That these predators ate a lot of salmon was a problem in itself, but a few dogfish could never eat as many fish as could escape through those holes.

By 2 August a shark protection net was placed around the pens, providing two to five feet separation between the inside and outside nets.

On that same day a freezer capable of storing 10 tons of frozen moist pellets arrived. Various combinations of diets were tried during the saltwater cultivation phase.

By 31 August all the coho, too, had been stocked in the main saltwater pens. About 3000 were given to NMFS for release in Beaver Creek, 280 were lost in handling at Glud's Ponds, and 9000 migrated downstream. Only 10 were lost during transfer operations, but 3000 died in adapting to sea water.

Novotny monitored fish diseased throughout the project. Vibrio and Furunculosis are the most common pathogens present in these waters, but only Vibrio was of consequence. Kidney disease was a minor factor. An occasional external parasite, *Argulus*, was found.

On the last day of August there were 260,610 surviving coho and 274,920 chinook.

September was excellent. Only a few hectic periods upset the normal aquaculture routine. The average water temperature, 12.2° (54°F), was near optimum for both species.

The coho and chinook doubled in weight and size. Handlers fed the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coho only dry food, and they converted every 0.955 pounds of it into a pound of fish. Some chinook ate dry food but most were fed moist food; their food conversion rate was 1.03. Only 3470 chinook (1.26 per cent) and 2917 coho (1.12 per cent) died. Any greater death rate is suspicious.

### This little fish went to market

Test marketing of pan-size coho salmon began at the request of Mahnken and Novotny, according to Arne E. Einmo, fishery marketing specialist with NMFS in Seattle.

"In July 1970," said Einmo, "we took samples to major marketing areas — New York, Boston, Baltimore, Washington, D.C., Tampa, Minneapolis, Los Angeles, San Diego, and Seattle — and we asked questions about the fish. What size should they be? Should they be dressed, heads on or off, fileted, boned or what? What was the best flesh color? What price would firms pay for this fish?"

He said NMFS polled 27 brokers, wholesalers, retail chain buyers and merchandizers, chain restaurants, gourmet seafood restaurants, and airlines. All but one were enthusiastic, and vebal commitments were made for about 300,000 pounds, Einmo said.

As a result, Domsea salmon are eviscerated, dressed heads-on and either fresh or frozen. Marketing is under the direction of Don Mowat, broker at Swiftsure Fisheries, Inc., 3440 E. Marginal Way S., Seattle, Wa. 98134.

Mowat said he's satisfied with the reception of the fish, although it has been on the market only three months and the demand for it is still being created.

"The best reaction has been in San Francisco," he siad. "We've tried to concentrate on the middle to upper class reataurants. Some buyers are very enthusiastic and have creatively pushed the product. Others, to whom a salmon is a salmon, have not.

"However, many persons don't compare the Domsea salmon with full grown salmon," Mowat said. "They compare it with trout. But this is not trout. It's a baby king or silver salmon, far superior to trout in appearance and flavor. It belongs in the expense account market, not in the local supermarket."

John Martin, San Francisco food broker, agrees. He said the movement of the product there has been steady and good, although they have not publicized it much because so far the supply of fish is too limited to meet the demand they could create.

Art Davis, chef at a leading restaurant at Fisherman's Wharf in San Francisco and president of the Chef's Association of the Pacific Coast in 1970-71, said his customers' reaction has been very good. "They come back to order it again," he said, "and they bring friends to try it, too."

### What's next in salmon farming?

Dr. Timothy Joyner, who heads the NMFS research on the *Brown Bear*, said the next steps in salmon aquaculture research should be in developing brook stock, controlling disease, and improving nutrition.

Mahnken said the technological problems facing aquaculture are the lack of control over predators, disease and viruses, and cannibalism, the ignorance of the species' life histories, and the absence of specific criteria for the selection of species and sites.

But Mahnken believes that the most serious threats to aquaculture development are "vigorous competition for use of the coastal zone and the ever-increasing problem of water pollution."

Domsea Farms, Inc. was formed to carry on the aquaculture work begun by Ocean Systems. Lindbergh is now a vice-president and director of Domsea, and Frederick E. Naef is the general manager.

By sliding out the end of the grader, this lucky coho has escaped death and can now live its full life cycle to sexual maturity as a member of Domsea's select brook stock. Smaller fish drop through the slots and into one of three side chutes. The smallest are returned to the pens for more feeding. Those of harvest size fall into holding nets before going into the chill-kill tank.

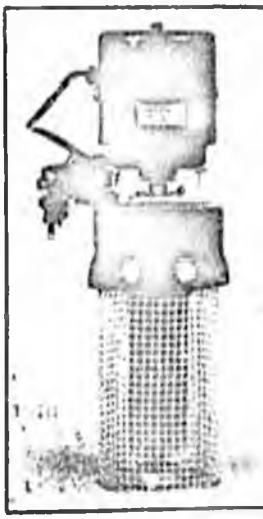
Naef said that while Domsea has to deal with about 19 federal, state, and local institutions to operate in Puget Sound, this state is "head and shoulders above others," in terms of receptivity towards aquaculture.

Domsea now has a new site in Clam Bay nearer Orchard Point where a larger net complex was anchored on 1 March.

Naef stressed that 1972 operations are not merely a repeat of the pilot project. "Domsea is still testing."

He hopes Domsea can eventually develop a system of year-round harvesting of different salmon races, species, or hybrids that reach market size at different times.

Perhaps by then anyone, any day can go to market, to market, to buy these new salmon.

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# Trout Farmers Hear Alarming News From Feed Producers

U.S. Trout Farmers at their annual convention in Colorado Springs, October 4-6, listened to the alarming comments of fish feed manufacturers. With fish meal production from Peru halted and feed manufacturers holding only small reserves, the industry faces a serious feed shortage. Fish meal makes up the major (usually about 30%) part of the trout diet which is manufactured in a pelleted form. No satisfactory substitutes are now known to replace fish meal in the feed formulas. Industry members felt that a reduction in the available supply of rainbow trout would begin to appear early in 1973 as a result of the critical feed shortage which is now pending.

One of the nation's major fish feed manufacturers made the following points. Don Nelson of Murray Elevators, a Utah feed producer said,

"On September 2f, 1972, the Peruvian government announced ad edict labeled as Supreme Resolution No. 0208-72-PE which states in essence the following.

1. The warming trend of the ocean waters off the coast of Peru by several degrees has caused a partial disappearance of raw fish stocks to a point that what reserves are left will be conserved.

2. Export of fish meal and fish oil after October 1, 1972 is prohibited.

3. Pending sales contracts made as future sales will be completed once normal production is resumed.

"No dates were mentioned as to when normal production would be resumed. The rumor is that other than exploratory fishing, normal production will resume in March, 1973.

"More than 80% of the world production of salable fish meal is manufactured by the Peruvian fishery. In comparison the U.S.A. supplies less than 5% of the world production. 'To add a little frosting to the cake', the Canadian government has announced a quota of but 5,000 tons of fish meal for their winter fishing season which commences in December-April. It is our understanding that the United Kingdom has purchased more than half of this proposed production at prices as high as $4.00 per unit/protein which is more than 30% higher than prices obtained for their summer production this year.

"All proteins, vegetable or animal, are tied in price-wise to the cost of fish meal protein. During the past three months, meat meal, soybean meal, corn gluten meal, blood meal and wheat middlings have increased in price from 10% - 30%. Only two items in our diet have not increased in price and they are the vitamin premix and the added salt. By weight, this represents less than 2% of our diets.

"During the past ten years, fish food prices have remained fairly stable. The future spells out higher prices because of ingredient costs. The shortage of fish meal is the basic cause of price increases, however, the billion dollar sale of grain concentrates to the U.S.S.R. is also responsible. A dollar increase in the

*Continued on page 11*

## CONAGRA SALES

*Continued from page 9*

contract program is in line with the company's goal to provide complete catfish service to the industry. He added: "We felt that there was a need in the industry for someone to offer good catfish farmers with limited financial resources a way to stay in the fish business without having to borrow large sums of money for purchase of feed and fingerlings, and bear the entire risk. Under its contract program, ConAgra supplies feed and fingerlings at its expense, and thereby shares the risk with the farmer. And the farmer's worry about marketing his product is eliminated."

He expressed the belief that the farm-raised catfish industry continues to be a dynamic one where conditions change very rapidly. For example, at times there is an excess of live fish for sale, and at other times, a shortage. The company is currently working on other methods which will improve the predictability of its operations, and thereby provide for more effective short and long range planning.

Hinote said that demand for the firm's Country Skillet brand of processed catfish continues to increase rapidly in major marketing areas of the nation. ConAgra's total sales of all forms of farm-raised catfish more than doubled in its last fiscal year (ended June 25, 1972). This trend is continuing during the early months of this fiscal year. Fresh ice-pack sales are increasing more rapidly than frozen sales for the company. During fiscal year 1972, ice-pack sales accounted for 75% of total sales, an increase from only 32% the previous year. "Having a year round supply is more critical with ice-pack than with frozen sales," Hinote said. "Customers are depending on you to have fish for them every week of the year, and with ice-pack, you can't store up a supply as you can with frozen product. The industry has improved considerably in having live fish for sale throughout the year, but there is still room for improvement. For the first time since ConAgra entered the business in 1969, we were able to process a good volume of fish every month of our fiscal year 1972. Although the needs of all our customers were not completely filled each week, we were able to provide a good percentage of their total orders. Our goal for this fiscal year is to improve even further the year round availability of processed catfish from our two plants. Our contract production will help us in reaching that goal. And we feel that as we make farmers more aware of the need for a year round supply, they will respond to that need."

### Pink Salmon Stocks Restored in Alaska Stream

Fourteen thousand adult pink salmon observed returning to spawn in a small Alaska creek last August and September represent an increase of 13,992 — of 1,750 per cent — over the eight salmon counted in the same stream a decade ago.

The "population explosion" was seen by National Marine Fisheries Service scientists as a tangible result of eight years of experimentation with techniques by which adult fish are transplanted into depopulated waters to re-establish once-productive pink salmon runs.

The studies were carried out by fishery biologists at the NMFS Biological Laboratory, Auk Bay, Alaska. NMFS is part of the Commerce Department's National Oceanic and Atmospheric Administration.

Sashin Creek, located in the remote wilderness of Baranof Island in southeast Alaska, was the site of the experiments, begun in 1964. Assessments made in the 1950's of many of Alaska's spawning streams revealed that a combination of heavy exploitation and high natural mortality had taken a heavy toll of once abundant stocks of pink salmon, a highly valued commercial species. Sashin Creek had joined a growing list of depleted runs as early as 1948 when only 597 adult pink salmon were counted in the stream, compared to a thriving population of 92,000 fish six years earlier.

## Norway Farms Salmon

By 1975, Norway should be producing as many salmon in salmon farms as in her present high-seas catch, according to an article in Sports Illustrated.

The firm of Mowi, Inc. predicts that its two-acre farm on Flogoykjolpo, an island southwest of Bergen, Norway, will produce about 100 tons of marketable salmon this year. Within four years, it is expected the total will reach 500 tons, and this, coupled with the output of other Norwegian firms which are also experimenting with salmon farms, means that by 1975 Norway should be producing around 1,500 tons of farmed Atlantic salmon, equal to the present high-seas catch.

Farm reared salmon have advantages over wild fish. Quality control is easier. Last spring Mowi salmon fetched a better price on the Norwegian market than wild fish because they had a higher fat content; the 'curd' so prized in well-conditioned fish.

It is unlikely that salmon farming will remain confined to Norway, according to the article. Already the British firm of Unilever is setting up a plant in Scotland. Mowi itself is looking at the coast of southwestern Ireland, where sea temperatures are slightly higher than Norway and more favorable to quick growth.

## Calibration Offered

The Oceanographic Institute of Washington (OIW) has signed a contract with the National Oceanographic Instrumentation Center (NOIC) establishing a regional laboratory for the calibration of instruments used in oceanographic research and water quality monitoring.

Gilbert Jaffe, director of NOIC, flew to Seattle to make the $115,000 contract award. The new Northwest Regional Calibration Center is to be established at the Benaroya Industrial Park in Bellevue. It will be managed by ohe OIW. Richard vanHaagen of Oceanic Associates, Inc. has been retained as the director of the facility.

Jaffe said, "One of the most significant problems encountered in today's oceanographic and related environmental data collection and exchange programs is the poor quality of the instruments that are used to collect these data. The NOIC and its regional offices are responsible for developing standards and calibration techniques.


Cause a population explosion.

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## Events Calendar

A Catfish Processors work-shop has been scheduled for May 25-26 at Mississippi State University. Dr. Fred King, Chief of the NMFI Research Laboratory at Glouchester, Massachusetts will demonstrate the FIBUN fish seperator.


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Volume 58 December 1972 No. 6

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## Contents

5 B.C. skipper builds fishing vessel with worldwide range

5 Davis freezes herring fleet in British Columbia

8 Fantastic chum salmon catches in British Columbia

9 Fish farming: a thriving new industry in Norway

ANNUAL REVIEW & FORECAST SECTION

13 How will Canadian fish fare in Common Market?, by Joseph Gough

17 What we would like to hear from new government in 1973, by C. Gordon O'Brien

19 Signs of growth ahead for marine industries, by Capt. A. H. Green

22 Kind of ships planned by Environment Canada 1972-78, by D. R. Saxon

25 P.E.I. Marine & Fisheries Training Centre opens

26 Improved FPC may have great impact as food source, by Dr. E. Graham Bligh

27 When the pipeline goes in what happens to the fish? by Frank H. Nokes

29 Unemployment Insurance rules cripping fishing industry? by E. A. Harvey

30 New Products from Canada's growing Oceanology Industry

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## Departments

5 Digest of Current News

13 Annual Review & Forecast

30 What's New in Equipment

33 Advertisers Index

COVER PHOTO: At this time of the year, when winter has its icy grip on the sea, some fishermen may not return to share Christmas with their families. To those families, and to the other families whose breadwinners did not return in previous Christmases, we extend our pray-

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# FISH FARMING: a thriving new industry in Norway

Fish farming was the main theme at this year's conference of *Det Kgl. Selskap for Norges Vel*, an organization devoted to encouraging new forms of economic activity, particularly in rural areas.

Much of Norway's coastline offers good natural conditions for fish farming, also called aquaculture, which is a potentially very important field of endeavor for many of the nation's fishing communities.

Serious attempts at fish farming in Norway did not start until the 1950's. In 1972, the fish crop is estimated at 1,500 tons, consisting mostly of salmon and trout. With an annual growth rate of 15-20 per cent, output by 1990 is estimated at 20,000 tons per year. There are now between 70 and 80 fish farming installations in Norway, most of which are in the Sunnmore area on the west coast. The majority are concerned with raising salmon and trout to a marketable size.

### Fish Breeding Experiments

Sunndalsora, in *More og Romsdal* county, is located at the head of a fjord and at the mouth of one of Norway's best-known salmon rivers, the Driva. Here, the Norwegian Agricultural College, in cooperation with a number of other institutions, has established a center for fish-breeding experiments, aimed at developing strains of salmon and trout suitable for commercial fish farming.

In two large buildings the Sunndalsora fish breeding center has 400 plastic fresh-water tanks for raising fish from the egg. There are also larger salt-water tanks where the fish can be kept until they can, in turn, breed and produce eggs. The aim is to keep the fish for several generations in order to have the broadest possible base for million fish are under continuous observation at this establishment. fish strain selection. Altogether one

### Salmon for Export Market

Supported by the industrial concern Norsk Hydro, the Bergen firm A/S MOWI has spent a reported 20 mill. kroner on fish farming development since 1969. It is today one of the world's leading companies engaged in the industrialized breeding of salmon. It has four plants near Bergen, two for hatching and breeding of smolt and two for raising the fish to a marketable size.

The salmon eggs are hatched in special hatching troughs from roe from Mowi's own stock salmon. The fry are kept in freshwater tanks until they grow into smolt, and then they are removed to seawater enclosures. Mowi's hatching capacity is 2 million fry, while smolt capacity is up to 300,000 a year. The two salt-water plants have a combined capacity of more than 500,000 kilos of salmon.

In 1971, the firm marketed 60 tons of their "farm salmon" in Sweden, Denmark, West Germany and Norway. Sold fresh in chilled condition, the salmon was praised by connoiseurs. Top prices were obtained.

Within a few years, Mowi hopes to achieve an annual output of about 1,500 tons of salmon, which would be worth some 30 million kroner at present prices.

When sold, Mowi salmon weighs about three kilo (6 lbs.) and has lived two years in seawter.

The firm employs 15 persons on a full-time basis, 25 during the busiest season.

### Small Investment at Hitra Fish Farm

Another fish farm that has achieved notable success is the one owned by the brothers Ove and Sivert Grontvedt at the island of Hitra in Sor-Trondelag county. Here relatively simple and inexpensive installations have yielded good results. Using floating cages, 4 meters deep and 120 square meters in area, the Grontvedts in less than three years have succeeded in raising large salmon which have achieved an average price of 25 kroner per kilo. For some fish, prices up to almost 60 kroner a kilo have been obtained.

The high-quality Grontvedt salmon are fed with capelin, a small fish caught in enormous quantities in North Norway every year.

### Industrialist to Turn Fish Farmer

Christian Sommerfelt, joint managing director of Elkem-Spigerverket A/S, now Norway's largest industrial enterprise, will retire from day-to-day management duties at the end of this year. He recently revealed that he hopes to establish an aqua-culture center on the island of Svanoy in *Sogn og Fjordane* county, where he will raise salmon and trout and various other fish and shellfish. "It is essential," he said, "that we work to develop new possibilities for our economy in the years ahead – and especially in connection with our maritime resources."

### Baby Oysters and Crabs for Export

The raising of shellfish and crabs under controlled situations is also making headway in Norway. The biggest oyster farm is run by A/S Osters, Vagastranda near Alesund, and apart from raising 200,000 oysters a year for consumption in Scandinavia, it is also developing an important export of baby oysters for replenishing oyster farms abroad which have lost stocks due to water pollution.

The Society for the Promotion of the Norwegian Fisheries, in Bergen, is seeking to develop "an elite oyster, a super race that will grow faster and multiply quick..," says a spokesman. The Society has its own trial oyster breeding pools where the effects of various types of pollution are being studied.

In 1971, Norway exported 10 tons of baby oysters.

In 1972, a notable development is a scheme for feeding crabs before sale to ensure that no "empty" crabs are offered on the market. The Government has bought from inventor Olaf Iohnsen the rights to a method of crab feeding which will now be adopted by many of Norway's crab fishermen. Since 1962, Norway's Fisheries Directorate has trial-fed 120,000 crabs according to this method and with excellent results.

### Help for Traditional Fisheries

Fisheries Counselor Hallstein Rasmussen of the Norwegian Embassy in Washington, D.C. tells *News of Norway* that fish farming may become economically important to many areas along Norway's coastline, not only for those who engage in this new industry, but also in terms of providing a market for certain products of the traditional fishing industry which are not suitable for human consumption. These products may be used as feed in the aquaculture. Mr. Rasmussen notes that fish farming is dependent on a number of factors and expresses satisfaction that research is now being conducted in order to solve the remaining problems in this field. ⚓

*(As reported in "News of Norway")*

## Refrigeration on fishing vessels meeting planned

A meeting of refrigeration experts is planned in Tokyo, Japan, from March 2nd to 4th, 1974. Subjects to be discussed include refrigeration and freezing of fish aboard ships. For further information: Organizing Committee, Meeting of Commissions D3 and B2 of I.I.R., c/o Japanese Association of Refrigeration, San-ei Bldg., 8 San-ei-cho, Shinjuku-ku, Tokyo 160, Japan. ⚓

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## COVER

Lief and John Hofstad of Burnaby own these 38-ft. troller-gillnetters. Both boats are powered with Caterpillar 3160 diesels, developing 210 HP at 2800 rpm and turning a 28 x 24 wheel through a 2.42:1 Twin Disc MG506 gear. Both boats were built by Chris Frostad's Boat Works.

☆

Published second half of each month by
ROY WRIGLEY PUBLICATIONS LTD.
1104 Hornby Street, Vancouver 1, B.C.
683-9696-7

Second Class Mail
Registration Number
0163

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## CONTENTS

### NEWS AND FEATURES

Value of Fish Landings Reach All-Time Record ..... 9
New Suggestions Would Raise Herring Quota ..... 10
Trollers Association Contemplates Union Status ..... 10
3.4 Million Fraser Sockeye Catch Seen ..... 11
Talks on Funding of Fraser Rehabilitation Projects Underway ..... 12
Fraser Protected in Era of Intensive Industrialization ..... 13
Spawning Channels Pay Handsome "Profit" ..... 14
Fraser Productivity Potential at High Level ..... 16
Good Sockeye Escapements Boost 1976 Potential ..... 18
Bravery Award for Vancouver Fisherman ..... 24
Alaska Governor Threatens to Dam Bristol Bay Streams ..... 28
Sounders Used to Estimate Escapement ..... 30
Scientists Seek Uses for Fish Waste ..... 32
Furuno Introduces New Compact Radar ..... 39

### DEPARTMENTS

Soundings, from the Vessel Owners Association ..... 38
The Fishy Eye, by Gerry Kidd ..... 42

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## Eight Times Better

# Spawning Channels Pay Handsome "Profits"

**Spawning channels built in recent years by the Salmon Commission on the Fraser have been paid for many times over through increased returns, the director of the Commission told the annual meeting this month.**

By Ed Cooper

The Commission has spent nearly $1.9 million on construction programs since 1964. Approximately $1.4 million of that has been spent on spawning channels at Seton Creek, Weaver Creek, Gates Creek and Nadina River. In addition, a small channel costing $35,000 was put in operation at Seton Creek in 1961, and an experimental hatchery, costing $84,000, started operating at Upper Pitt River in 1961. This hatchery was modified to include a gravel incubation system in 1963. The total expenditure to build these channels, which provide 84,115 sq. yd. of gravel, has been approximately $1.53 million, or approximately $18.14 per sq. yd.

Starting in 1963, you have been harvesting the sockeye and pink salmon produced by the channels at Weaver Creek, Pitt River, Seton Creek and Gates Creek, and between 1963 and 1972 a total of 1,505,000 sockeye and pink salmon combined have been caught (Table 1). These fish have a value of $2,678,000 to the fishermen, compared to the cost of $917,700 for the five producing channels. The seven years of returns from the Pitt River sockeye channel have produced catches valued over 10 times the capital cost, and the five years of returns from the two Seton Creek pink salmon channels have produced catches valued at almost four times the capital cost, and the four years of returns at Weaver Creek have produced catches valued nearly three times the capital cost. Both the Weaver Creek and Gates Creek channels returns are from operation at only 30 to 40 percent capacity.

Data on comparative production of the channels (Table 2) shows that they are continuing to produce on the average about eight times more sockeye than the adjacent natural spawning ground. At the Seton Creek pink salmon channels, production per 1,000 eggs deposited averages quite close to the sockeye channel average.

The Chairman mentioned that the primary reason for construction of the first channels was to obtain evidence of their effectiveness. This we now have. The channels were constructed at the stream selected to compensate partially for lost or deteriorated spawning grounds, so that they would serve a dual purpose. Another valuable aspect of these installations is the operating experience gained, which provides background knowledge for effective and efficient design of larger channels, and guards against errors in design which would be expensive to correct.

The key factor in the success of spawning channels is the clean, graded gravel. It was recognized at the outset, that it would be necessary to prevent fine materials from entering the channels, and settling basins were construced for this purpose where considered necessary. Operating experience has disclosed some unexpected results, which have given us opportunity to prove the old adage that necessity is the mother of invention.

Table 1. Catches Attributable to Existing Spawning and Incubation Channels

| Brood Year | Upper Pitt | Weaver Creek | Gates Creek | Seton Creek | Totals |
|---|---|---|---|---|---|
| 1961 | — | — | — | 85,347 | — |
| 1963 | 84,796 | — | — | 12,992 | — |
| 1964 | 97,376 | — | — | — | — |
| 1965 | 16,176 | 121,309 | — | 106,740 | — |
| 1966 | 49,096 | 52,844 | — | — | — |
| 1967 | 51,289* | 43,724* | — | 117,732 | — |
| 1968 | 28,404* | 59,130* | 72,104* | — | — |
| 1969 | — | — | — | 506,164 | — |
| Totals, Fish | 327,137 | 277,007 | 72,104 | 828,975 | 1,505,223 |
| Weight, lb. | 1,995,536 | 1,767,305 | 425,414 | 4,948,981 | 9,137,236 |
| Value | $878,036 | $777,614 | $187,182 | $925,459 | $2,768,291 |
| Channel Capital Cost | $84,000 | $275,074 | $305,495 | $253,154 | $917,723 |

* Preliminary.

Table 2. Total Run Produced by 1,000 Eggs

| Brood Year | UPPER PITT River | UPPER PITT Channel | WEAVER Creek | WEAVER Channel | GATES Creek | GATES Channel | SETON Channel |
|---|---|---|---|---|---|---|---|
| 1961 | | | | | | | 14.5 |
| 1962 | | | | | | | |
| 1963 | 2.54 | 30.0 | | | | | 1.25 |
| 1964 | 3.40 | 31.30 | | | 2.94 | | |
| 1965 | 1.75 | 9.69 | 2.33 | 14.10 | | | 14.66 |
| 1966 | 0.96 | 14.69 | 0.43 | 4.43 | | | |
| 1967 | 0.72* | 13.08* | 0.73* | 8.30* | | | 4.65 |
| 1968 | 0.78* | 10.56* | 2.98* | 25.80* | 1.71* | 10.06* | |
| 1969 | | | | | | | 24.66 |
| Averages | 1.69 | 18.22 | 1.62 | 13.16 | | | 11.94 |
| Ratio | 10.8 | | 8.0 | | | | |

* Preliminary.

Bob Christiansen

# OCEAN RANCHING OF PINK AND CHUM SALMON

by

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Prepared for:

Third Technical Conference on Estuaries
Oregon State University
March 15-16, 1973

First Draft
February 5, 1973

# INTRODUCTION

Pink and chum salmon together contribute about 60 percent of the total U.S. harvest of Pacific salmon. Historic catch records suggest, however, that the ocean is capable of growing at least twice the number of pink and chum salmon than are presently available for harvest. Reduced recruitment of juveniles to oceanic nursery areas is thought to be mainly responsible for reduced production.

North American streams and lakes produce five species of salmon which differ in age and size at maturity. Chinook are the largest and typically weigh over 20 pounds and are 3 to 6 years old at maturity. Pink salmon are the smallest, averaging only four or five pounds at maturity, and living only 2 years from the time the egg is fertilized. Coho, sockeye, and chum salmon are intermediate in size and typically live 3 to 5 years. All five species spawn only once, and die a few days after spawning.

Neither pink nor chum salmon require a freshwater nursery area as do Chinook, coho, and sockeye salmon. Pink and chum obtain their early growth in estuaries and inshore waters before spreading westward across the North Pacific Ocean (Figure 1).

Catches of North American pink and chum declined rapidly through the 1940's, and landings remain depressed. Southern stocks have been depleted more than northern stocks. Oregon chum salmon, for example, were decimated in the 1950's,and the fishery was closed south of the Columbia River in 1962. Even in Alaska, trends in annual landings (Figure 2) offer little comfort. The once prolific southeastern Alaska pink stocks have suffered about a two-thirds reduction in landings (Figure 3).

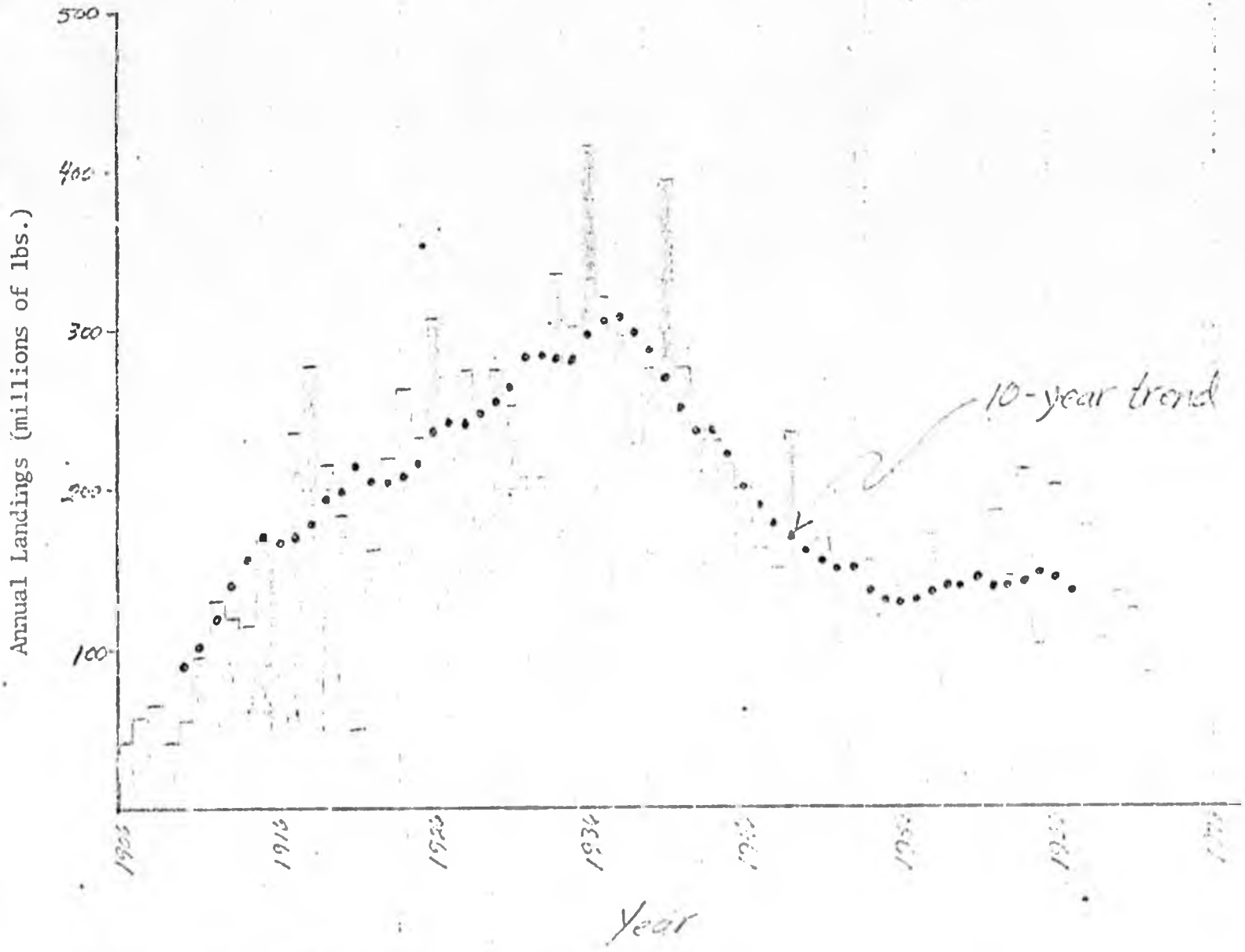


Figure 2.--Annual landings of pink and chum salmon in southeastern and central Alaska.

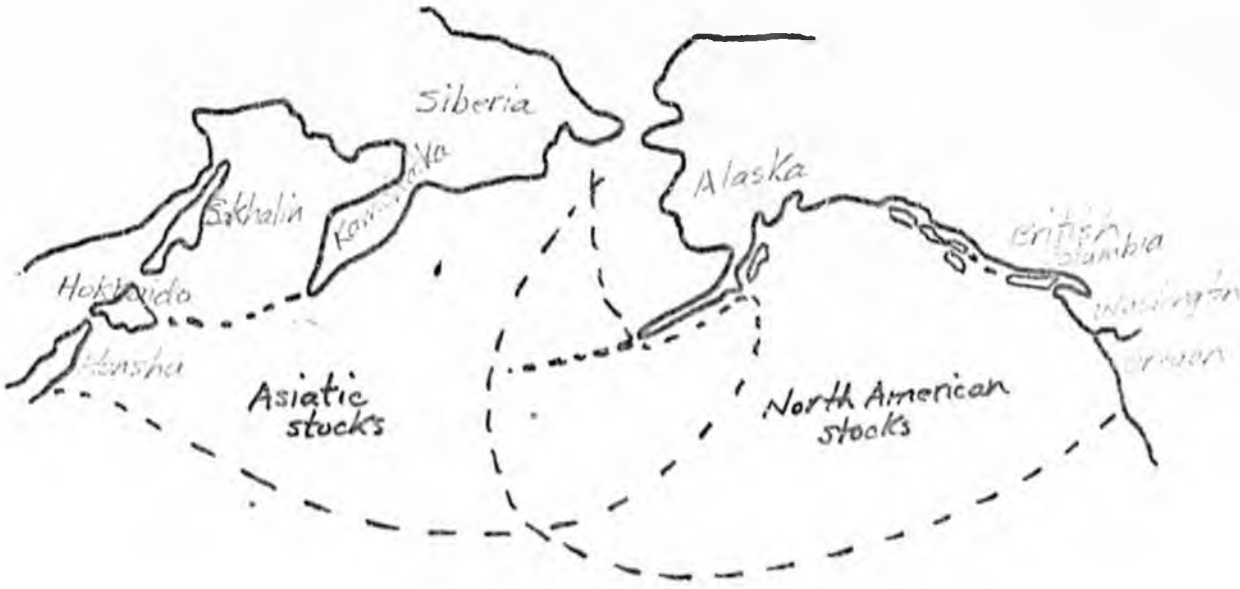


Figure 1.--General ocean distribution of pink and chum salmon.

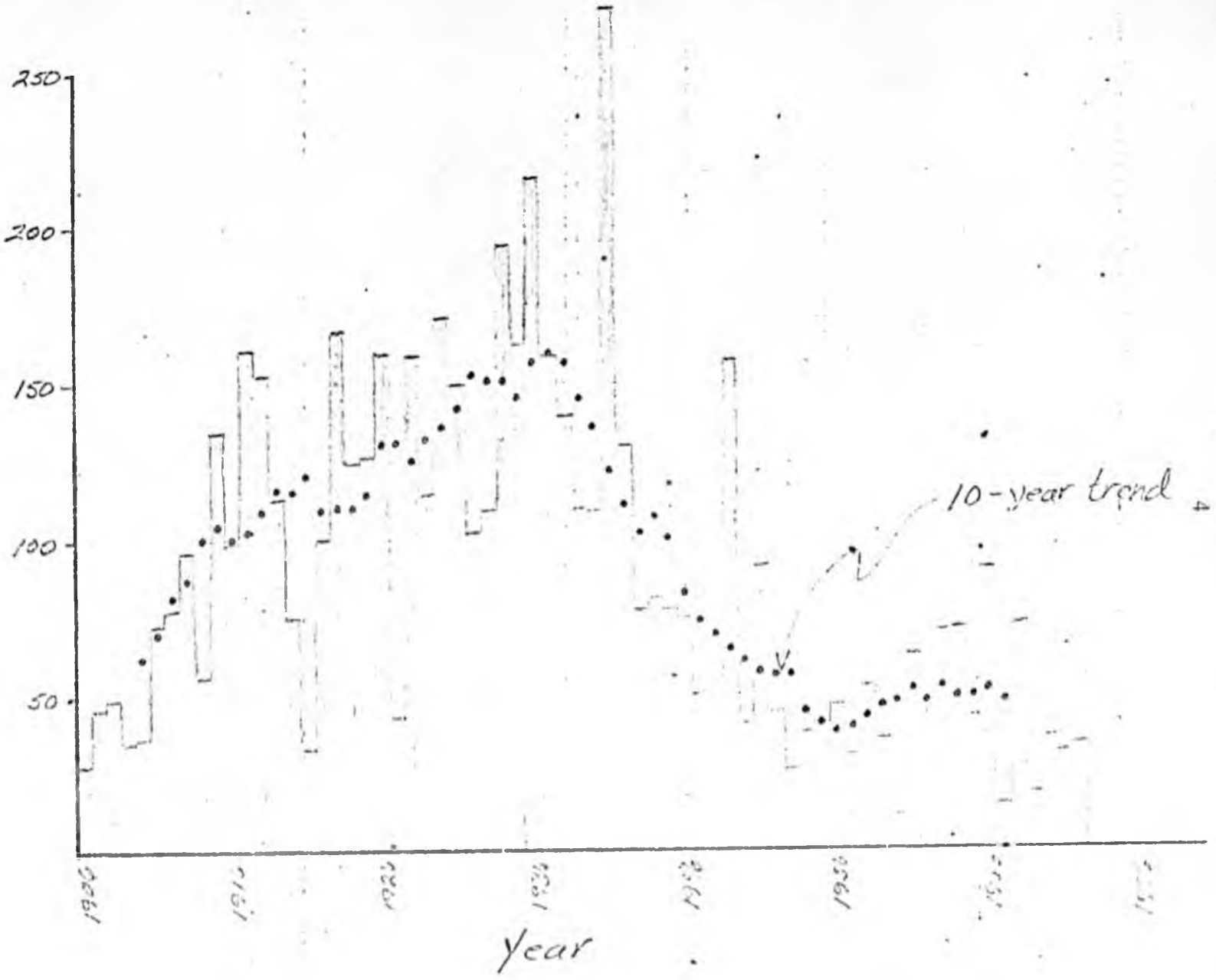


Figure 3. Annual landings of pink salmon in southeastern Alaska.

Overfishing is strongly implicated as the dominant force which initiated a rapid decline of pink and chum in the 1940's. However, reduced survival of eggs and young in streams and estuaries, resulting from damaging land and water-use activities, is probably contributing to the present depressed state of stocks in many areas. Provided natural or man-caused imbalances have not reduced the capacity of oceanic feeding grounds, there is a good possibility that numbers of harvestable fish can be increased through strict management of wild stocks and the application of artificial propagation.

Many pink and chum stocks can be revived with known management techniques, particularly in areas of Alaska where man has not yet exerted a major impact on spawning streams and estuaries. However, severe restrictions will be required on harvest, perhaps for several cycles where runs are seriously depressed. There is no scientific basis to expect that closures alone will suffice for those stocks which have been reduced to remnant runs. It will probably become necessary to propagate pink and chum salmon artificially where chronic over-exploitation occurs or where spawning habitat has deteriorated.

The Japanese have a highly successful hatchery program for chum and raise substantial numbers of pink salmon. The Russians have recently constructed several large hatcheries which release more pink and chum than Japanese hatcheries. Spawning channels have become popular in Canada as an alternative to hatcheries. Public hatcheries in the United States no longer produce many pink and chum salmon. Instead, they propagate primarily Chinook and coho salmon which are popular recreational species as well as

valuable commercial fish. Private hatcheries are being tried with chum salmon in the Pacific Northwest in an attempt to rehabilitate this formerly important commercial species without committing public tax funds.

This report reviews the status of technology for propagation of pink and chum salmon in hatcheries for the purpose of ocean ranching. The concept of ocean ranching relies on a natural "herding instinct" that causes salmon to return to their home stream at maturity. The biological feasibility of hatcheries is discussed in detail, and questions are raised on the control of harvest of mixed stocks of wild and hatchery fish to avoid overfishing wild stocks and institutional arrangements for operating hatcheries.

## STATUS OF ARTIFICIAL PROPAGATION

The Japanese began to build hatcheries in 1876; and numerous state, local, and private hatcheries now release 400 to 600 million juvenile pink and chum salmon annually to sustain coastal fisheries on Hokkaido and Honshu Islands. Chum is the most important species in Japan, and approximately four million hatchery adults return annually to coastal waters to provide an annual harvest of about 30 million pounds (Anon, 1966). Furthermore, marking studies indicate that Japanese vessels fishing on the high seas harvest at least an equal quantity (Kanid' yev, et al., 1970).

The Russians were forced into a large-scale hatchery program for pink and chum salmon in the 1960's to compensate for overexploitation of many of their stocks by the Japanese high seas fishery. The Russians presently release more pink and chum salmon from hatcheries than the Japanese; their 21 Sakhalin Island hatcheries alone produce more than 600 million juveniles. Although they obtain only about 0.4 percent return of

hatchery chum to their coastal fisheries, the Russians believe that Japanese high seas fleets harvest most of their hatchery fish.

The relative importance of Japanese and Russian hatchery programs can best be comprehended by comparing the annual release of hatchery chum into the western North Pacific Ocean with recruitment of wild chum fry into the eastern North Pacific from all North American spawning streams combined. Published reports suggest that about one billion juvenile chum are released annually from hatcheries in Asia, which is probably a larger number than originate from all wild stocks in North America. This conclusion is based on the following statistics and assumptions:

1. Over the past 10 years, approximately 8 million chum have been harvested annually by U.S. and Canadian fishermen. There is no indication that Japanese fishermen harvest many North American chum.

2. Based on an assumed 50 percent rate of exploitation, the average total return (catch plus escapement) of chum to North America was 16 million fish annually. (This is a conservative estimate of rate of exploitation.)

3. Based further on an assumed two percent marine survival of wild fish (Bakkala, 1970, p. 53-54), 800 million fry were required to produce 16 million adults. In all probability fry production has averaged somewhat less than 800 million.

In marked contrast to recent successful hatchery programs in Russia and Japan, attempts to raise pink and chum salmon in public hatcheries in the Pacific Northwest have mostly failed. Although the Washington Department of Fisheries continues to raise a few million chum at two hatcheries, large-scale production of pink and chum came to an end in the late 1930's after consistent failure to establish runs of hatchery fish. Very low marine survival of hatchery pink and chum at Pacific Northwest hatcheries has contributed to the belief that hatcheries are less efficient than natural reproduction (Noble, 1963 and 1964).

In seeking suitable alternatives to hatcheries, fish culturists began to experiment with spawning and egg incubation channels in the 1950's. Promising results from early tests prompted the International Pacific Salmon Fisheries Commission and the Canada Department of Environment to construct commercial-scale spawning channels in British Columbia. The early indications are that marine survival of channel fry is much higher than experienced previously in Pacific Northwest hatcheries.

A spawning channel is usually a water diversion canal with a bed of silt-free gravel for spawning. Waterflow is controlled at a head gate, and spawner density by a fish weir. In most cases the adult salmon are allowed to spawn naturally, but their numbers are held between one and two spawners per $m^2$ (both sexes) to achieve optimum density. In a few instances, fertilized eggs are planted artificially. The protected environment of the channel ensures higher survival of embryos and alevins (larvae) than in a natural spawning bed.

Recent advances in our understanding of the requirements of pink and chum alevins has led to development of hatchery incubators which use a gravel substrate. The technique of spreading pink and chum alevins on gravel is widespread in Russian hatcheries, and is used also in some Japanese hatcheries (Kanid' yev, et al., 1970). It affords alevins a more natural environment than standard trough or tray incubators.

Two different designs of gravel incubation hatcheries are being field tested in Oregon, British Columbia, and Alaska. One type involves burial of newly fertilized or eyed eggs in gravel-filled tanks receiving an upwelling flow of water. In the other type newly fertilized eggs are placed on screen trays and suspended in a water column with an upwelling flow. After the eggs hatch, the alevins drop through the screens and repose on the surface of a shallow layer of gravel. Lids exclude light.

## CRITERIA FOR HATCHERY DESIGN

The incubation of salmon eggs and alevins to the fry stage requires relatively little water or space. Conventional hatchery practices involve the concentration of newly fertilized eggs in trays which are arranged horizontally in troughs or stacked vertically. Water is directed through a series of trays before it is discarded. Provision is usually made for re-aeration of water as it passes from one tray to the next. Alevins may be retained in incubation trays until the yolk is absorbed, or they may be transferred to open troughs or ponds to complete their development.

Hundreds of millions of pink and chum fry have been raised by conventional techniques and released, but there have been no documented cases in North America where survival of hatchery fry has approached survival of wild fry. In almost every case survival has been too low to justify the propagation of pink and chum in hatcheries. We now recognize some reasons why these hatchery fry probably possessed a low fitness for survival.

The velocity of water flowing past alevins in conventional troughs and trays greatly exceeds the velocity under natural conditions in spawning beds. Furthermore, movements of the alevins are not restricted as in gravel beds of streams, and the smooth troughs or screen trays may fail to satisfy the tactile requirements of alevins (Bams, 1969). Although conventional hatchery methods yield high egg to fry survival, the resulting fry are undersized (Brannon, 1965; Poon, 1970), show a reduced capacity to perform work (Bams, 1967), and exhibit a high incidence of malformed yolks (Disler, 1953; Einadi, 1972).

The ability of fry to feed and grow also may relate to their early incubation history. An unpublished experiment with pink fry[1] compared growth and survival of fish from a tray incubator with fish from a gravel incubator. Average weight of surviving fish after 75 days of feeding on an unrestricted diet was 4.2 grams for the tray incubator and 6.5 grams

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[1] McNeil, W. J., 1971. Culture of salmon acclimated to seawater. Fourth Progress Rpt. - May 15, 1971. Oregon State Univ. Mar. Sci. Center. 4 p. (processed).

for the gravel incubator. The survivors from the tray incubator represented only 37 percent of the initial number of fry; whereas, the survivors from the gravel incubator represented 88 percent. The incidence of non-feeding "pinheads" was high among tray incubator fish and low among gravel incubator fish.

Nonfeeding fry are a common problem where pink and chum are raised at public hatcheries. The high incidence of malformed yolks with associated structural deformities may explain in part why pink and chum fry from tray and trough incubators have experienced very low marine survival. Bams (1972) feels that poor survival of hatchery fry is due primarily to poor conversion of yolk to body tissue, and the resulting small size and poor condition of fry.

The first evaluation of marine survival of pink fry from a gravel incubation hatchery has recently been reported by Bams (1972), who compared 77,000 marked hatchery fry with 75,000 marked wild fry. Bams estimated a 6.6 percent marine survival of hatchery fry and a 6.5 percent survival of wild fry, but the difference was not statistically significant. His estimate of six to seven percent marine survival of pink is consistent with observations of wild fish.

Combined observations on 17 brood years[2] of pink salmon at Sashin Creek, southeastern Alaska (Ellis, 1969), and 11 brood years at Hook Nose Creek, British Columbia, (Parker, 1964) revealed that 2.7 percent of the outmigrating fry returned to spawn. Although rates of exploitation are unknown, they

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[2] The term "brood year" refers to the year of spawning.

probably exceed 50 percent most years and may approach 80 percent for individual stocks some years. This means that marine survival has averaged in excess of 5.4 percent for Sashin and Hook Nose Creek pink salmon. A marking experiment on 1960 brood year Hook Nose pink salmon yielded an estimated 22 percent marine survival and 95 percent exploitation (Parker, 1964). Three similar marking studies on Bella Coola River, British Columbia, pink yielded 5.2, 4.4, and 1.9 percent marine survival of 1961, 1962, and 1963 brood years (Parker, 1968).

Marine survival of chum is more difficult to evaluate because of variable age of return. Chum live one to 3 years longer than pink, and marine survival would be expected to be lower. Parker (1962) estimated marine survival of Hook Nose Creek chum to be 2.8 percent. Parker's estimate is consistent with information available on spawner-recruit relationships for Alaska chum (Anon, 1966).

It is largely beyond our capability to exercise control over marine survival, but it is important that we have some idea of what to expect in terms of fish returning for harvest from a release of a known number of fry. In freshwater we have an opportunity to control and increase survival to much higher levels than observed in nature.

Statistics on freshwater survival of pink and chum for streams in Canada (Pritchard, 1948; Hunter, 1959; Parker, 1962), Alaska (Wright, 1964; Olson and McNeil, 1967; Ellis, 1969), and Russia (Semko, 1954; Kanid'yev, et al., 1970) show that outmigrant fry usually represent less than 20 percent of potential egg deposition. A recent compilation of data for Sashin Creek pink salmon (Ellis, 1969), reveals that there is a 27-fold difference in annual freshwater survival (0.8 to 21.7 percent).

Gravel incubation hatcheries are capable of increasing average egg to fry survival five to 10 times over natural streams. Hatcheries also afford a means to avoid broad annual fluctuations in fry production and to make efficient use of a relatively small number of spawners.

Hypothetical examples of surplus production from wild and gravel incubation hatchery pink salmon stocks are compared in Table 1. The survival figures used in Table 1 are representative of wild pink stocks reported already for Canada and Alaska and of hatchery stocks in Japan, Russia, and Canada (Anon, 1966; Kanid'yev, et al. 1970; Bams, 1972).

Just how effective gravel incubation might become in North America remains to be determined, but the last two columns of Table 1 reveal the potential advantage of hatchery stocks over wild stocks.

## HARVEST OF WILD AND HATCHERY STOCKS

The operation of large hatcheries would not relieve the need for continued restriction of harvest of pink and chum salmon in the common property fishery, because the conservation of wild stocks will continue to demand high priority. Even when conditions favor good survival, it is unlikely that wild stocks will support more than 75 percent exploitation. Much lower exploitation will be required most years for conservation. Hatchery stocks, on the other hand, should sustain much higher exploitation, perhaps as high as 95 percent because of the small numbers of brood fish required to restock hatcheries. In the face of differing requirements for conservation, how do we provide for complete utilization of hatchery fish and avoid overharvesting wild fish on the fishing grounds?

Table 1.--Surplus production of pink salmon from wild and gravel incubator hatchery stocks with various assumed survival schedules.

| Initial no. of eggs | Survival to fry | No. of fry | Survival to adult | No. of adults | Replacement spawning stock[1] | Surplus production | Exploitation rate |
|---|---|---|---|---|---|---|---|
| | | | | WILD STOCKS | | | |
| 1,000,000 | .07 | 70,000 | .04 | 2,800 | 1,000 | 1,800 | .64 |
| 1,000,000 | .10 | 100,000 | .02 | 2,000 | 1,000 | 1,000 | .50 |
| 1,000,000 | .02 | 20,000 | .05 | 1,000 | 1,000 | 0 | 0 |
| | | | | GRAVEL INCUBATOR STOCKS | | | |
| 1,000,000 | .80 | 800,000 | .04 | 32,000 | 1,000 | 31,000 | .97 |
| 1,000,000 | .85 | 850,000 | .02 | 17,000 | 1,000 | 16,000 | .94 |
| 1,000,000 | .80 | 800,000 | .005 | 4,000 | 1,000 | 3,000 | .75 |

[1] Assumes an average fecundity of 2,000 eggs per female.

Because it is imperative that the common property fishery be managed to achieve adequate escapements of wild fish to spawning streams, large surpluses of artificially propagated fish will return to successful hatcheries. These surplus hatchery fish would become available for harvest after they segregate themselves from wild fish. Such segregation will occur at the mouth of the hatchery stream in most instances.

State hatcheries in Oregon and Washington began to receive substantial numbers of surplus hatchery coho and Chinook salmon about 10 years ago. In 1970, these public hatcheries placed more than five million pounds of surplus salmon on the commercial market (Jeffries, 1971; Ellis, 1971). It is very likely that they also contributed another 20 to 30 million pounds to common property commercial and recreational fisheries from California into southeastern Alaska.

Even though commercial salmon fishermen are dependent upon hatchery fish in the Pacific Northwest, they have been very vocal in criticizing management agencies for allowing too many fish to return to hatcheries. It seems probable, however, that the present high rate of exploitation already threatens wild coho and Chinook stocks in the Northwest, and any further increase in exploitation could be disasterous unless it is selective for hatchery fish.

It is unlikely that wild pink and chum stocks could sustain as high of a rate of exploitation as coho and Chinook. This comes about because of differences in factors which limit recruitment of young to the ocean.

In the case of pink and chum, utilization of spawning habitat limits recruitment of young, and relatively large numbers of spawners are required for maximum production of fry. On the other hand, only relatively small numbers of coho and Chinook spawners are required to provide sufficient fry to stock limited stream nursery areas which are occupied by young fish for periods up to 3 years before they migrate to sea.

Surpluses of fish escaping the common property fishery and returning to a hatchery potentially will be much larger for pink and chum than for coho and Chinook because of the need to hold exploitation below 75 percent most years to conserve wild stocks. Only limited information is available on marine survival of hatchery pink and chum, but Kanid'yev, et al. (1970) report 1.5 percent return (catch plus escapement) of chum from northeastern Hokkaido, Japan, hatcheries over a 12-year period.

It is instructive to use this information to predict surplus production of chum returning to a hypothetical hatchery:

| | |
|---|---|
| Assumed number of eggs placed in hatchery | = 50,000,000 |
| Fry production (85 percent of eggs) | = 42,500,000 |
| Adults returning to common property fishery (1.5 percent of fry) | = 637,500 |
| Harvest in common property fishery (60 percent of returning adults) | = 382,500 |
| Adults returning to hatchery | = 255,000 |
| Brood stock (2,700 eggs per female) | = 37,000 |
| Surplus for harvest at hatchery | = 218,000 |

Many surplus pink and chum salmon escaping the common property fishery and returning to a hatchery will be mature fish which are no longer in prime condition for canning. Nevertheless, these mature fish retain considerable market value for caviar and bait eggs, smoking and drying, animal food, and bait. Even the carcasses of artificially spawned fish can be used for animal food and bait, so all adults returning to a hatchery, including brood fish, have potential markets.

Public fishery agencies in the Pacific Northwest are faced with substantial marketing problems which have been created by the sizeable surpluses of hatchery coho and Chinook. Roberts (1972) cites some common complaints voiced by fishermen.

"Salmon sold from hatcheries is of poor quality, this hurts our markets."

"A public agency shouldn't be in the fish business."

"Those returned hatchery fish are lowering the price of salmon caught by commercial fishermen."

These problems are symptomatic of a public hatchery program, because any successful hatchery will have a surplus, even with heavy exploitation. Serious consideration must be given to institutional arrangements for raising, harvesting, and marketing hatchery fish. Ideally, the value of surplus hatchery fish should underwrite the cost of hatcheries without threatening the economic security of fishermen. It seems a paradox that a technology which offers the promise of increasing the supply of salmon could also complicate the management of wild stocks and marketing.

One step to insure that surplus fish will underwrite the cost of operating hatcheries is to create a legal basis for private hatcheries. This is being tried on a restricted basis in California, Oregon, and Washington. Except where hatcheries are constructed by indian tribes on tribal lands, private hatcheries are licensed and regulated by state fishery agencies, but no public tax funds are used for construction and operation. In Oregon, any administrative costs incurred by the state are charged to the private hatchery. Salmon from private hatcheries become public property from the time they are released until the time they are recaptured in trapping facilities operated by the hatchery.

Private hatcheries presently licensed by state fishery agencies include one coho hatchery in northern California and four chum hatcheries in Oregon. The Washington Department of Fisheries has authority to license hatcheries, but to my knowledge they have not yet approved any applications. At least two indian tribes (Quinault and Lummi) operate private salmon hatcheries on their reservations in Washington.

Should "proprietary" fisheries created by private hatcheries prove to be financially successful, a salmon farming industry will most likely emerge over the next several years. Such a proprietary fishery conceivably could attain economic importance in its own right, while at the same time contributing substantial numbers of fish to the common property fishery. Figure 4 shows a systems model for pink and chum salmon which integrates production from wild and hatchery stocks to provide fish for harvest in a common property and a proprietary fishery.

The speculative risk of private salmon hatcheries is undoubtedly high, because we have very little information to pass judgment on economic feasibility at this time. Even if fish returning to a private hatchery do not have sufficient value to cover costs, there is a possibility that fishermen would tax their catches to cover the deficit, provided they are convinced that the added value of hatchery fish in their catch makes the added subsidy worthwhile to them. There may even be circumstances where the operation of hatcheries by fishermen's associations might become practicable, especially where limited entry to the fishery would give the participating fishermen a proprietary interest in any hatchery fish returning to a particular fishing ground.

Even though private pink and chum hatcheries are highly speculative, there is a likelihood for significant economies in costs of constructing and operating gravel incubation hatcheries. If costs of producing 1,000 fry can be held at about $6 (including amortization), then a 1.5 percent return of chum or a three percent return of pink to the common property fishery would be sufficient for a self-supporting hatchery under the following hypothetical conditions:

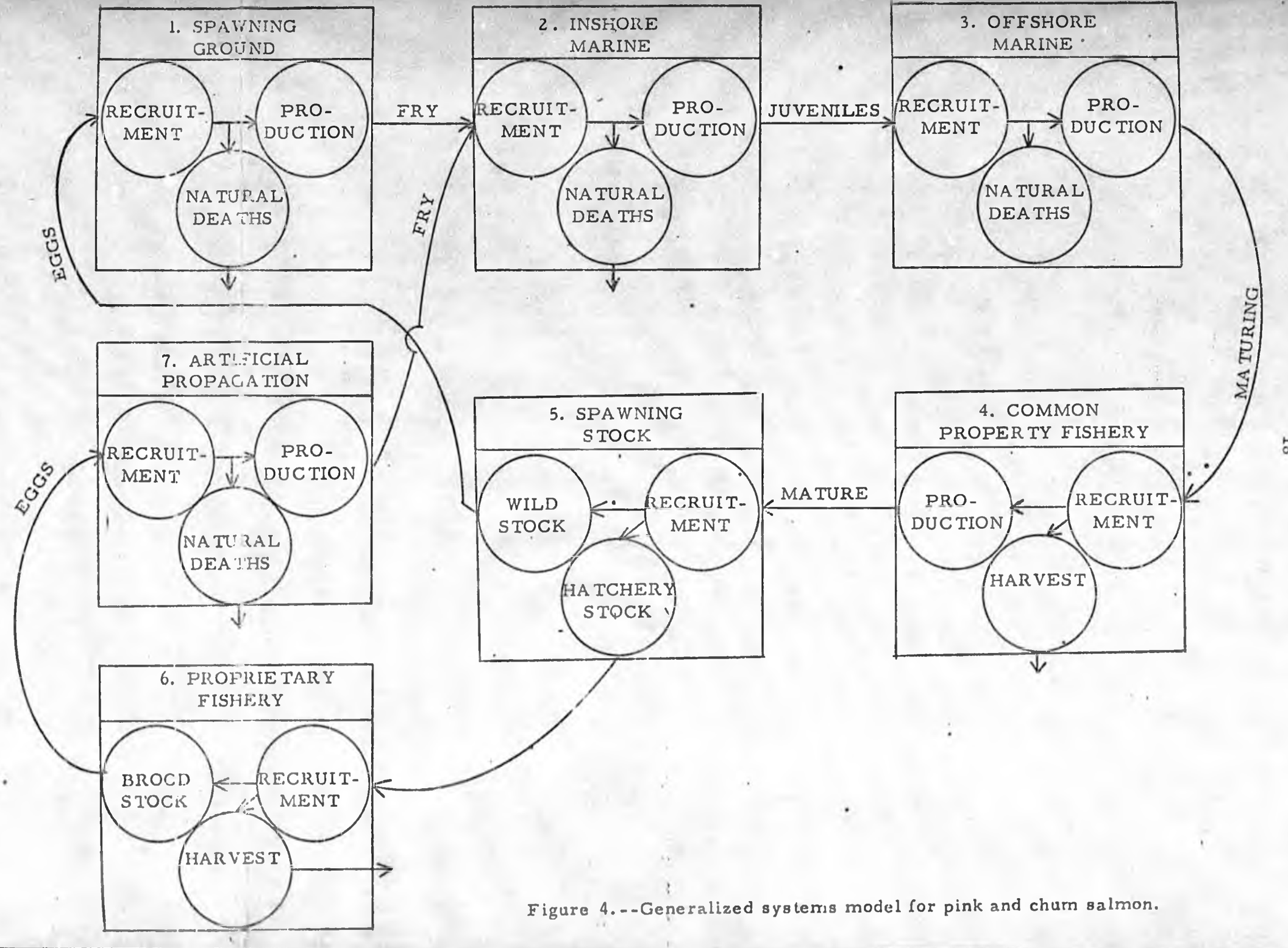


Figure 4.--Generalized systems model for pink and chum salmon.

| | Chum | Pink |
|---|---|---|
| Cost of fry | $6/1,000 | $6/1,000 |
| Total return/1,000 fry | 15 adults | 30 adults |
| Harvested by commom property (60% exploitation) | 9 adults | 18 adults |
| Return to hatchery | 6 adults | 12 adults |
| Required for brood stock | 1 adult | 1.5 adults |
| Surplus for proprietary harvest | 5 adults | 10.5 adults |
| Value of surplus ($1.30/chum; $.60/pink) | $6.50 | $6.30 |

The above examples provide slim margins for profit. If cost of fry production, market value of surplus fish, or exploitation in the common property fishery should be underestimated, the hatchery would lose money. Money would also be lost if marine survival should be overestimated. The example serves to identify the key elements which require evaluation:

1. Cost of producing fry.
2. Marine survival.
3. Exploitation in common property fishery.
4. Market value of surplus hatchery fish.

Emergence of a salmon hatchery industry will require intensified support from government in research, development, and advisory services. Private hatcheries will require assistance on criteria for design and operation of hatcheries, genetics and selective breeding of stocks, disease control, nutrition where short-term rearing of fry is involved, harvesting, processing, marketing, and socio-legal problems. Because State fishery agencies will administer and regulate private hatcheries, it is imperative that they participate in research, development and advisory projects along with National Marine Fisheries Service laboratories and

Sea Grant universities.

We may have already entered a period of transition from strictly public artificial propagation of salmon to a partnership between public and private propagation. Many questions need to be resolved by state legislative and administrative bodies before we can convert a "problem" of surplus hatchery fish into an "opportunity" to allow these surplus fish to pay the cost of operating hatcheries and to avoid continued heavy subsidization of public hatcheries. It is prudent for state fishery agencies to proceed with caution as they broaden their salmon management programs to include the assignment of limited proprietary rights to salmon. If properly executed, a partnership between government and private sectors of the economy can greatly broaden the financial base for expansion of salmon resources for the benefit of fishermen, processors, and the public.

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AUKE BAY FISHERIES LABORATORY

ANADROMOUS FISHES INVESTIGATIONS

# A Systems Approach for Alaska Sockeye Salmon Research and Development Programs

Staff members of the Alaska Region of the National Marine Fisheries Service have reviewed the general status of knowledge on management and development of Alaska sockeye salmon stocks. One outgrowth of this review has been the description of a generalized systems model which will serve as an aid to planning of future research and development projects for Alaska sockeye salmon. Eight functional areas (subsystems) represent the core of the model:

Subsystem 1 - Spawning Ground
Subsystem 2 - Lake Nursery
Subsystem 3 - Inshore Marine
Subsystem 4 - Offshore Marine
Subsystem 5 - Common Property Fishery
Subsystem 6 - Spawning Stock (Escapement)
Subsystem 7 - Proprietary Fishery
Subsystem 8 - Artificial Propagation

These eight functional areas determine the biomass of sockeye salmon available for harvest and reproduction. Their interrelationships are outlined in Figure 1.

Two of these eight functional areas (numbers 7 and 8) do not presently play a significant role in Alaska. Early attempts at "proprietary" farming of sockeye salmon in Alaska ended in failure for a variety of economic and biological reasons. Nevertheless, scarcity and high value of salmon combined with greater knowledge about requirements of salmon and development of improved technology may reopen opportunities for proprietary salmon farming.

Other subsystems are important to the success of any program of management and development of Alaska sockeye salmon stocks besides the eight already listed. For example, a subsystem for forecasting the size of runs returning to western Alaska (Figure 2) plays an essential role in allocation of catch and escapement and in determining the number of canning lines to be operated. Examples of additional subsystems which provide inputs into the generalized systems model shown in Figure 1 include:

Subsystem 9 - Abundance and distribution of juveniles.
Subsystem 10 - Environmental parameters which affect survival and growth.
Subsystem 11 - Forecast of returning runs.
Subsystem 12 - Identification of separate stocks.

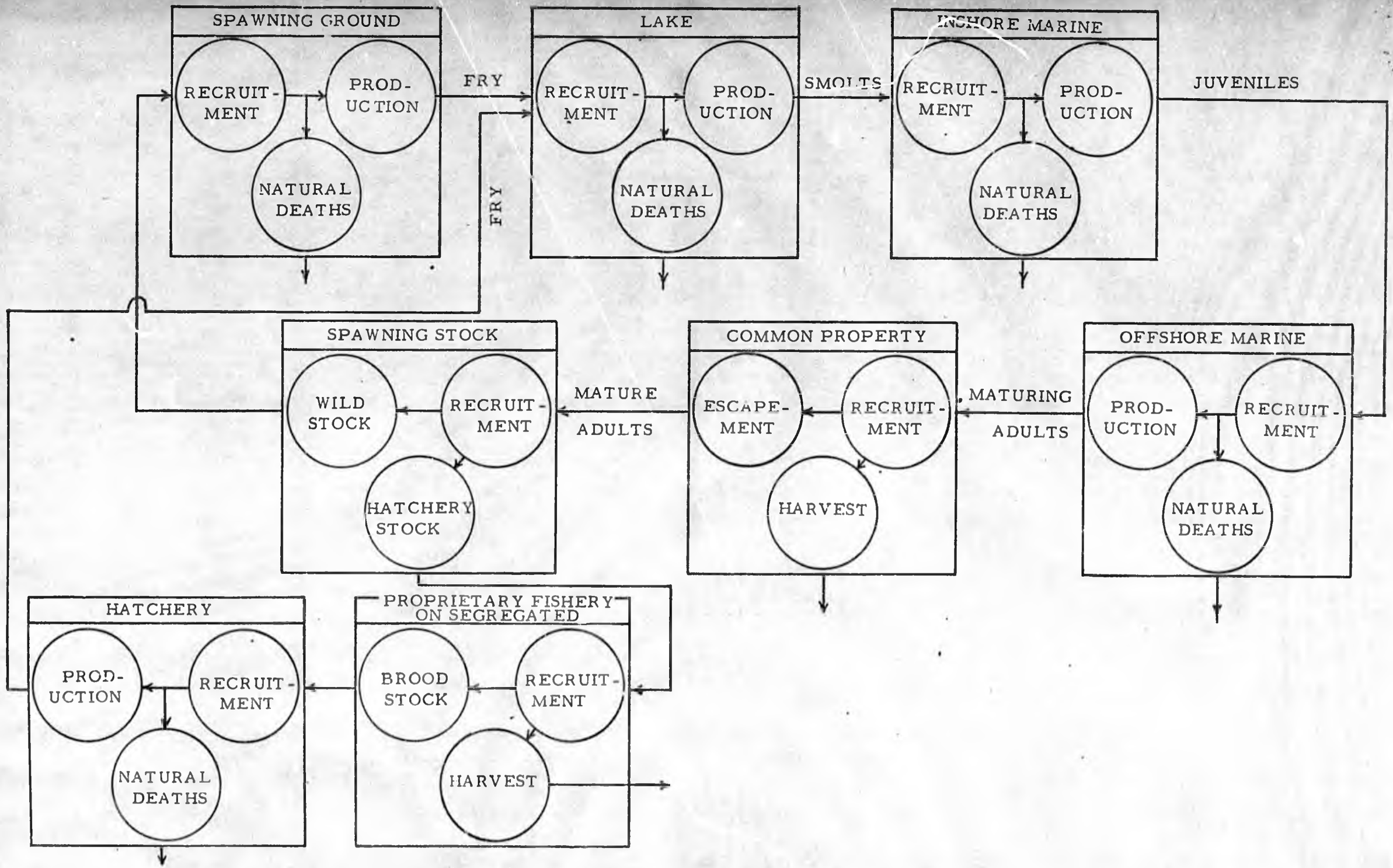


Figure 1.--Generalized systems model for sockeye salmon.

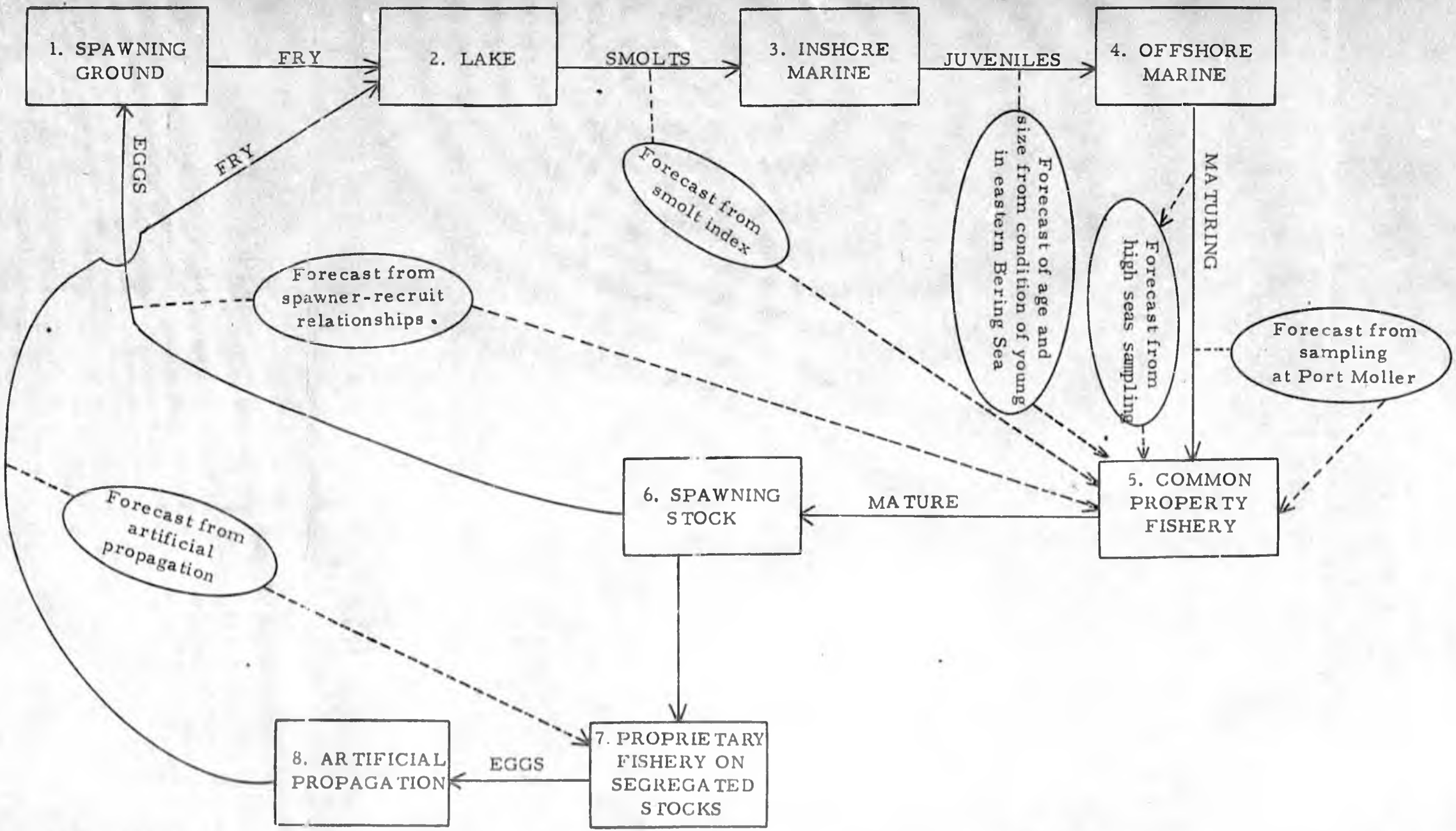


Figure 2. --Role of forecast subsystem in generalized systems model for Alaska sockeye salmon.

Subsystem 13 - Evaluation of physiological fitness.
Subsystem 14 - Heritability and selective breeding.
Subsystem 15 - Biogenic enrichment of lakes.
Subsystem 16 - Control of predators and competitors.
Subsystem 17 - Other habitat improvement.
Subsystem 18 - Fishery oceanography.
Subsystem 19 - Environmental impact studies.
Subsystem 20 - Fishery management planning.

This planning document attempts to clarify those areas where incomplete knowledge seriously impairs effective management and development of Alaska sockeye salmon stocks. You are encouraged to examine statements which follow under each of the subsystem titles for clarity, correctness, and applicability. In many instances, the statements could benefit from further amplification. Written and/or oral critiques on research and development programs for sockeye salmon are most welcome along with recommendations on priorities. Comments should be directed to William J. McNeil, Chief, Anadromous Fishes Investigations, Auke Bay Fisheries Laboratory, P. O. Box 155, Auke Bay, Alaska 99821.

Subsystem 1 - Spawning Ground

Our present understanding of fry production from spawning beds is probably adequate in most instances for managing and developing sockeye salmon stocks. Field studies show that the curve relating production of fry per unit area of spawning ground to density of females spawning approaches a maximum of about 300 fry per $m^2$ at a density of about 1 female spawner per $m^2$. We infer five important conclusions which serve as tentative guidelines for assessing the capacity of spawning beds to produce fry:

1. Fairly efficient reproduction (i.e., relatively high egg to fry survival) can be obtained at densities of 1 female spawner per $m^2$ and lower.

2. This first conclusion is qualified by the possibility that efficiency of reproduction declines at very low spawner densities (i.e., mortality may be inversely density dependent and a low threshhold to escapement may exist along with a high threshhold).

3. Mortality in spawning beds becomes strongly density dependent when escapements exceed 1 female per $m^2$.

4. Where conditions of over or under-escapement do not exist, egg to fry survival will average about 8 percent. It is recognized however, that actual survival can fluctuate between 1 percent and 20 percent from nondensity dependent mortality usually induced by weather.

5. Carrying capacity of spawning beds can be estimated from measurements of surface area, allowing a maximum of 1 female per $m^2$.

Information essential for the management of sockeye salmon stocks includes the description of natural spawning areas. Yet, the inventory of spawning grounds appears to be incomplete for most major lake systems, and the publication of spawning ground catalogs has lagged. It is important that inventories be completed and catalogs be published.

Subsystem 2 - Lake Nursery

There still appears to be no expert concensus on the level of fry recruitment to a lake which produces the maximum outmigration (number or biomass) of smolts. It is generally recognized that optimum fry recruitment varies among lakes, but there appear to be no estimates of the limits of stocking density that might be assigned to relatively productive and relatively unproductive lakes.

Perhaps we can infer answers to estimates of optimum stocking densities for western Alaska lakes from an examination of escapement and return statistics to individual lakes. Historic records at Karluk Lake reveal, for example, that about 700,000 spawners consistently generated returns of about 3 million adults. Karluk is recognized as one of the the more productive sockeye salmon lakes in western Alaska. It has about 350,000 $m^2$ of spawning gravel, which would barely accommodate 700,000 spawners (equal sex ratio) at a density of 1 female spawner per $m^2$.

Past research at Karluk Lake indicates that average fecundity is about 3,300 eggs per female and egg to fry survival is about 8 percent. If we were to achieve an escapement of 700,000 adults to Karluk Lake, we might expect the recruitment of fry to average about 92 million (2,300,000 per $km^2$) annually. If we were to further assume 10 percent survival of fry to migrating smolt, which conforms with field observations, we would realize an annual production of about 9 million smolts. This number of smolts would generate a returning run of 3 million adults to the fishery if one-third of them survived. It is significant that relatively high marine survival (30 percent and higher) has been measured consistently at Karluk.

The Wood River lakes are considered to be less productive than Karluk Lake but more productive than several other western Alaska lakes. The production of juvenile sockeye salmon in the Wood River lakes appears to increase up to a density of 5,000 spawners per $km^2$ of lake area. If we assume 8 percent egg to fry survival and an average fecundity of 4,000 eggs per female in the Wood River lakes (Bristol Bay fish are more fecund than Karluk fish), we would realize a stocking density of 800,000 fry per $km^2$. Spawning area is very extensive in the Wood River system and is not considered to be a limiting factor. If we further assume 10 percent survival from fry to smolt, average peak smolt

production from the Wood River lakes would amount to about 34 million from an annual stocking of 340 million fry (800,000 fry per $km^2$ for a lake area of 425 $km^2$). A marine survival of about 18 percent would return some 6 million adults to the Wood River, which is approximately the level of abundance observed during the early period of the fishery (1900-1918).

Unfortunately, we can only speculate if a recruitment of 2,300,000 fry per $km^2$ at Karluk Lake and 800,000 per $km^2$ in the Wood River lakes would re-establish historic levels of sockeye in these systems. Perhaps a decline of biogenic enrichment from a lack of salmon carcasses has reduced the basic productivity of all western Alaska lakes. Regardless of the present or historic capacity of these lake systems to grow sockeye salmon, one very important question to be answered is: Will overstocking with fry cause biomass and/or numbers of smolts to approach an asymptote or decline after reaching a peak?

Observations at Iliamna Lake and at Kitoi Bay on Afognak Island suggest that production tends to level off at an asymptote, and overstocking a lake with fry may not threaten maximum production of smolts. The experiments at Kitoi further suggest that smolt production rapidly levels off at fry stocking densities of about 1,000,000 per $km^2$ and higher. This agrees with an estimated optimum recruitment of 800,000 fry per $km^2$ to the Wood River lakes.

Further studies on the carrying capacity of sockeye salmon lakes are required to fill important gaps in our understanding of the role of fish behavior and biological and physical environmental factors as determinants of production. The distribution and movement of young sockeye salmon are known to vary considerably among lake systems, but the surveillance of young fish in lakes has been facilitated by the application of acoustical devices. The routine application of acoustics combined with depth integrating trawling to determine species composition of acoustic "targets" is highly desirable for the assessment of recruitment from naturally and artificially propagated stocks. An overall evaluation of the effect of fry recruitment and of environmental factors on smolt production necessitates a continuation of smolt sampling in outlet streams.

Subsystem 3 - Inshore Marine

Recent studies have shed light on the distribution and movement of young sockeye salmon passing through Bristol Bay and into the eastern Bering Sea. An understanding of the role of environment on growth and survival is beginning to unfold from exploratory fishing, synoptic oceanography, and comparative studies on growth and osmotic adaptation.

Intensive sampling from oceanographic vessels in Bristol Bay and the eastern Bering Sea has generated a back-log of oceanographic data and biological samples. Routine sampling of juvenile sockeye salmon from shore-based vessels at Port Moller is recommended to provide information on annual variation in timing of migration and growth. Remote censusing of surface water temperature with aircraft or satellite-mounted radiometers is also recommended to provide data necessary to evaluate annual differences in marine environmental conditions potentially affecting juvenile sockeye salmon.

There is a considerable body of information on total marine survival of western Alaska sockeye salmon, but we have little knowledge beyond assumption about the relative magnitude of inshore-marine vs offshore marine mortality. Tagging studies have been planned to estimate inshore-marine mortality, but their execution will require a major expenditure of resources. Alternative approaches to estimation of mortality through changes in fishing success (catch per unit of effort) should be explored to determine if costs can be reduced and reliability of mortality estimates increased over that to be expected from tagging studies.

The decision to undertake a large-scale mortality study should depend in part on the outcome of analyses of whether or not ocean mortality is density dependent. Perhaps an answer to this question can be inferred from a study of recent records from individual Bristol Bay lake systems. Heavy outmigration of smolts from the Kvichak River is known to dominate total recruitment to Bristol Bay in some years but not in others. Perhaps the impact of heavy Kvichak runs on survival of other stocks can be evaluated from past records. If density dependent marine mortality cannot be reasonably established, then it is unlikely that inshore-marine mortality is limiting at stocking densities resulting from recent levels of natural recruitment. Should this be the case, the dominant justification for a costly inshore-marine mortality study would be to evaluate the effect of harvest of juvenile sockeye salmon on the high seas by Japan on total annual yield in weight of Bristol Bay sockeye. This does no appear to be a compelling reason to undertake a costly mortality study at the present time.

Subsystem 4 - Offshore Marine

Long-term studies of Alaska sockeye salmon have been continuing in the North Pacific Ocean for 18 years, and substantial knowledge has been acquired on distribution and movement of stocks. Considerable numbers of Bristol Bay sockeye salmon are harvested by the Japanese high seas fishery, and any eastward extension of the abstention line would expose additional stocks of Alaska salmon to the Japanese fishery.

In addition to information on distribution and movement of salmon, offshore sampling provides data on relative abundance of sockeye salmon which can be used to forecast the number of fish returning to Bristol Bay. Limited high seas sampling for purposes of forecasting seems justified based on benefits to industry and salmon management, but the necessity for continued tagging studies should be critically evaluated.

Subsystem 5 - Common Property Fishery

Completion of the Bristol Bay data file and programming for instant retrieval of historical data on catch and escapement statistics will probably assist management of the fishery.

Preliminary evaluation of an analytical model to estimate the contribution of fish from major Bristol Bay nursery lakes to the catch in three fishing districts indicates considerable intermingling of stocks. The assumption that western and eastern Bristol Bay stocks do not intermingle in the eastern district is, therefore, in doubt, and the rate of exploitation of the Ugashik stock may be considerably underestimated in some years. This work emphasizes the need for further studies on migration patterns of individual stocks through the Bristol Bay fishery.

Test fishing off Port Moller provides the fishery manager and the industry with essential information on age composition and timing of the run. Rough seas make sampling difficult in this area, and a larger vessel would ease this problem somewhat.

Forecasts of the size of returning runs still lack a high degree of precision, but they do provide valuable information for planning the allocation of the run for escapement and harvest and for planning the operation of canneries. Should programs for limiting entry into fisheries emerge, licensing of fishing gear might provide for liberalization and restriction of the amount of gear on an annual basis depending on the anticipated size of runs. Such an approach to management would require reliable advanced forecasts of size of runs.

Subsystem 6 - Spawning Stock (Escapement)

Escapement goals established for western Alaska sockeye salmon stocks are based largely on Ricker-type curves fitted to spawner-return relationships. Data used for fitting these curves have mostly been obtained since the mid-1950's, and they cover a period typically dominated by runs of smaller than average size. The possibility that escapement goals are too small cannot be ignored. More emphasis should be placed on alternative approaches to estimating optimum escapement, especially analyses of carrying capacity of spawning grounds and lake nursery areas.

Subsystem 7 - Proprietary Fishery

Hatcheries (and in some instances spawning channels) can increase average egg to fry survival from 5-10 percent for wild stocks to 80-90 percent for artificially propagated stocks. This represents at least an 8-fold increase in efficiency of reproduction. If fitness for survival should prove to be equal for hatchery and wild fry, then the hatchery requires only one fish for eight or more required for natural spawning.

Hatchery stocks theoretically can sustain up to 96 percent rate of exploitation, but the harvest of fish in the common property fishery will have to be restricted to less than 70 percent of the total run most years in order to afford continued protection of the wild stocks where hatchery and wild stocks intermingle. This means, for example, that a common property fishery harvesting 700 of a returning run of 1,000 adults would still allow 260 hatchery fish to be harvested at the hatchery stream (40 fish would be required for brood stock); whereas, all 300 wild fish surviving such a fishery would be required for natural spawning. If surplus hatchery fish could be harvested by a proprietary fishery, their value might contribute a substantial portion of the cost of operating a hatchery.

Assignment of proprietary rights to hatchery fish that have escaped a common property fishery provides dual opportunities to supplement the common property fishery and to expand the economic base of the salmon industry with minimum commitment of public tax funds. Successful application of the proprietary concept requires that surplus hatchery fish have sufficient value to support the operation of hatcheries or that fish harvested in the common property fishery be taxed to subsidize hatcheries.

A trend to establish proprietary fisheries on surplus hatchery fish is already well established by state fishery agencies in the Pacific Northwest where private firms acquire surplus coho, Chinook, and chum salmon from public hatcheries on bids. California, Oregon, and Washington have also started to license streams to private hatcheries which derive their income entirely from surplus fish which escape the common property fishery. Thus, use is being made of private capital to expand production at locations where tax funds are not available or are insufficient to support public hatcheries.

Many interacting technological, legal, economic, and social questions will influence public policy on proprietary fisheries. A detailed study of these interacting questions should be undertaken, probably by a university team.

Subsystem 8 - Artificial Propagation

Several techniques are available for artificial propagation of sockeye salmon. No attempt will be made here to compare the relative merits of the various methods, but the method that appears most promising at the moment is the gravel incubation hatchery. This type of hatchery is experimental, but it holds the promise of substantially reducing costs over spawning channels and producing fry which have a fitness for survival comparable to wild fry.

Operation of low-cost gravel incubators has not been tried under severe winter conditions comparable to those experienced in Bristol Bay, and this should be a preliminary objective of a hatchery research and development project with sockeye salmon. Another objective should be to stock an isolated lake with hatchery fry and to evaluate their survival. If successful, this work could lead to large-scale sockeye salmon development projects for western Alaska lake systems. Karluk Lake is under consideration as a site for such a demonstration project.

Fishery biologists and other observers who are familiar with Karluk Lake are somewhat divided in their opinions on what factor or factors caused the drastic decline in sockeye salmon that occurred there. We know that the decline resulted in decimation of the middle portion of the run. Assuming there are no permanent ecological imbalances in the nursery lake, it is estimated that a 20- to 30-year closure of the fishery would be required for runs to rebuild to former peak levels of abundance.

The application of hatchery technology to increase efficiency of reproduction by about 10-fold has great theoretical appeal in the case of Karluk Lake. It is believed by some biologists that a hatchery system producing 50 million fry annually would stock the lake to about 50 percent of its carrying capacity, provided the young fish enter the lake at the proper time when food organisms predominantly consumed by fry are at their seasonal peak of abundance. The addition of 50 million artificially propagated fry to Karluk Lake at the proper time of year might be sufficient to "trigger" the recovery of Karluk Lake sockeye within a 10-year period. About 20,000 female spawner would produce 50 million fry in a hatchery; whereas, about 200,000 would be required to achieve the same production with natural spawning. It is likely that the remnant mid-season run still has sufficient fish to provide seed stock for a hatchery program.

Subsystem 9 - Abundance and Distribution of Juveniles

Techniques are well developed for measuring abundance of eggs and alevins in shallow streams but not in deep water, including lake beaches. Evaluation of success of lake spawning has lagged, however, because of lack of suitable sampling equipment and techniques.

There has been rapid progress in the development of advanced sonic and trawling techniques to evaluate abundance and distribution of young sockeye salmon in lakes. Although some developmental work remains, routine monitoring of distribution and abundance of young fish in lakes should receive high priority along with detailed studies of behavior.

Sampling of young fish migrating in streams and passing through inshore marine waters can be accomplished with present fishing techniques.

Subsystem 10 - Environmental Parameters

No serious deficiencies are presently recognized concerning our ability to measure or monitor environmental parameters. Over-expenditure of resources for routine monitoring should be avoided, and a listing should be made of minimum environmental measurements required for each lake system. Opportunities appear to be emerging for remote sensing of parameters such as surface water temperature from satellites.

Periods of transition are generally recognized to be critical to the success of a particular brood year. In the case of sockeye, these periods include spawning, hatching, entry to the lake, and entry to the ocean. We possess a fairly good understanding of the processes which affect survival during spawning and hatching, but we have only a sketchy understanding of the processes which affect survival during entry of fry to the lake and of smolts to the ocean. We need to focus more attention on sockeye salmon ecology during these two critical periods.

Subsystem 11 - Forecast

Most research on the ecology of sockeye salmon is undertaken to understand factors that limit production. However, major by-products of such research include the development of means to exercise control over production and to forecast the abundance of salmon available for harvest. The accuracy of a forecast reflects to a large extent our understanding of the various biological and physical factors which interact to limit production.

Examination of Figure 2 indicates that a considerable amount of research and development work on sockeye salmon relates to the forecast problem. The varied sampling programs which have evolved over the past 15 years now provide a complex array of inputs which contribute to the several forecasts made annually for major sockeye salmon fisheries. These sampling programs should be analyzed and evaluated to determine if modifications might reduce costs and increase the reliability of forecasting.

Subsystem 12 - Identification of Stocks

The identification of stocks is made especially difficult in Bristol Bay because the timing of returning migrations to the Bay coincides for all major stocks. Development of analytical techniques for stock separation based on trace mineral content of bony structures is under study. Genetic separation of stocks based on differences in enzyme systems and chromosome morphology should probably be explored, also. Development of analytical techniques for stock identification is essential for improved management programs and mortality studies.

Subsystem 13 - Physiological Fitness

The application of gravel incubation hatcheries for propagation of sockeye salmon will necessarily include an evaluation of the physiological fitness of hatchery fry as opposed to wild fry.

The possible effects of size of smolts and timing of migration to sea on survival has not been adequately evaluated. Emphasis should be placed on osmoregulatory capacity of smolts of different size, genetic stock, age, and body condition.

Subsystem 14 - Selective Breeding

The operation of hatcheries will create opportunities for selective breeding, but every attempt should be made to retain wild-type gene pools through random matings of a sufficiently large brood stock until such time that a decision is made to breed selectively for chosen traits. There is an immediate need to evaluate heritability of defined traits in sockeye salmon.

Subsystem 15 - Biogenic Enrichment

There has been considerable field experimentation on artificial fertilization of sockeye salmon lakes. The Fisheries Research Board of Canada is presently involved in such experiments on Great Central Lake, B. C. Nevertheless, more basic research is recommended on nutrient cycling in sockeye salmon lakes before large-scale field experiments are repeated in Alaska. The participation of university personnel in studies of nutrient cycling should be encouraged. One practical application of such research might be the control of timing of the spring bloom to coincide with fry emergence.

Subsystem 16 - Predator Control

Recent studies in the Wood River lakes have implicated larger char and trout as major causes of mortality of sockeye salmon smolts. The experimental control of predators in Little Togiak Lake combined with measurements of survival of sockeye smolts should probably be encouraged to gain further insight into the possible significance of predation.

However, the long-range solution to predation may require increased recruitment of sockeye salmon fry along with selective removal of predators or screening of predators from smolt migration pathways.

Subsystem 17 - Other Habitat Improvement

Criteria for calculation of cost-benefit ratios are reasonably well-established for poisoning lakes to remove predators and competitors and for laddering falls. Although there are no clear criteria for evaluating flow control, removal of silt from spawning beds, and other physical improvements of the environment, there appears to be little urgency to pursue these questions at the present time.

Subsystem 18 - Fishery Oceanography

The role of the marine environment in determining survival and growth of sockeye salmon is poorly understood. Annual variations in ocean temperature, for example, are suspected to affect growth and survival, but the routine monitoring of oceanographic conditions is a formidable task requiring resources beyond the capability of an individual salmon research group. Close coordination is required, therefore, between the salmon and oceanographic research groups to insure that oceanographic observations provide data which are meaningful to salmon biologists. Opportunities to use satellites to acquire environmental data should be explored.

Subsystem 19 - Environmental Impact Studies

Man's detrimental impact on salmon resources through a variety of land and water use activities is well documented. Where physical alteration of the environment is anticipated, it is important for the salmon investigation group to evaluate the probable impact on salmon resources and to recommend means to alleviate or mitigate damage to salmon.

Subsystem 20 - Salmon Management Planning

Effective management of salmon resources requires the fishery manager to have ready access to knowledge of factors which limit production and of techniques which can increase production. The research biologist should participate in management planning to insure that new knowledge is being applied and to insure that research programs are relevant to the needs of salmon managment.

It seems unlikely that the impact of land and water use activities on salmon streams and lakes has played a major role in the decline of Alaska salmon resources. With proper application, known resource management and development techniques could potentially revive the salmon resource to historic high levels. Major impediments to enlightened

management relate significantly to the tremendous user demand on salmon. The recovery of many wild stocks will require severe restriction on harvest, perhaps for many cycles in the case of decimated stocks such as Karluk. It will be difficult for many segments of the industry to face up to this problem and accept closures which lead to serious, immediate economic dislocation. The fishery manager is in many instances faced with an almost impossible task of satisfying an ever increasing user demand with a shrinking or, at best, a constant resource base.

The application of hatchery technology to increase egg to adult survival can compound this problem if the user groups fail to recognize that the common property fishery must be constrained to conserve the wild stocks. The implementation of large-scale hatchery programs without some form of limited entry and proprietary harvest of surplus hatchery fish could lead to the ultimate failure of major wild stocks from overfishing should they intermingle with hatchery stocks.

Concluding Comments

A sockeye salmon research and development program must place emphasis on those functional areas which are limiting production. The major blockages to maximum production are thought presently to relate to a lack of fry recruitment to the lake nursery areas. Inadequate escapement of spawners, limited spawning grounds, low egg to fry survival, and poor distribution of fry contribute to this problem.

Our ultimate aim is to exercise the greatest possible degree of control over the sockeye production system outlined in Figure 1. Inputs into the system actually begin with the spawning stock (Subsystem No. 6). We presently exercise control over the system through allocation of escapement by restricting the fishery. If this single control is to function effectively, we must have realistic guidelines for establishing escapement goals. There is concern that existing guidelines based on spawner-recruit curves are tending to underestimate the number of adult spawners required to stock lake nursery areas with fry.

What level of fry recruitment do we require for each lake system? Unfortunately, this question remains largely unanswered. Because of differences in basic productivity, we strongly suspect that lake systems differ in required stocking densities. Based on present knowledge about primary productivity (carbon fixation) and standing crop of phytoplankton, western Alaska sockeye salmon lakes appear to fall into three categories, viz:

1. Relatively productive--Karluk, Chignik.

2. Of intermediate productivity--Igushik, Wood, Kvichak, Naknek.

3. Relatively unproductive--Alagnak, Ugashik, Snake, Nuyakuk, Egegik.

Preliminary estimates of fry stocking densities required to produce maximum adult returns have already been made for Karluk Lake and the Wood River Lake system. It has been suggested that Karluk requires 2,300,000 fry per $km^2$ of lake surface and the Wood River lakes 800,000 fry per $km^2$. For purposes of discussion we will accept these figures as generally desirable for lakes in the first two categories listed above, and we will further assume that 400,000 fry per $km^2$ is a desirable target for lakes in the third category. With these assumed figures on fry stocking densities, we can calculate tentative target escapements for each of the western Alaska sockeye salmon lakes (Table 1).

Although Table 1 may represent largely a theoretical exercise, several points of potential significance are, nevertheless, brought into sharper focus. A comparison of columns (5) and (8) suggests consistent underescapement to all lake systems based on the assumed figures for target fry recruitment. In fact, if the assumptions are reasonably correct, column (9) portrays a very dismal outlook for western Alaska sockeye salmon from escapements observed since 1955.

Based on this preliminary examination, it would appear that the fishery should be restrained to allow increased escapements for those systems where spawning area is not a limiting factor. With regard to spawning grounds, Table 1 shows that inventories have been completed on only five of the 11 major lake systems. Spawning ground inventories should be completed for the remaining lake systems as quickly as possible.

Another approach for increasing fry recruitment is to operate hatcheries and/or spawning channels. This would be a formidable undertaking in western Alaska, but if the benefit:cost ratios from artificial propagation should prove to be favorable, there could be compelling economic justification for such a course of action. Furthermore, there is considerable precedent for the application of artificial propagation of sockeye salmon fry to supplement wild stocks.

There are two massive sockeye salmon development projects in Canada (Fraser and Skeena River systems). These projects involve primarily spawning channels, and there are preliminary indications that the channels will provide highly favorable benefit:cost ratios. However, access of construction equipment to spawning areas is much easier in Canada than in Alaska.

For western Alaska sockeye salmon, we are exploring the potential application of a newly emerging hatchery technology--the gravel incubation hatchery. We believe that gravel incubation hatcheries will be the least costly propagation systems to construct and operate, will yield higher survival than spawning channels, and will produce fry of much higher quality than standard hatchery incubators. Construction of a pilot demonstration gravel incubation hatchery is planned for the northwest basin of Naknek Lake.

Table 1.--Hypothesized fry stocking densities and escapement goals for western Alaska sockeye salmon lakes.

| (1) Lake system | (2) Surface area ($km^2$) | (3) Target fry recruitment No./$km^2$ | (4) Target fry recruitment No. for lake | (5) Required total spawners | (6) Required spawning area | (7) Actual spawning area | (8) Average no. since 1955 | (9) Frequency of under-escapement |
|---|---|---|---|---|---|---|---|---|
| Karluk | 40 | 2,300,000 | 92 million | 697,000 | 34.9 ha. | 35 ha. | 344,000 | 8/8 |
| Chignik | 64 | 2,300,000 | 147 million. | 919,000 | 45.9 ha. | 160 ha. | 510,000 | 16/16 |
| Igushik | 74 | 800,000 | 59 million | 369,000 | 18.5 ha. | ? | 280,000 | 11/17 |
| Wood | 425 | 800,000 | 340 million | 2,125,000 | 106.2 ha. | 3,074 ha. | 906,000 | 16/17 |
| Kvichak | 2,889 | 800,000 | 2,311 million | 14,444,000 | 722.2 ha. | 951 ha. | 5,562,000 | 15/17 |
| Naknek | 790 | 800,000 | 632 million | 3,950,000 | 197.5 ha. | 354 ha. | 933,000 | 17/17 |
| Alagnak | 297 | 400,000 | 119 million | 744,000 | 37.2 ha. | ? | 304,000 | 14/17 |
| Ugashik | 385 | 400,000 | 154 million | 962,000 | 48.1 ha. | ? | 515,000 | 7/8 |
| Snake | 89 | 400,000 | 36 million | 225,000 | 11.2 ha. | ? | 26,000 | 8/8 |
| Nuyakuk | 279 | 400,000 | 112 million | 700,000 | 35.0 ha. | ? | 120,000 | 17/17 |
| Egegik | 1,132 | 400,000 | 453 million | 2,831,000 | 141.6 ha. | ? | 826,000 | 8/8 |

Egg to fry survival is assumed to be 8 percent in all lake systems. Average fecundity is assumed to be 4,000 eggs per female in all systems except Karluk, where the average is assumed to be 3.300 eggs per female. Becharof Lake on the Egegik system is placed in the category of low primary productivity, although pertinent limnological data are not available for this lake.

The gravel incubation hatchery affords the promise of minimal demands on water and brood stock to achieve maximum production of quality fry. Furthermore, the pattern of voluntary emigration of fry from the hatchery is similar to that from a natural spawning stream or a spawning channel.

Based on research findings to date, we project that 1 cfs (450 gpm) of water passing through gravel incubators will produce approximately 3,250,000 fry from approximately 4,000,000 eggs collected from 1,200 brood females. The hatchery tanks would occupy less than 3,000 $ft^2$ of space. They are designed to operate without external support systems (other than gravity water supply). The major problem in Bristol Bay will be to protect tanks and the water supply system from freezing.

If in some future time we are able to effectively utilize the capacity of western Alaska lakes for production of sockeye salmon, other questions will become increasingly important. For example, will it become economically feasible to manage the lake ecosystems for increased growth and survival of juvenile sockeye through control of predators and competitors or through artificial fertilization? Other important problems relate to the capacity of the inshore marine waters to absorb increasing numbers of smolts, or whether we can exceed the capacity of this important marine nursery ground.

The development of technology will play an increasingly important role as we exercise increased control over recruitment of fry and production of smolts. We will need to sharpen our capabilities to measure environmental parameters and abundance and distribution of young. We will strive to improve techniques of forecasting, of identifying stocks, and of determining physiological fitness of young fish. Selective breeding of hatchery stocks, biogenic enrichment of lakes, and control of predators and competitors will become increasingly important as we achieve a capability to regulate fry recruitment to nursery lakes.

Realization of increased production of sockeye salmon will depend ultimately upon a unity of purpose and effort on the part of fishery management, fishery research, fishermen, processors, and political leaders. Not every idea will find a successful application, but all interests must be willing to cooperate on any positive endeavor to resolve the problem of a shrinking resource if the fishery is to remain a viable part of Alaska's and the nation's economy.

FISHERMAN'S NEWS
FEBRUARY, 1972

# Aquaculture Regulations Adopted by Washington

Regulations authorizing the commercial aquaculture of salmon and other food-fish in Washington state were adopted recently by the Washington State Department of Fisheries.

The regulations deal with aquaculture in general, but only the commercial culture of salmon will be developed at this time, Fisheries Director Thor C. Tollefson said. Policy on culture of other foodfish will be developed as the need arises, he said.

Salmon may be cultivated under permit from the Department of Fisheries and payment of a $10[illegible] annual license. Applicans for a permit must state location and description of project facilities, and demonstrate technical and financial capability.

Surplus salmon eggs may be obtained from the Department of Fisheries. They may not be resold and no eggs or fish may be brought into the state without written approval from the Director of Fisheries.

Fish farm facilities, fish cultural activities, and fish cultural and disease control records are subject to inspection by the Department of Fisheries. Major operation changes and disease outbreaks must be reported to the Department.

Director Tollefson said private culture of salmon, the state's most valuable fishery resource, will be conducted only with fish surplus to public needs, and "in a manner that avoids environmental competition with wild or hatchery-produced fish".

It is also essential, he said, that eggs not be wasted and adequate attention be devoted to nutrition, genetic and disease control.

December 27, 1971

Mr. Gene Kruse, Acting Director
Fish Commission of Oregon
307 State Office Building
1400 S. W. Fifth Avenue
Portland, Oregon 97201

Dear Gene:

It has just come to my attention that the Oregon legislature recently passed a bill which allows private chum salmon farming in Oregon. I also understand that at least one pilot fish farm is now under construction on.

We are inevitably going to be more involved with both public and private mariculture in Alaska in the future. In fact, our Alaska Legislature approved a constitutional amendment relating to the subject which will be on the ballot in the fall election of 1972. For this reason I am interested in the Oregon program and would appreciate very much receiving a copy of the bill in question and any administrative regulations which the Fish Commission (or other agency) may have promulgated to implement the statute. Any information you can supply about the private chum farm under construction will also be appreciated.

Thank you very much for your assistance in providing the requested information.

Sincerely,

E. J. Ruiter
Deputy Commissioner

EJR:hb

# STATEMENT ON SALMON AQUACULTURE

Prepared for

Mardela Corporation

by

William J. McNeil
Oregon State University
Marine Science Center
Newport, Oregon

May 20, 1972

## Conclusions

A salmon aquaculture industry may be on the threshold of emergence in the Pacific Northwest. California, Oregon and Washington Legislatures have recently passed laws which permit private and local institutions to propagate Pacific salmon, and the fisheries agencies of these states have established administrative guidelines for private salmon aquaculture. Alaska could follow the lead of the other Pacific Coast states.

Research, development, and advisory services are prerequisites for a salmon aquaculture industry. Salmon aquaculture not only offers considerable potential for future economic growth, but is ecologically compatible with other uses of aquatic resources. Recent advances in salmon husbandry show promise of reducing costs and increasing productivity of hatcheries and other propagation systems. If commercial salmon farming enterprises now being tried in the Pacific Northwest should become profitable, rapid expansion of the industry is anticipated. The assistance of government is required to assure the orderly development of a salmon aquaculture industry.

Of the several agencies which might provide technical assistance to a salmon aquaculture industry, NOAA appears to have the capability to implement the most substantive coast-wide program. Independent projects presently supported by NOAA at Oregon and Washington Sea Grant institutions and at National Marine Fisheries Service Laboratories in Washington and Alaska already represent a viable program to support the orderly growth of salmon aquaculture. NOAA should review the ongoing independent projects critically and develop a coordinated plan of research, development, and advisory services which will unite the expertise in its National Marine Fisheries Service laboratories and Sea Grant institutions to achieve the most efficient and orderly development of salmon aquaculture consistent with existing legal, administrative, and social constraints imposed by State governments and the public at large.

## Background

Pacific salmon have played a dominant role in U.S. fisheries since before the turn of the century. They are highly prized as food fish and for recreation. Although salmon fisheries remain the most important of all domestic fisheries in the northeastern Pacific Ocean, the annual harvest has declined substantially below historic high levels.

The five species of Pacific salmon native to North America reproduce in fresh water, but they obtain most of their growth in the north Pacific Ocean and the Bering Sea, mostly in international waters. There is no evidence that the capacity of the oceanic nursery grounds has been impaired. There is abundant evidence, on the other hand, that the numbers of juvenile salmon migrating to sea have been reduced through overfishing and destruction of freshwater habitat.

The life histories of Pacific salmon are well understood. Their eggs, larval and early juvenile forms are hardy and highly suited for artificial propagation. Maturing adult salmon return to their stream system of origin to spawn, and this

behavior constitutes a natural "herding" instinct which allows selective harvesting and other manipulations of individual stocks.

## Public Salmon Aquaculture

Salmon have been propagated in public hatcheries since the 1800's. Other public propagation systems, including spawning channels, have been developed in more recent times to complement hatcheries. The major emphasis of public salmon aquaculture is on "open ocean ranching" where juveniles are propagated and released to supplement wild stocks for public commercial and recreational fisheries.

Large-scale public salmon propagation has been stimulated by declining abundance of certain stocks. Well-known salmon propagation programs include: 1) Chinook and coho salmon hatcheries in the Pacific Northwest, 2) pink and chum salmon hatcheries in Japan and Sakhalin, and 3) pink, chum, and sockeye salmon spawning channels in British Columbia.

Many of these governmental salmon enhancement programs are generally recognized to be successful. Salmon propagation has received much favorable publicity, and the public appears to favor an expansion of salmon aquaculture.

## Private Salmon Aquaculture

State legislatures in California, Oregon, and Washington have in recent years removed certain legal restrictions which have prohibited salmon aquaculture by private companies and local public institutions. Alaska might also liberalize opportunities for salmon aquaculture. Recent developments in private salmon aquaculture have been limited by State administrative agencies and legislatures to a few pilot projects which include a private hatchery in California which releases coho salmon and a private hatchery in Oregon which releases chum salmon. Both of these hatcheries harvest adults returning from the ocean. A company in Puget Sound raises Chinook and coho salmon in salt water pens in a pioneering effort to raise Pacific salmon for market in captivity rather than releasing juveniles into open ocean pastures. Two Indian tribes (Quinault and Lummi) have initiated salmon aquaculture projects in Washington State. Additional salmon aquaculture projects have been proposed by private firms and local public institutions in Oregon and Washington.

All of these projects involve proprietary rights to salmon. Should they be financially successful, a salmon farming industry will most likely emerge over the next several years. Such an industry has the potential of attaining economic importance in coastal communities. Salmon aquaculture might, therefore, assume a new dimension beyond traditional supplementation of public commercial and recreational fisheries. The new industry would, nevertheless, contribute substantially to public fisheries whenever salmon are released into open ocean pastures where they become a public resource until such time that the surviving adults return to their home waters and enter private trapping facilities.

The public harvest of salmon originating from privately operated hatcheries and other propagation systems seemingly would be detrimental to the economic success of open ocean ranching. However, it must be kept in mind that salmon management agencies are responsible for the conservation of wild stocks which cannot in most instances sustain high rates of exploitation. The rate of exploitation of wild stocks must in most instances be held well below the level required to harvest the available surplus from propagated stocks. The surplus adults returning to public hatcheries attest to this. These surplus fish have created a burdensome problem for the management agencies, particularly in the Pacific Northwest. It is conceivable that surplus production of propagated stocks in selected coastal streams will be adequate to provide financially successful operations of private salmon aquaculture facilities.

Another important factor which could favor financial success of private salmon aquaculture is the likelihood of significant economies in capital construction and operation of privately operated hatcheries and other propagation systems. Other factors potentially favoring success include development of new markets for the products of salmon aquaculture and advanced husbandry techniques such as raising fish for market in salt water pens where they are not subject to public fisheries.

## The Role of Government

Emergence of a salmon aquaculture industry will require research, development, and advisory services from government. Assistance will be required on biological criteria for propagation systems, genetics and selective breeding, disease control, nutrition, engineering design of hatcheries and other propagation systems, harvesting, processing, transportation, marketing, and social-legal problems.

NOAA, through its on-going programs in Sea Grant and National Marine Fisheries Service, is probably better prepared than any other agency of government to respond to the needs of a salmon farming industry. NOAA presently possesses much of the technical expertise that a salmon farming industry must rely upon. Many of the scientists and technologists now experienced in various facets of salmon farming are presently employed by National Marine Fisheries Service laboratories in Washington and Alaska and at Sea Grant institutions in Oregon and Washington. A coordinated program could include the operation of salmon husbandry experiment stations at selected coastal sites in Oregon, Washington, and Alaska to conduct studies with all five species of salmon native to the Pacific coast of North America as well as salmon hybrids.

State fishery agencies will administer and regulate salmon aquaculture, and it is imperative that they participate in the planning and execution of research, development, and advisory projects. The State agencies should be encouraged to play dominant roles where their staff and facilities are adequate. Detailed coordination between NOAA and State agencies will insure that individual projects supported by NOAA will complement the salmon aquaculture programs of California, Oregon, Washington, and Alaska.

Because salmon aquaculture may have entered a period of transition from strictly public propagation to a partnership between public and private propagation, the desires of the several State legislative and administrative bodies must be served by NOAA. It is prudent for State fishery agencies to proceed with caution as they begin to broaden their salmon management programs to include the assignment of certain proprietary rights to salmon from public to private control. If properly executed, these contractual arrangements between government and private sectors of the economy can greatly broaden the financial base for expansion of salmon aquaculture without making additional demands on public tax dollars. An economically productive salmon aquaculture industry can potentially broaden the tax base of local and state government and provide for an expanded economy at no cost to the environment. Such an industry would also contribute fish to the public commercial and recreational fisheries.

Contact: Don Reed 753-6620
Emmit Glanz 753-6627

February 3, 1972

Regulations authorizing the commercial aquaculture of salmon and other foodfish in Washington state were adopted today by the Department of Fisheries.

The regulations deal with aquaculture in general, but only the commercial culture of salmon will be developed at this time, Fisheries Director Thor C. Tollefson said. Policy on culture of other foodfish will be developed as the need arises, he said.

Salmon may be cultivated under permit from the Department of Fisheries and payment of a $100 annual license. Applicants for a permit must state location and description of project facilities, and demonstrate technical and financial capability.

Surplus salmon eggs may be obtained from the Department of Fisheries. They may not be resold and no eggs or fish may be brought into the state without written approval from the Director of Fisheries.

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STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER / SUBPORT BUILDING
JUNEAU 99801

February 1, 1973

Honorable Joe McGill
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Attention Bob Christensen, Administrative Assistant

Dear Bob:

Attached are copies of the Washington State regulations, policies, permit forms and other information concerning the commercial fish farming program in the State of Washington. I regret that I do not have a copy of the 1971 statute (Chapter 35, Laws of 1971) which establishes a program and delegates responsibility to the director. As discussed on the telephone this morning, the law library might contain a copy of this statute.

Sincerely,

E. J. Huizer
Deputy Commissioner

Attachments

March 4, 1972

Thor C. Tollefson, Director
Washington Department of Fisheries
Room 115
General Administration Building
Olympia, Washington 98502

Dear Thor:

We are aware that the Washington State Legislature has enacted statutes which provide for private aquaculture in Washington utilizing anadromous species and has established a commercial fishing gear moratorium. However, we do not have the specific statutes or administrative regulations developed by your department to implement the statutes.

I would appreciate it, therefore, if you would send me copies of the appropriate statutes and regulations which your department is currently administering regarding private aquaculture and the moratorium on commercial fishing gear.

Thank you for your assistance.

Sincerely,

E. J. Bulzer
Deputy Commissioner

FORM 02-001B

# MEMORANDUM State of Alaska

TO: Commissioner Noerenberg
Ben Hilliker
Alex McRea
Robert Roys
Roy Rickey
Rupe Andrews

DATE : April 10, 1972

FROM: E. J. Huizer, Deputy Commissioner

SUBJECT: Washington State gear moratorium and salmon aquaculture program.

Attached for your information and files are copies of recent correspondence from Thor Tollefson in response to my request. The policies and procedures for private salmon aquaculture as authorized by Chapter 35 of the Washington Session Laws--1971 are especially interesting.

Attachment
cf

WASHINGTON
Department of
FISHERIES

DANIEL J. EVANS
GOVERNOR

ROOM 115, GENERAL ADMINISTRATION BUILDING • PHONE 753-6600
OLYMPIA, WASHINGTON 98504

THOR C. TOLLEFSON
DIRECTOR

March 23, 1972

Mr. E. J. Huizer
Deputy Commissioner
Alaska Department of Fish & Game
Subport Building
Juneau, Alaska 99801

Dear Ed:

Regarding your March 4 request for information on private aquaculture and the commercial fisheries gear moratorium bill, the aquaculture package is enclosed as well as a copy of HB 249.

HB 249 did not survive the 1972 emergency session. It had support from the fishing industry but unfortunately became bottled up in committee. No doubt it will be re-introduced at the next regular session.

Sincerely,

Thor

Thor C. Tollefson
Director

Enclosures

HOUSE BILL NO. 249

State of Washington
42nd Legislature
Second Extraordinary Session

by Representatives Martinis, Charette, Wolf and Conner

Read first time January 18, 1972, and referred to Committee on Natural Resources and Ecology.

AN ACT Relating to food fish and shellfish; adding new sections to chapter 12, Laws of 1955 and to chapter 75.28 RCW; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. There is added to chapter 12, Laws of 1955 and to chapter 75.28 RCW a new section to read as follows:

This act is in exercise of the police powers of the state for the protection of the welfare and economic good of the commercial salmon fishing industry and the people of the state. It is hereby found that scientific advancement has increased the efficiency of fishing gear. It is further found that there presently exists a dangerous overabundance of salmon fishing licenses with the consequent overabundance of pressure on the salmon fishery resource. This situation results not only in great economic waste to the state, but in a circumstance that makes conservation programs difficult of achievement. It is further found and declared that the public welfare requires that the number of commercial salmon fishing licenses issued by the state be limited and gradually decreased in number to facilitate a more advantageous economic atmosphere in the commercial salmon fishing industry and to insure that sound conservation programs can be scientifically carried out.

NEW SECTION. Sec. 2. There is added to chapter 12, Laws of 1955 and to chapter 75.28 RCW a new section to read as follows:

During the year 1973, the department of fisheries of the state of Washington shall not issue commercial salmon fishing licenses for all types of fishing gear in a number greater than the number of such licenses issued in the years 1970, 1971, or 1972: PROVIDED, That all

those individuals who held a commercial salmon fishing license for any type of fishing gear in 1970, 1971, or 1972 shall be entitled to a commercial salmon fishing license in 1973, if such holder applies therefor.

NEW SECTION. Sec. 3. There is added to chapter 12, Laws of 1955 and to chapter 75.28 RCW a new section to read as follows:

Any holder of a commercial fishing license in 1970, 1971, or 1972 who does not apply for a license in 1973, shall not thereafter be entitled, as a matter of right, to a commercial salmon fishing license in any subsequent year.

NEW SECTION. Sec. 4. There is added to chapter 12, Laws of 1955 and to chapter 75.28 RCW a new section to read as follows:

The provisions of this act shall become effective January 1, 1973, and shall remain effective until January 1, 1978, or until the results of the act can be evaluated and further courses of action recommended to the legislature as a phase II approach to limited gear entry in the commercial salmon fisheries.

NIEL J. EVANS
GOVERNOR

ROOM 115, GENERAL ADMINISTRATION BUILDING • PHONE 753-6600
OLYMPIA, WASHINGTON 98504

THOR C. TOLLEFSON
DIRECTOR

# POLICIES AND PROCEDURES PERTAINING TO SALMON AQUACULTURE IN THE STATE OF WASHINGTON

The 1971 legislature, through SB 142 (Chapter 35, Laws of 1971), gave the Director of Fisheries the authority to provide for the culture of food fish, shellfish, or other aquatic animals by private interests for commercial purposes, also known as fish farming or aquaculture, under such regulations as the Director may prescribe to safeguard the interest of the fisheries of the State.

The law further provided that:

1. A permit is required which shall be obtained from the Director of Fisheries and which shall be issued subject to the restrictions he deems necessary to safeguard the interest of the fisheries of this State. A separate permit is required for each fish farm site.

2. A $100 annual license is required for each county of the State in which a fish farm is operated for commercial purposes by the same person, corporation, or other entity.

3. The Department may supply, at a reasonable charge, salmon eggs for use in aquaculture to a person, corporation, or other entity for use in aquaculture for a period not to exceed 6 years from the date of initial delivery. Subject to considerations of disease control or importation of exotic species, the law allows discretion in authorizing eggs or animals from other than Department sources.

Pursuant thereto, the following policies and procedures pertaining to salmon aquaculture have been adopted. These policies and procedures are new, and may be amended from time to time as the Director deems desirable to safeguard the interest of the fisheries of the State and to provide greater flexibility in meeting changing conditions in fish stocks and the state of the art.

## Salmon Aquaculture Policy

It shall be the policy of the Department of Fisheries to encourage private commercial aquaculture in the State of Washington. To this end, the policy for salmon aquaculture will embrace the following:

1. Any salmon aquaculture operation requires possession of a permit (hereafter called a "Salmon Aquaculture Permit") issued without charge by the Director, is renewable annually, non-transferable, and which may be revoked at the discretion of the Director if terms of the permit are not complied with. The aquaculture farm license will not be issued until the aquaculture permit has been issued.

2. Any salmon aquaculture operation requires possession of a valid annual license as provided in the Department of Fisheries Code (RCW 75.16.100).

3. The Director, after assuring that natural and artificial fish production needs of the State have been met, may provide salmon eggs for use in aquaculture at reasonable cost to any permit holder properly licensed. Eggs will be supplied to any one aquaculture operation for a period not to exceed 6 years from the date of initial delivery, depending upon the available supply.

4. Priority among permit holders to purchase eggs from the State shall be according to date application was received by the Director (first come - first served). To be honored, all requests for eggs of a specific brood year must be received by August 1 of that brood year.

5. Up to one (1) million eggs, subject to prevailing availability of eggs surplus to Department needs, will be sold to the first permit holder before selling any to the holder next on the list. If permit holders do not want to buy the entire 1 million eggs reserved for them, the State may sell the remainder to the permit holder next in line as part of his 1-million-egg quota. If eggs are still available after each permit holder has had a chance to buy 1 million eggs, the procedure will be repeated until all available eggs have been sold. Eggs may not be resold without written permission of the Director.

6. No salmon shall be released into waters of the State of Washington without written approval of the Director, and prior to any release, all propagated fish shall be inspected by a qualified fish pathologist approved by the Director.

7. Commercial salmon aquaculture may be approved principally as an egg-to-market or fry-to-market operation, and cultured salmon may be marketed at any stage of development. *In certain limited situations, culture may be allowed utilizing locations where no natural or artificially produced runs now exist, and this culture may in part be based on return of adults which have matured at sea. (NOTE: Ownership of private salmon stocks can only be assured while stocks are in direct control of the culturist. Salmon while maturing at sea are a common property resource.)

8. Through the information set forth in the Salmon Aquaculture Permit application, the Director will ascertain, before any salmon eggs are provided the applicant or any non-Department of Fisheries egg source is approved, that the proposed operation will achieve efficient use of the eggs.

9. A sales invoice shall accompany each shipment of cultured product while within the boundaries of the State of Washington and will show the aquaculturist's name, license number, the numbers of each species, weights, sizes sold, name and address of purchaser, and origin of shipment.

Requirements for a Salmon Aquaculture Permit

Applicant will submit a completed permit application form supplied by the Department which describes the following:

1. Name and address of the applicant, location of project facilities including a legal description and location map.

2. Description of facilities and equipment, operational plans and procedures including plans for disease control, marketing of product, and source of eggs.

3. Applicant's capability to conduct salmon cultural operations as proposed, including egg taking, fertilization, incubation, rearing techniques by stages of development in fresh and salt water, particularly of brood stock.

4. Applicant's financial capability to carry out the cultural operations as proposed.

Terms of the permit will also require that:

1. The Department shall have the right of access to all salmon-cultural facilities, fish cultural activities, and fish cultural and disease control records for the purpose of inspection at any reasonable time of day.

2. A quarterly report of salmon cultural activities shall be submitted to the Department in accordance with a prescribed format, which will include such information as mortalities, growth rates, feeding rates, water quality, disease control, stock on hand, and other pertinent cultural information.

3. Any major change in operations from that initially approved will require written approval from the Director.

4. Outbreaks of disease shall be reported immediately to the Department. If such outbreaks represent a serious threat to the well-being of the State's fisheries, the Department may immediately order such actions as deemed necessary to protect the State's fisheries, including quarantining or destruction of stock, sterilization of enclosures and facilities, cessation of activities, and disposal of dead fish in a manner satisfactory to the Department.

Issuance of a Salmon Aquaculture Permit does not relieve the applicant's responsibility to secure the necessary leases, permits, and approvals of Federal, local, and other State government agencies for project facilities and operations. Activities conducted over or on beds of navigable waters will require a lease from the State Department of Natural Resources.

WASHINGTON DEPARTMENT OF FISHERIES AQUACULTURE REGULATIONS

WAC 220-76-001 ---------- AQUACULTURE

It shall be unlawful for any person, firm, or corporation to cultivate food fish, shellfish, or other aquatic animals for commercial purposes except as follows in WAC 220-76.

WAC 220-76-010 ---------- PERMITS

(1) It shall be unlawful for any person, firm, or corporation to engage in cultivation of food fish, shellfish, or other aquatic animals for commercial purposes without first having obtained from the Director of Fisheries an aquaculture permit, and it shall be unlawful for any person, firm, or corporation to fail to comply with the provisions of said aquaculture permit.

(2) Aquaculture permits are non-transferable. In the event there is a change of ownership of a fish farm established under WAC 220-76 and RCW 75.16.100, the aquaculture permit issued to the previous owner shall be invalid.

(3) Applications for aquaculture permits shall be submitted on forms supplied by the Department setting forth the following:

(a) Name and address of owner and operator.

(b) Location of project, including legal description and location map.

(c) Proposed layout of facilities, equipment, operation plans and procedures including disease control, and such other pertinent data as may be required.

WAC 220-76-015 ---------- SEED STOCK -- IMPORTATION

It shall be unlawful for the operator of a fish farm to import into the State of Washington any food fish, shellfish, or aquatic animal, eggs, fry, or fingerlings without prior written approval of the Director of Fisheries.

WAC 220-76-016 ---------- SALMON EGGS -- RESALE

It shall be unlawful for any person, corporation, or other entity to sell, offer for sale, trade, or barter, fertilized salmon eggs previously purchased from the Department of Fisheries without prior written approval of the Director.

WAC 220-76-020 ---------- INSPECTION -- FACILITIES AND RECORDS

Fish farm facilities, fish cultural activities, and fish cultural and disease control records shall be open to inspection by authorized Department personnel at any reasonable time, and the Director may revoke the aquaculture permit of any person, firm, or organization who refuses to submit such facilities and records for inspection to authorized Department personnel.

WAC 220-76-025 ---------- SALE OF PRODUCTS -- INVOICES

Any sale of food fish, shellfish, aquatic animals, or eggs thereof made by licensed aquaculture fish farmer shall be accompanied by an invoice. This invoice shall show the fish farmer's name, his address, date of sale, number of each species, weights, and sizes sold, and name and address of purchaser. Said invoice shall be retained by the purchaser during the time such species are in his possession or under his control.

WAC 220-76-030 ---------- DISEASE -- CONTROL

Outbreaks of disease affecting food fish, shellfish, and aquatic animals in fish farm facilities shall be reported immediately to the Department. If such outbreaks represent a serious threat to fisheries resources of the State, the Director may immediately order such actions as deemed necessary to protect the fisheries resource of the State such as, but not limited to, quarantining, destruction of stock, sterilization of facilities, and disposal of mortalities.

ANIEL J. EVANS
GOVERNOR

ROOM 115, GENERAL ADMINISTRATION BUILDING • PHONE 753-6600
OLYMPIA, WASHINGTON 98504

THOR C. TOLLEFSON
DIRECTOR

BRIEF SUMMARY OF STEPS REQUIRED TO ENGAGE IN SALMON AQUACULTURE

This brief summary is presented to set forth, for anyone interested in salmon aquaculture, the steps necessary to initiate and engage in private salmon culture. Details of each step are provided in the Department's Aquaculture Policy and Regulations.

1. Secure from the Department of Fisheries a copy of all laws and policies pertaining to salmon aquaculture and become familiar with these. Note that both a Salmon Aquaculture Permit and Aquaculture Farm License are required.

2. Develop preliminary plans for operations and find desired sites for carrying out egg incubation, fresh-water rearing, and salt-water pen-rearing phases of the operation.

3. Write to the Director of Fisheries, outlining preliminary plans, proposed sites of operations, and describing training and background of person(s) who will be the culturist(s).

4. Upon approval of the sites for salmon aquaculture, acquire the necessary physical facilities through purchase, lease, or use-permit; and acquire the necessary water right for fresh-water withdrawal from the Department of Ecology. If plans include occupation of tide, shore, or bed lands, a State Department of Natural Resources lease should be obtained. At this point, applications for Corps of Engineers and local government shoreline management permits should be made.

5. Submit completed application form provided by the Department of Fisheries for a salmon aquaculture permit and obtain from the Department the necessary hydraulic permits for construction within the perimeter of fresh- or salt-water bodies.

6. Arrange for preliminary inspection of operational facilities by the Department of Fisheries.

7. Upon approval of facilities, provide detailed cultural plans for the number of fish desired and the actual operational level planned.

8. The aquaculture permit will be issued at no charge upon approval of the cultural plans and facilities. The $100 Aquaculture Farm License can be purchased at any time after the permit is issued, but it must be in effect prior to the acquisition of the egg or fish stocks.

9. Obtain eggs or fry and initiate rearing procedures.

10. Maintain rearing procedures, record the required cultural data, and report step-by-step results at the required intervals on a form provided by the Department of Fisheries.

11. Initiate the development of a brood stock reserve and develop procedures for holding throughout their life cycle, or take steps to obtain stocks from sources other than Department of Fisheries by the seventh year of operation.

12. Salmon reared to appropriate size may be harvested and disposed of in the manner provided for in WAC 220-76-025. No salmon shall be released into open waters without obtaining approval from the Director.

If you sell salmon to a wholesale fish dealer, you will only be required to obtain the Aquaculture Farm License. However, if you are going to wholesale or retail the fish yourself, a $37.50 Wholesale Fish Dealer License and/or a $5.00 Retail Fish Dealer License will be required. Sale and transportation of harvested fish will require that each shipment be accompanied by an invoice providing the necessary descriptive details as required in the permit.

AQUACULTURE PERMIT APPLICATION
Washington State Department of Fisheries
Room 115, General Administration Building
Olympia, Washington 98504

License No. _____

Name (Company or Individual): _____

Title: _____

Address: _____
Street or Box Number City State Zip Code

Fish Farm Operator or Culturist: _____

Address: _____
Street or Box Number City State Zip Code

Telephone Number: _____

Location of project (legal description of property) (attach location map): _____

Owner of property: _____

If leased, duration of lease: _____

Lease reference or number: _____

Proposed layout of facilities, equipment, operational plans and procedures, including disease control (Use additio pages for detail if necessary): _____

roposed stock, source, and number: _____

_____

_____

escription of operator's (or culturist's) previous experience in aquaculture or related

ork (Use additional pages for detail if necessary): _____

_____

_____

_____

_____

arket source or other disposition: _____

_____

_____

ail direct to Department of Fisheries, Room 115, General Administration Building, Olympia, ashington 98504.)

Permit No. _____

# WASHINGTON DEPARTMENT OF FISHERIES SALMON AQUACULTURE QUARTERLY REPORT

Owners Name: _____ Species: _____

County Located: _____ Year of Egg Take (Brood Year): _____

Nearest Town: _____ Origin of Stock: _____

Geographic Area (Bay or Stream): _____ Date Covered (check one):

_____ Jan-March _____ Apr-June _____ July-Sept _____ Oct-Dec

## OPERATIONAL PROCEDURES

| Numbers Handled | Numbers | Pounds |
|---|---|---|
| 1. Fish (or eggs) received during quarter: | | |
| 2. Fish (or eggs) on hand at end of quarter: | | |
| 3. Fish dying in ponds during quarter: | | |
| 4. Fish sold during quarter: | | |
| **Pounds Produced** | | |
| 5. Pounds of fish on hand at end of previous quarter: | | |
| 6. NET POUNDS GAIN - add lines 2 and 4 and subtract line 6: | | |

**Food**

10. Type used (brand name if any): _____
11. Amount of food used (in pounds): _____
12. CONVERSION - divide line 11 by line 9: _____

**Disease**

13. Diagnosis of type: _____

_____

_____

14. Treatment: _____

_____

15. Drug or medication used - amount: _____

_____

_____

Water

16. Weekly maximum-minimum temperature during quarter:

| Week No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Max.Temp. | | | | | | | | | | | | | |
| Min.Temp. | | | | | | | | | | | | | |

17. Water used - estimate maximum and minimum water used as expressed in average cubic feet per second (cfs)

Minimum _____ cfs _____ cfs _____ cfs

Minimum _____ cfs _____ cfs _____ cfs

REMARKS: Please comment on any facets of your operation which may be of interest, such as predation, biological observations, etc.

APPROVED

Return completed report to Hatcheries Division, Washington Department of Fisheries, Room 115, General Administration Building, Olympia, Washington 98504, within 10 days of the end of each calendar quarter.

# NMFS RESEARCH LEADS TO WORLD'S NO. 1 PILOT SALMON FARM

Salmon research by scientists of the NMFS Northwest Fisheries Center (NFC) has led to establishment of the world's largest pilot commercial salmon farm near Seattle, Wash. The farm's winter-spring (1971-72) production is approaching 100 tons.

NFC has conducted research in marine aquaculture (mariculture) for 2 years at its Manchester, Wash., station, which opened July 1969. The station's most prominent research is on one NMFS mariculture program--the saltwater rearing of Pacific salmon in floating pens.

The research station is situated ideally for its mariculture research. It is about 10 miles from Seattle on Clam Bay along Puget Sound's west shore. The area boasts a variety of habitats: Beaver Creek, a freshwater stream; exposed tidal flats; and deep, well-circulated salt water.

## The Researchers

Dr. Timothy Joyner is program supervisor. The salmon research is conducted by Conrad Mahnken, oceanographer; Anthony Novotny, fishery biologist; and James S. Johnson and Gunnar Salsten, fishery technicians. In 2 years, these researchers showed that it was economically feasible to rear coho and chinook salmon in saltwater pens. They grew coho in pens resting on the bottom in about 40 feet. They raised many coho through maturity. They cooperated with Washington State's Department of Fisheries to increase the number of salmon for Puget Sound's recreational fisheries.

## Two-Phased Studies

There were 2 phases in the Manchester studies on the feasibility of rearing salmon for market. The first was pioneering research of NFC's salmon-culture project to develop an economical system for raising salmon from hatching to market size or maturity. The second was an experimental pilot farm financed partly by NOAA's Office of Sea Grant.

Scientists of the salmon-culture project concentrated on rearing coho salmon. In 1969, they put 10,000 fingerlings in a plastic, meshed cage and floated it in Puget Sound. The fish grew well in salt water; their survival was high. The food conversions were excellent: 1.5 lb of feed for 1 lb of fish weight on the Oregon Moist Pellet (OMP) diet until the fish reached 1 lb.

Would the market and consumer accept the larger coho? The NMFS Marketing Division studied this. It received enough favorable comment to justify a closer look at the commercial feasibility of raising on a large scale 8 to 12 oz salmon (dressed weight).

## Many Firms Interested

This initial NMFS research stimulated interest by many firms in commercial culture of salmon. Ocean Systems, Inc. (OSI), a subsidiary of Union Carbide, asked support from NOAA's Office of Sea Grant for a pilot project in Puget Sound. It received $100,000 in matching funds for a 1-year study. The principal objective was to encourage the development of mariculture in Washington State by demonstrating the technical and economic feasibility of such an operation.

OSI purchased 700,000 coho salmon eggs from Washington State in November 1970. "The eggs were incubated and hatched, using water from Beaver Creek, at a small building donated to NMFS by the U.S. Navy. Incubation was accelerated by holding the temperature at 10°-12° C with an oil-fired furnace."

About 400,000 eggs hatched in the winter. In early February 1971, the fry were moved from the hatchery to a freshwater pond. An adjoining pond was stocked with about 464,000 fall chinook salmon fry obtained from the University of Washington. The coho were fed only dry diets; the chinook were fed dry and moist (OMP) diets.

## Saltwater Nursery Pen

The chinook salmon at 80/lb were trucked back to Clam Bay in late May and placed directly into a saltwater nursery pen. The pen was 30 x 30 x 15 ft deep and held 385,000 fall chinook. The diet was OMP. Treatments with medicated (terramycin) feeds became necessary in early June when mortalities from Vibriosis, a bacterial disease, began to increase. In June, 10.5% of the fish were lost.

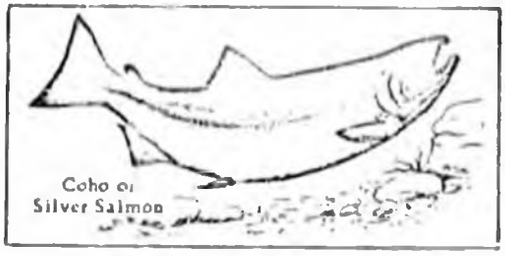
The coho salmon were graded in early July, when about 60% were smolted and weighed 25/lb. Then the coho were transferred to 4 growing pens (50 x 50 x 30 ft deep) designed for larger fish. In one pen, 158,000 coho reached a density of 1.8 lb/cu ft just before harvest began in late December; there were no adverse effects on survival, food conversion, or growth rate. The researchers say that at this density 700,000 lb of coho could be grown in 1 year in 1 surface-acre of water (30 ft deep), including the large raft support system; at harvest, their total weight would be about 2.5 million lb.

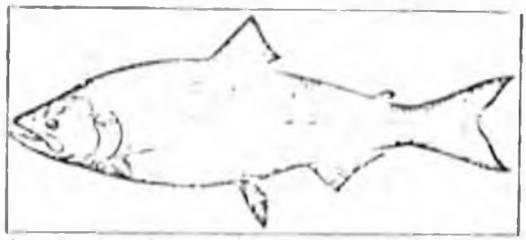
Conversion of feed by the coho salmon has averaged 1.1:1 (including mortalities) on a dry diet. Chinook salmon have not grown as rapidly. Conversion of feed by chinook throughout the study has averaged 1.7:1 (including mortalities) on mixed dry and moist feeds. Nearly a year after hatching (350 days) the coho are getting too large for market. During the peak growing period, September through November, a feed ration of 3% of body weight per day produced a 3% increase in weight per day. Many fish 13-14 inches long that weigh about 1.5 lb have been set aside for future brood stock.

## Ready for Market

In December 1971, the first coho from the pilot farm were ready for market at a dressed weight of 11-12 oz. The chinook were expected to be ready in March 1972. The coho are being harvested at rate of 8,000 to 15,000 lb/week. The fish are killed in -1.5° C water and transported to Marysville, Wash., for processing by Pan-Alaska Fisheries, Inc. All fish are sold through Swiftsure Fisheries in Seattle. They bring $1.35-$1.70 per lb wholesale. Fish quality is excellent. There has been substantial interest among U.S. and foreign markets in 11-12 oz salmon. On Dec. 24, 1971, for example, Swiftsure received an order from a food service for international airlines for 5,000 lbs of salmon to be delivered as soon as possible, and for 10,000 lbs to be delivered each month thereafter.

In December 1971, also, Union Carbide announced plans to form a new subsidiary for its sea farming operations, effective Jan. 1, 1972. Dom Sea Farms, Inc., will operate independently of Ocean Systems, Inc., and concentrate exclusively on mariculture. Over 2 million salmon eggs purchased from Washington State are now hatching at Dom Sea's new freshwater facilities near Silverdale, Wash. Saltwater rearing schedules and past experience indicate a projected harvest of 400-500 tons in 1 year.



Oncorhynchus tshawytscha. King salmon in California, chinook in Alaska.

EH


# FISH COMMISSION

## RESEARCH HEADQUARTERS

ROUTE 2, BOX 31A • • • CLACKAMAS, OREGON • • • 97015

TOM McCALL
GOVERNOR

COMMISSIONERS
EDW. G. HUFFSCHMIDT, Chairman
McKEE A. SMITH, Vice Chairman
JOSEPH I. EOFF, Member

ROBERT W. SCHONING
State Fisheries Director


AIR MAIL

January 3, 1972

Mr. E. J. Huizer, Deputy Commissioner
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99801

Dear Ed:

Your letter to Gene concerning private chum hatcheries in Oregon was forwarded to me. I am rapidly becoming our "chum" man, through no particular effort on my part!

I have enclosed (1) a copy of Chapter 203, 1971 Oregon laws. This is the new law that allows private chum hatcheries in Oregon; (2) policies and procedures developed by our agency to handle applications; and (3) a copy of our application form.

We have received seven applications (each with $100 fee) to date and have issued one permit. The second application received will be reviewed next month and I expect a permit will be granted.

Also enclosed is a copy of the one permit we have issued. It gives you some idea of what is involved and how we responded.

I will be seeing you in Sacramento in January if you attend the PMFC meeting called by Dr. Harville. If you have any questions, we can talk them over at this time.

Sincerely,

Wallace F. Hublou
Director of Research

cc: Kruse

H-5 (15)



the provisions of the contract shall be awarded to one of the parties, the prevailing party, whether he is the party specified in the contract or not, at trial or on appeal, shall be entitled to reasonable attorney fees in addition to costs and necessary disbursements.

(2) Attorney fees provided for in a contract described in subsection (1) of this section shall not be subject to waiver by the parties to any such contract which is entered into after the effective date of this Act. Any provision in such a contract which provides for a waiver of attorney fees is void.

(3) As used in this section "prevailing party" means the party in whose favor final judgment or decree is rende[illegible].

(4) As used in this section "contract" includes any instrument or document evidencing a debt.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

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## CHAPTER 203

### AN ACT

[HB 1328]

Relating to privately operated chum salmon hatcheries.

**Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) The commission may issue a permit, subject to such restrictions and regulations as the commission deems desirable, to any person to construct and operate a chum salmon hatchery.

(2) The application for a permit to construct and operate a chum salmon hatchery shall include an application fee of $100.

SECTION 2. (1) Prior to issuance of any permit by the commission, a public hearing shall be held. Notice of the hearing shall be published at least once and at least 10 days prior to the hearing in a newspaper of general circulation in each of the counties in which the hearing is to be held, or if no such newspaper is published in that county or counties, then such a newspaper in an adjoining county.

(2) The hearing shall be conducted by either the commission or a representative designated by the commission.

(3) The commission shall notify the State Game Commission prior to any public hearing and shall obtain their recommendation on the proposed private hatchery.

SECTION 3. No permit shall be issued:

(1) Which may tend to deplete any natural run of anadromous fish or any population of resident game fish.

(2) Which may result in waste or deterioration of fish.

(3) If the proposed operation is to be located on the same stream or river or tributary thereof on which a state or federal fish culture facility is established or is planned to be established.

(4) If the proposed operation is not consistent with sound resource management and is not in close proximity to the ocean.

(5) If the commission determines the applicant does not have the financial capability to successfully construct and operate the hatchery or may not properly conduct the operation authorized under the permit.

SECTION 4. All fish released under this 1971 Act during the time they are in the wild will be the property of the state and may be taken under angling or commercial fishing laws of this state until they return to the private hatchery.

SECTION 5. Any permit granted by the commission pursuant to this 1971 Act shall contain at least the following conditions:

(1) All propagated fish released into state waters shall as far as the commission determines practical be marked.

(2) Prior to release into state waters, the fish must be subject to examination by a qualified fish pathologist approved by the commission to determine that they are not diseased or infected with any disease which in the opinion of the commission may be detrimental to the state fishery resources. Cost of such examination shall be paid by the permittee. No fish shall be released without written approval from the commission. The commission may require diseased fish to be destroyed. The commission shall not suffer civil or criminal liability for any fish destroyed under this section.

(3) The permittee may be authorized by the commission to divert all fish returning to the stream to an inspection area, the location of such area to be approved by the commission, to examine all fish for the purpose of identifying propagated fish.

(4) Notwithstanding the provisions of ORS chapters 509 and 511, the permittee shall have the right to take for commercial purposes, only those fish the commission determines were propagated by the permittee, and the commission's decision is final.

(5) It shall be unlawful for the permittee to conduct any activity not authorized by the permit or fail to conduct activities required by the permit without approval of the commission.

(6) The permittee shall pay all reasonable costs incurred by the commission as a result of the operation of the private hatchery.

SECTION 6. (1) If the commission finds that the operation described in the permit is not in the best public interest, it may alter the conditions of the permit to mitigate such adverse effects or may cause an orderly termination of the operation under the permit. Proceedings to cause such operation or termination shall be conducted in accordance with ORS chapter 183. An orderly termination shall not exceed a four-year period and shall culminate in the revocation of the permit in its entirety. During this period the permittee may continue to examine and take specified propagated chum salmon according to the provisions of the permit but may not release additional fish.

(2) If the commission finds the operation has caused deterioration of natural run of anadromous fish or any population of resident game fish in the waters covered by the permit, it may require the permittee to return the fish populations to the same condition that existed prior to issuance of the permit. The State Game Commission may require the permittee to return the resident game fish population to the same condition that existed prior to issuance of the permit. If the permittee fails to take appropriate action, the Fish Commission of the State of Oregon or the State Game Commission may take such action and the permittee shall bear any cost incurred by either commission.



SECTION 7. The commission, after first assuring all natural and artificial fish production needs of this state have been met, including the needs of all federal and other state fish culture facilities located on the Columbia River and its tributaries, may provide at a reasonable fee chum salmon fish or the sexual products therefrom to any person granted a permit the commission pursuant to this 1971 Act.

SECTION 8. The provisions of ORS chapter 508 shall apply to the taking and sale of chum salmon artificially reared under any permit granted by the commission pursuant to this 1971 Act.

SECTION 9. Nothing in this 1971 Act is intended to give the permittee any equity in any of the waters or fish of the state.

SECTION 10. Nothing in this 1971 Act shall imply an intent to permit commercial fishing in any rivers south of the mouth of the Columbia River except as provided in subsection (4) of section 5 of this Act.

SECTION 11. All moneys received by the commission under this 1971 Act except those under section 8 of this Act shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of costs of administration incurred by the commission in carrying out the provisions of this 1971 Act, that portion of the balance of the moneys in this suspense account as of the end of each fiscal year shall be deposited to the General Fund for general governmental purposes.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

## CHAPTER 204

## AN ACT

(SB 345)

Relating to workmen's compensation benefits; amending ORS 656.210; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

Section 1. ORS 656.210 is amended to read:

656.210. (1) When the total disability is only temporary, the workman shall receive during the period of that total disability compensation equal

# POLICIES AND PROCEDURES PERTAINING TO THE OPERATION OF PRIVATE CHUM SALMON HATCHERIES IN OREGON

Fish Commission of Oregon
September 1971

The following policies and procedures have been adopted by the Fish Commission under the authority of Chapter 203, 1971 Oregon Laws, pertaining to private chum salmon hatcheries. The policies apply to all permit holders and will be amended or changed as the Commission deems desirable to protect the resource or to uphold the best public interest.

## General

1. Permits are not transferable. If a permit holder sells his hatchery the new owner must apply for a new permit.

2. The private hatchery operator is responsible for obtaining his own eggs. Source of the eggs must first be approved by the Fish Commission.

3. Eggs at the state hatchery on Whiskey Creek, tributary to Netarts Bay, may be available for purchase by permit holders. We expect a few eggs to be available in 1972 and perhaps up to 3 million in 1973.

4. Eggs, and the resulting alevins, sold to permittees by the state shall not be resold.

5. Under no conditions are eggs and fish to be transferred in any way to waters other than specified in the permit.

6. Surplus chum salmon gametes from fish returning to private hatcheries may be made available to the state and/or authorized operators of other private hatcheries in Oregon. Eggs transported to other locations shall be treated as specified by the Fish Commission pathologist to prevent disease transmission.

7. Pathology examinations shall be conducted by Fish Commission pathologists.

## Purchase of Eggs from Netarts Hatchery

1. Priority among permit holders to purchase eggs from the state shall be according to date application was filed with the Commission (first come - first served). In the case of persons expressing interest before the law was in effect, priority shall be according to date of written interest as filed with the Commission.

2. Term of priority for purchasing eggs will generally be 3 consecutive years. The Commission will make exceptions as it deems desirable.

3. Up to one (1) million eggs will be sold to the first permit holder before selling any to the holder next on the list; and so on down the list. If permit holders do not wish to buy the entire 1 million eggs reserved for them, the state may sell the remainder to the permit holder next in line as part of his 1 million egg quota. If eggs are still available after each permit holder has had a chance to buy 1 million eggs, the procedure will be repeated until all available eggs have been sold.

4. The charge for eggs from Netarts Hatchery shall be $5.00 per female spawned. The basis for this is $2.00 per thousand eggs and an average of 2,500 eggs per female. The eggs will not be counted.

5. Only "green" (newly spawned) eggs will be made available at Netarts Hatchery. Buyers must be willing and prepared to take small lots (10,000 or more) of eggs on a daily basis.

Services Charges

In compliance with Section 5 (2) and (6) of Chapter 203, 1971 Oregon Laws, permit holders shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of private chum salmon hatcheries. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.

2. Pathologist services for examining fish prior to release.

3. Costs resulting from problems requiring Commission action; i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which requires investigation and revision of the permit.

4. An overhead charge of 15% will be assessed against direct costs to cover administrative costs.

The amount charged will be the actual wages (including other personnel expenses), travel expenses, and required supplies. Permit holders will generally be informed of necessary service charges before such services are rendered.

# PRIVATE CHUM HATCHERY APPLICATION

Fish Commission of Oregon
307 State Office Building
1400 S.W. 5th Avenue
Portland, Oregon 97201

Name _____
Last Middle Initial First

Address _____ _____ _____
Street or Box No. City Zip

Phone _____ _____
Office Home

Business (Give name and nature) _____

_____

Location of Proposed Hatchery

Stream name _____

Tributary of (Name of major stream or bay) _____

County _____

Description of Property (Legal description, landmarks, miles from stream mouth) _____

_____

_____

_____

_____

_____

Owner of Property _____

If leased, duration of lease _____

Proposed Methods (Describe what you plan to do and how you are going to do it.)

Proposed Stock Source

Previous Experience in Fisheries Related Work

What do you expect to do with returning adults? (Describe any agreements you have with fish buyers or other industry representatives.)

Financial Statement

Condition at close of business _____, 19____

## ASSETS

| | | Amount |
|---|---|---|
| 1. | Cash: On hand $_____ In Bank $_____ Elsewhere $_____ | |
| 2. | Notes receivable: Due within 90 days | |
| | Due after 90 days | |
| | Past due | |
| 3. | Accounts receivable | |
| 4. | Deposits for bids or other guarantees: Recoverable within 90 days | |
| | Recoverable after 90 days | |
| 5. | Interest accrued on loans, securities, etc. | |
| 6. | Real Estate: Used for business purposes | |
| | Not used for business purposes | |
| 7. | Stocks and bonds: Listed--present market value | |
| | Unlisted--present value | |
| 8. | Materials in stock | |
| 9. | Equipment, book value | |
| 10. | Furniture and fixtures, book value | |
| 11. | Other assets | |
| | Total Assets* | |

## LIABILITIES

| | | |
|---|---|---|
| 1. | Notes payable: To banks regular | |
| | To banks for certified checks | |
| | To others | |
| 2. | Accounts payable: Not past due | |
| | Past due | |
| 3. | Real estate encumbrances | |
| 4. | Other liabilities | |
| 5. | Reserves | |
| 6. | Capital stock paid up: Common | |
| | Preferred | |
| 7. | Surplus (net worth) | |
| | Total Liabilities* | |

* The amounts shown as "Total Assets" and "Total Liabilities" must be identical.

I declare that I have examined this application, including the financial statement, and to the best of my knowledge and belief it is true, correct, and complete.

(Signature of Applicant) _____

Xc - Engineering, Records, McKie
12/9/71 mlc

December 1, 1971

PRIVATE CHUM SALMON HATCHERY PERMIT

In accordance with the provisions of Chapter 203, Oregon Laws 1971, Kota Corporation, an Oregon corporation, is authorized to construct and operate a chum salmon hatchery on Sand and Jewell Creeks, Tributaries of Sand Lake, in Tillamook County.

The following restrictions shall apply to the construction and operation of the Kota Corporation's private chum salmon hatchery:

1. All of the provisions of Chapter 203, 1971 Oregon laws shall apply.
2. The permit shall be contingent upon getting an approved water right for withdrawing water from Jewell Creek to operate the hatchery.
3. The design of the fish rack and trap, as well as location shall be approved by the commission before the rack and trap are installed.
4. The rack must be attended and the fish trap emptied daily during the entire period the rack and trap are operated. Attention must be given to operation of the facility to prevent theft of fish, to adjust for changing water conditions, and to otherwise prevent damage to fish which might be blocked or trapped.

5. All species of fish caught in the trap, other than chum salmon, shall be placed upstream as promptly and carefully as possible.

6. For three years starting in 1971 chum salmon from the Sand Creek system shall be allowed to be used for hatchery stock as per the following directions:

   a. The first 25 female and 25 male chum salmon which appear at the rack(s) shall be placed upstream.

   b. The next 50 female and 50 male chum salmon may be spawned.

   c. The next 50 female and 50 male chum salmon are to be released upstream for natural spawning.

   d. The next 50 female and 50 male chum salmon may be spawned. This is all the fish that can be spawned and will provide an estimated 250,000 eggs.

   e. If any more chum are trapped they shall also be placed upstream for natural spawning.

   f. During the three years natural stocks are being utilized as hatchery brood stock the fish rack(s) shall be opened on December 1 and no more fish of that run trapped after that date.

7. All carcasses of chum salmon spawned from native stock in 1971, 1972, and 1973 shall be delivered promptly to the Fish Commission for state disposal.

8. A record shall be maintained for the commission of the species, number, and date fish are placed above the trap and of the number of fish which die in the trap or are spawned.

9. One dollar per thousand shall be paid to the State of Oregon for eggs collected from native fish spawned from the Sand Creek system in 1971, 1972, and 1973. To avoid the necessity of counting eggs, a charge of $2.50 per female will be imposed (calculated by estimating that, on the average, each female will have 2,500 eggs).

The amount charged will be the actual wages (including other personnel expenses), travel expenses, and required supplies. The permit holder will generally be informed of necessary service charges before such services are rendered.

Adopted and signed this first day of December, 1971.

FISH COMMISSION OF OREGON

CHAIRMAN

VICE-CHAIRMAN

COMMISSIONER

10. Beginning in 1974 all chum salmon returning to the Sand Creek rack in excess of the greatest number of chum handled during 1971, 1972, and 1973 will be considered as fish produced by the hatchery and may be killed and disposed of by the Kota Corporation.

11. Beginning in 1974 the greatest number of chum salmon that were handled at the Sand Creek rack in 1971, 1972, and 1973 shall be placed above the rack before any fish are claimed and killed by the Kota Corporation.

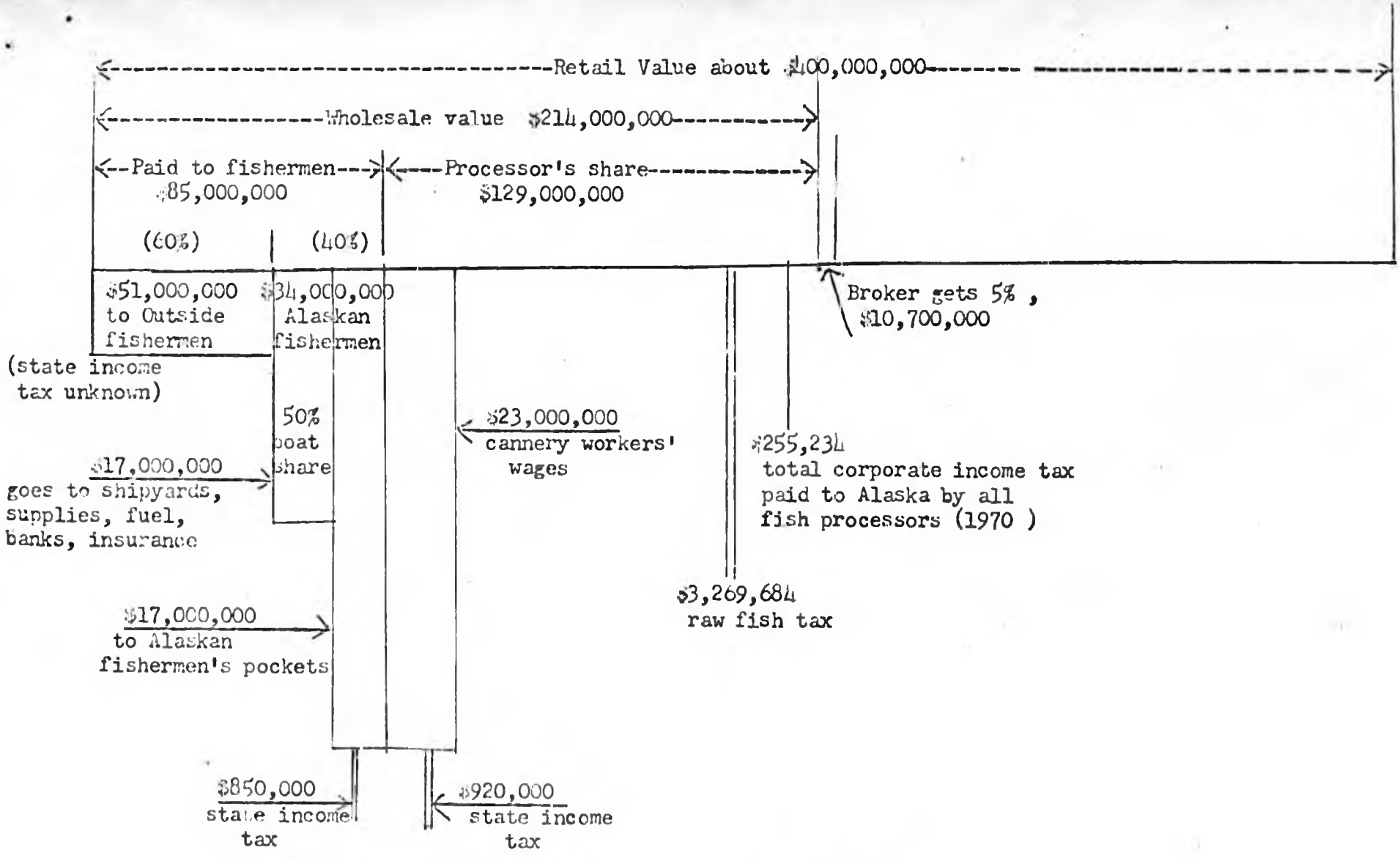
12. The above restrictions will be reviewed annually by the Fish Commission and desired modifications will be made after consultation with the permittee.

SERVICE CHARGES

In compliance with Subsections(2) and (C) of Section 5 of Chapter 203, 1971 Oregon Laws, the permit holder shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of this private chum salmon hatchery. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.
2. Pathologist services for examining fish prior to release.
3. Costs resulting from problems requiring commission action, i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which require investigation and revision of the permit.
4. An overhead charge of 15 percent will be assessed against direct costs to cover administrative costs.

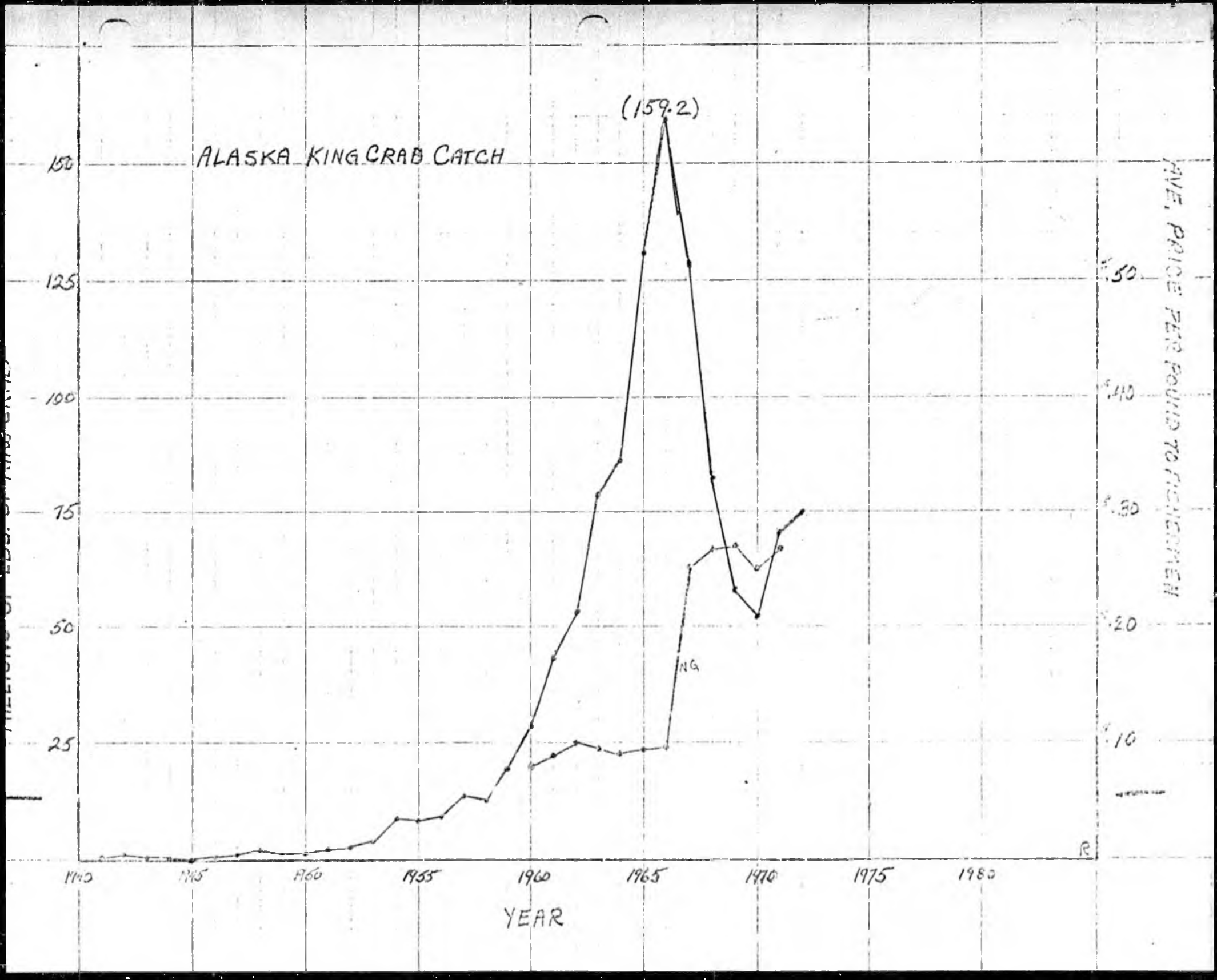
HB294



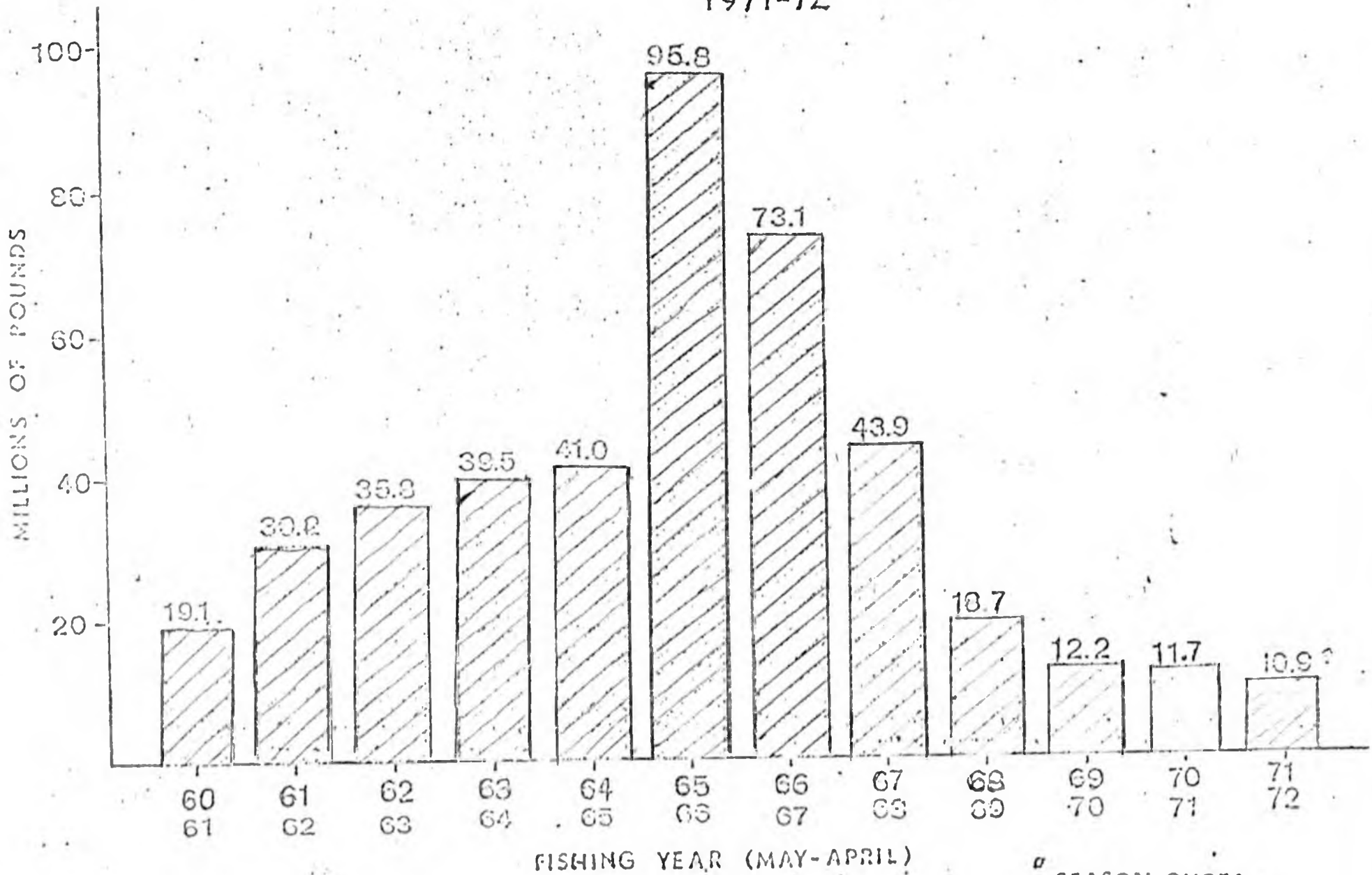

FLOW OF FUNDS---ALASKA SEAFOOD INDUSTRY 1971

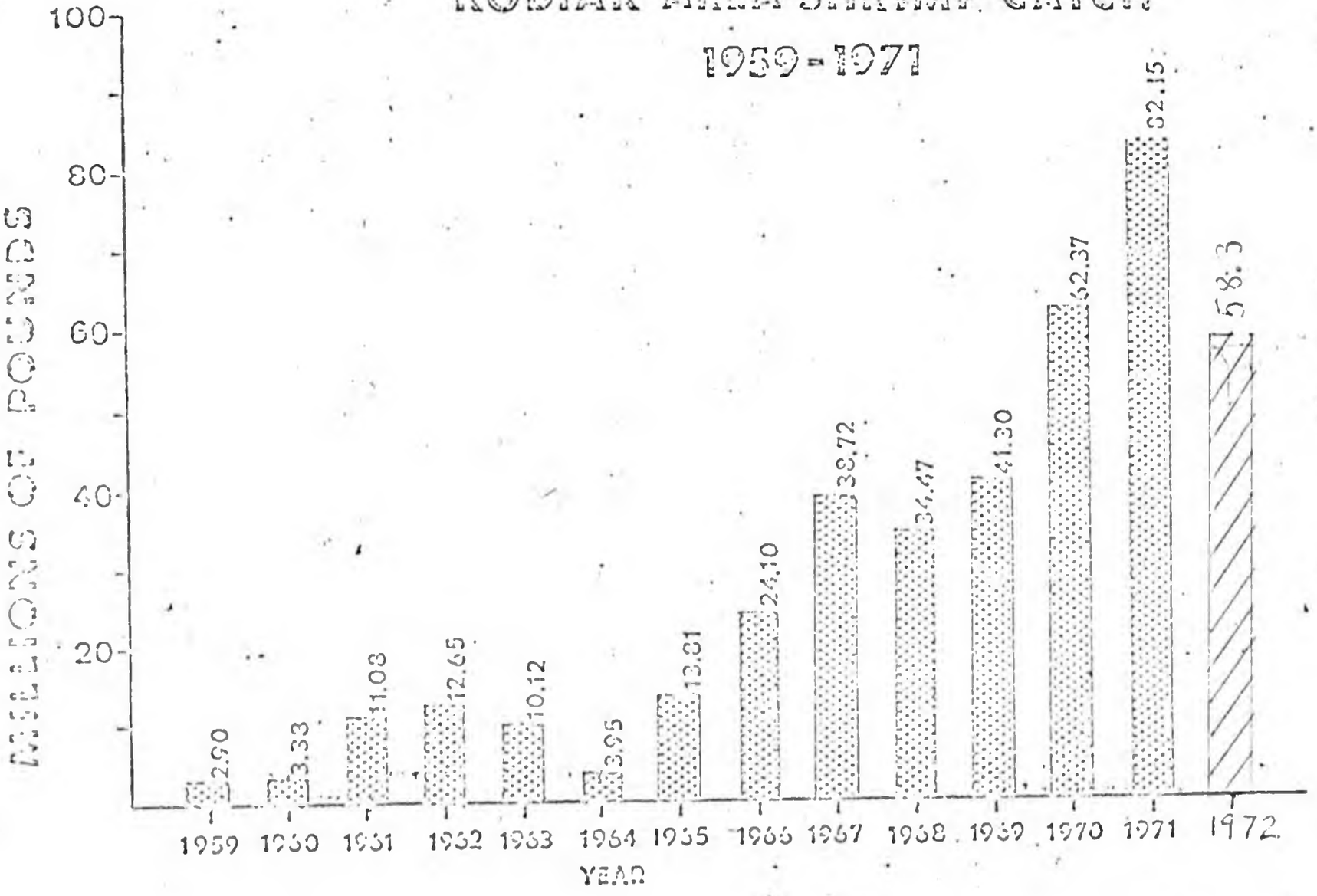
Note: The wholesale value may be greater than indicated. Much of the industry is vertically integrated, with many processors having substantial interests at the fishing level as well as in brokering, labeling, and further distribution.

Compiled by Dave Herrnsteen


ALASKA KING CRAB CATCH
(159.2)
150
125
100
75
50
25
1940
1945
1950
1955
1960
1965
1970
1975
1980
YEAR
AVE. PRICE PER POUND TO FISHERMEN
$.50
$.40
$.30
$.20
$.10
NG

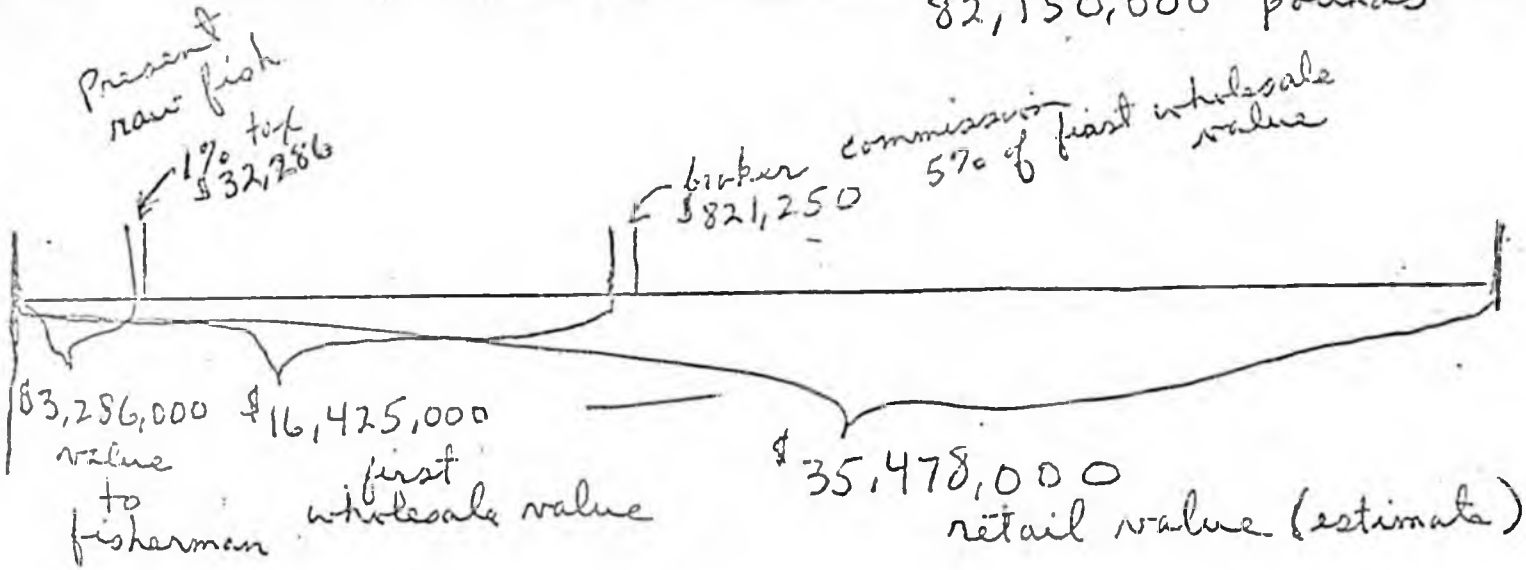
# KODIAK AREA KING CRAB CATCH 1960-61 TO 1971-72




KODIAK AREA SHRIMP CATCH
1959-1971
MILLIONS OF POUNDS
100
80
60
40
20
2.90
3.33
11.03
12.65
10.12
3.95
13.31
24.10
38.72
34.47
41.30
62.37
82.15
58.3
1959
1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
YEAR

# 1971 KODIAK SHRIMP HARVEST

82,150,000 pounds




82,150,000 pounds at price to fisherman of $.04 per pound

$.04

$3,286,000 value to fisherman

82,150,000 pounds of raw shrimp at recovery rate of 16% produces

.16

13,140,000 pounds of processed shrimp valued at $1.25 per pound at first wholesale level

1.25

$16,425,000 first wholesale value

$35,478,000 estimated retail value

The State of Alaska allowed serious overfishing of our king crab stocks during the past decade. Predictions based on guess-timates proved too rosy, and management techniques and quota systems have improved, and the king crab catch is on the upswing again. It was an expensive lesson, for if we hadn't seriously depleted some of the stocks back in the sixties, we would likely have a higher sustained yield harvest level today.

One would hope that Alaska had learned, but apparently we haven't, for the same pattern of overfishing and undermanagement of our shrimp and tanner crab stocks is taking place today. The shellfish program of Fish and Game is underfunded, while at the same time the lucrative resource is undertaxed.

Alaska produces about 25% of our nation's shrimp harvest. Kodiak's 1971 shrimp harvest produced 82,000,000 pounds of shrimp with a value of $16,000,000 when leaving town, yet the state spent only $90,000 'managing' the resource, and collected only $32,000 in fish tax revenues. This year's production dropped thirty per cent to 58,000,000 pounds, and some of the grounds have already been seriously overfished. Fish and Game has developed the basic management techniques, but it doesn't have the funds to implement them.

Now some of the fishing pressure is moving westward to the Chignik-Sand Point area where the expected harvest this year will be 30,000,000 pounds, about a third of the entire American Pacific Coast catch. Yet due to lack of funding there is no management program at all, and the valuable stocks are being subjected to the familiar free-for-all.

And the same destructive development pattern is taking place with the booming tanner crab fishery, except that with the greatly increased fishing capacity it's happening at an accelerated rate. Fish and Game has no tanner crab program. At the request of the Cordova fishermen a quota was guessed at for the Prince William Sound area, but the Kodiak area has no quota, and along with the entire state, no size or mesh limits. No attempt is being made to inventory the tanner crab stocks or to derive the needed basic management data.

The management of our fisheries is the responsibility of the State. No one else can do this with our competitive, unlimited entry, free enterprise system, unless the federal government should step in and take over fisheries management, and I'm sure then we would squeal. It is the task of the legislature to provide the funds for adequate management of our fisheries, deriving the funds through realistic taxation of the resource if necessary. Crab and shrimp fishermen are making a good living. I feel a major concern is that our resources are being so under-managed that we won't be able to make a living in the future.

Fishermen have a saying that goes, 'you can't make a season on the grub bill'. It sort of tells the cook not to be too penny-pinching on the food, because the payday is going to be determined primarily by the amount of fish caught, and good food can be particularly desirable when the fishing is heavy. The same type of concept holds true with management--if the fishing industry isn't willing to spend the few dollars necessary to properly take care of our fish, then we very likely won't have enough fish to catch in the future.

Dave Herrnsteen

# 1971 ALASKA SEAFOOD VALUES AND TAX REVENUES

| | VALUE TO FISHERMEN | FIRST WHOLESALE VALUE | PROCESSOR TAX |
|---|---|---|---|
| Canned salmon | $51,411,428 total | $107,981,152 | $2,670,560 |
| Frozen salmon | | 11,966,575 | 99,568 |
| Fresh salmon | | 921,415 | |
| Salmon roe | | 27,000,000 | |
| Salmon Total | $51,411,428 | $147,869,142 | $2,770,128 |
| King Crab | $19,077,253 | $32,351,952 | $349,393 |
| Dungeness Crab | 609,924 | 1,478,775 | 6,099 |
| Tanner Crab | 1,363,544 | 2,893,827 | 13,685 |
| Shrimp | 3,909,045 | 15,780,163 | 39,090 |
| Clams | 70,152 | 107,487 | 701 |
| Scallops (shucked) | 990,385 | 1,206,593 | 9,903 |
| Shellfish Total | $26,025,303 | $53,818,797 | $418,871 |
| Halibut | $7,236,812 | $10,178,125 | $72,368 |
| Misc. Fish | 831,777 | 2,169,255 | 8,317 |
| TOTAL SEAFOOD | $85,505,320 | $214,035,319 | $3,269,684 |

Compiled from ADF&G and NMFS statistics

SECTION II

DETAIL OF STATE REVENUES
FISCAL YEARS 1972-78

| CODE | REVENUE SOURCES | ACTUAL F.Y. 1972 | ESTIMATED F.Y. 1973 Budget Estimate | F.Y. 1973 Revised Estimate | F.Y. 1974 Revised Estimate | F.Y. 1975 Revised Estimate | F.Y. 1976 Revised Estimate | F.Y. 1977 Revised Estimate | F.Y. 1978 Estimate |
|---|---|---|---|---|---|---|---|---|---|
| | | | | GENERAL FUND - UNRESTRICTED REVENUE | | | | | |
| INCOME, EXCISE AND OCCUPATION TAXES | | | | | | | | | |
| 101 | Alcoholic Beverage Excise Tax | $ 4,837.8 | $ 6,301.1 | $ 5,124.2 | $ 5,636.7 | $ 5,862.2 | $ 6,069.6 | $ 5,994.7 | $ 6,234.5 |
| 102 | Cigarette Tax (3¢ General) | 1,209.2 | 1,357.0 | 1,224.8 | 1,447.3 | 1,592.1 | 1,751.3 | 1,821.3 | 1,894.2 |
| 104 | Insurance Premium Tax | 3,475.9 | 4,364.3 | 3,927.8 | 4,438.4 | 5,015.4 | 5,667.4 | 6,404.2 | 7,236.8 |
| 105 | Alaska Business License Tax | 6,069.1 | 6,321.0 | 6,433.2 | 7,015.1 | 8,062.7 | 8,794.2 | 9,124.0 | 8,920.2 |
| Income Taxes | | | | | | | | | |
| 106 | Individual Income Tax | 39,076.3 | 42,962.7 | 41,039.4 | 49,822.4 | 57,142.8 | 59,735.3 | 55,398.3 | 55,508.2 |
| 107 | Fiduciary Income Tax | 47.6 | 40.0 | 50.0 | 50.0 | 55.0 | 55.0 | 55.0 | 60.0 |
| 108 | Corporation Income Tax | 6,458.0 | 6,906.9 | 6,886.8 | 7,594.7 | 8,007.1 | 8,643.2 | 10,673.1 | 21,160.7 |
| | Total Income Taxes | $45,581.9 | $49,909.6 | $47,976.2 | $57,467.1 | $65,204.9 | $68,433.5 | $66,126.4 | $76,728.9 |
| 109 | Mines and Mining Taxes | 30.7 | 17.0 | 32.0 | 40.0 | 40.0 | 60.0 | 80.0 | 80.0 |
| 110 | Inheritance Tax | 59.2 | 20.0 | 17.2 | 10.0 | 4.0 | -0- | -0- | -0- |
| 111 | Estate Tax | 39.3 | 8.0 | 42.0 | 50.0 | 55.0 | 60.0 | 65.0 | 70.0 |
| Commercial Fish Taxes | | | | | | | | | |
| 112 | Raw Fish Tax | 2,714.4 | 2,816.8 | 1,570.4 | 1,647.3 | 2,342.0 | 2,633.8 | 3,162.5 | 2,791.9 |
| 113 | Fish Tax - Cold Storage | 339.8 | 305.0 | 340.0 | 340.0 | 350.0 | 360.0 | 370.0 | 380.0 |
| 114 | Fish Tax - Freezer Ship | 228.5 | 140.0 | 230.0 | 230.0 | 230.0 | 230.0 | 230.0 | 230.0 |
| | Total Commercial Fish Taxes | $3,282.7 | $3,261.8 | $2,140.4 | $2,217.3 | $2,922.0 | $3,223.8 | $3,762.5 | $3,401.9 |
| 117 | Disaster Relief Tax | 1.8 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| 118 | School Tax | 1,491.5 | 1,455.3 | 1,533.9 | 1,654.3 | 1,718.1 | 1,772.5 | 1,742.8 | 1,760.2 |
| 120 | Electric & Telephone Coop Tax | 469.0 | 455.0 | 500.0 | 520.0 | 540.0 | 570.0 | 590.0 | 610.0 |
| Fuel Taxes | | | | | | | | | |
| 131 | Highway Fuel Tax | 8,898.8 | 9,928.9 | 9,431.3 | 10,621.2 | 11,429.0 | 11,570.8 | 12,010.8 | 12,621.2 |
| 132 | Aviation Fuel Tax | 1,476.6 | 1,840.0 | 1,386.8 | 1,577.3 | 1,665.0 | 1,740.0 | 1,591.2 | 1,623.0 |
| 133 | Watercraft Fuel Tax | 1,026.5 | 1,100.6 | 1,041.3 | 1,083.0 | 1,126.3 | 1,171.3 | 1,218.2 | 1,266.9 |
| | Total Fuel Taxes | $11,401.9 | $12,869.5 | $11,859.4 | $13,281.5 | $14,220.3 | $14,482.1 | $14,820.2 | $15,511.1 |
| | Total Income, Excise and Occupation Taxes | $77,950.0 | $86,339.6 | $80,811.1 | $93,777.7 | $105,236.7 | $110,884.4 | $110,531.1 | $122,447.8 |
| OIL & GAS PRODUCTION TAX | | | | | | | | | |
| 115 | Oil & Gas Production Tax | 11,400.8 | 9,535.0 | 10,947.0 | 8,826.0 | 7,989.0 | 7,269.0 | 87,593.0 | 147,934.0 |

# 1973 ALASKA SEAFOOD VALUES AND TAX REVENUE PROJECTIONS

| | Value to fishermen | First wholesale | Existing tax | Proposed tax |
|---|---|---|---|---|
| Canned salmon | | $66,000,000 | $1,570,400 | $1,570,400 |
| Frozen salmon | $32,000,000 | 8,000,000 | 60,000 | 60,000 |
| Fresh salmon | | 700,000 | | |
| Salmon roe | | 12,000,000 | | 1,000,000 |
| Sub total | $32,000,000 | 86,700,000 | 1,630,400 | 2,630,400 |
| King crab | | | | |
| shore-based | 13,600,000 | 26,000,000 | 136,000 | 680,000 |
| floater | 9,700,000 | 23,000,000 | 388,000 | 1,940,000 |
| Sub total | 23,300,000 | 49,000,000 | 524,000 | 2,620,000 |
| Shrimp | | | | |
| shore-based | 4,300,000 | 20,000,000 | 43,000 | 215,000 |
| floater | 900,000 | | 36,000 | 180,000 |
| Sub total | 5,200,000 | 20,000,000 | 79,000 | 395,000 |
| Tanner crab | 6,000,000 | 16,000,000 | 60,000 | 300,000 |
| Dungeness crab | 2,000,000 | 4,500,000 | 20,000 | 100,000 |
| Scallops | 1,400,000 | 1,700,000 | 14,000 | 70,000 |
| Halibut | 14,000,000 | 18,000,000 | 140,000 | 420,000 |
| Herring | 270,000 | 2,000,000 | 2,700 | 13,500 |
| Herring roe | | | | 200,000 |
| Total Seafood | $84,170,000 | $197,900,000 | $2,470,100 | $6,748,900 |

## 1973 PROJECTED FISH PROCESSOR TAX REVENUES

| | | |
|---|---|---|
| Revised Budget Estimate | | $2,200,000 |
| 20% Revenue Sharing(actually 13%) | | 286,000 |
| Net to state | | 1,914,000 |
| Proposed Increases | | |
| King Crab | 2,096,000 | |
| Shrimp | 316,000 | |
| Halibut | 280,000 | |
| Others | 387,000 | |
| Roe | 1,200,000 | |
| Total Increases | | 4,279,000 |
| Total Proposed Revenues | | 6,193,000 |
| 40% Revenue Sharing(actual 25%) | | 1,548,000 |
| Net to State | | 4,645,000 |
| Net Increase to State | | 2,731,000 |

In 1971 under 20% revenue sharing only 13% was actually shared with the communities. Less than 40% of proposed revenues would be actually shared. The $1,000,000 collected at Adak, for instance, would go solely to the state.

SALMON

The present tax on canned salmon is 3% of the value of the pack, with the value determined as the average wholesale price over the preceding five years. This is roughly equivalent to 6% of the value to the fishermen. Shore-based processors purchasing salmon for purposes other than canning, such as fresh or frozen production, pay a tax of 1% of the value to the fishermen. Freezerships and other floating cold storages pay a tax of 4% of the value to the fishermen, except that if they remain in the same location for more than one year, they pay at the shore-based rate of 1%. SB169 does not change these rates.

CRAB

Crab canneries, both shore-based and floating, presently pay a tax of 2% of the value of the raw crab. Crab purchased for fresh or frozen production, as most crab are, is taxed at the rate of 1% for shore-based and 4% for floaters. SB169 proposes taxing all crab at the rate of 5% for shore-based processors and 20% for floating processors.

There are several reasons for taxing the floating processors at the considerably higher rate. Unlike the past, when floaters were needed, the crab processing industry today has more than adequate capitalization. A shore-based plant makes significant contributions to the local economy through property taxes, construction and maintenance costs, providing more steady jobs, etc. A floater has the competitive advantage of being able to locate closer to the grounds than a shore-based plant, and so is able to purchase crab at a considerably lower price during a quick season. For instance, the town of Kodiak is on the norrth end of the island while the heavy king crab fishing the last few seasons has been at the south end. Last year crab was selling for as little as 32 cents at the south end while at the same time it was as high as 40 cents in town. The 15% differential, about 4½ cents, would tend to diminish these advantages.

But probably the most important reason for the higher tax on floaters is that they traditionally move into the new or more distant grounds first and get the 'cream of the crop'. It is at these times, before the stocks are fully- or over-harvested, that an impact of management dollars is needed to inventory the stocks and find the right sustained yield harvest levels. This is presently lacking. Protection is also needed in these areas, where it is particularly expensive.

King crab is Alaska's one monopoly and our most lucrative fishery, and it makes sense to use a small part of this wealth for better management of our present and developing fisheries.

SHRIMP

Shore-based shrimp processors presently pay a tax of one per cent of the value to the fishermen, while a floating processor pays 4%. SB169 proposes raising this to 5% for shore-based and 20% for floaters.

New floaters have recently been moving into the Chignik-Sand Point area, yet the state has no management or protection program.

The proposed tax on shrimp is actually quite low since the value to the fishermen is such a relatively low percentage of the first wholesale value. An amount equal to all the additional tax revenues from shrimp is very badly needed for the neglected resource.

HALIBUT

The present tax on halibut purchases by cold storages is 1% of the value to the fishermen. SB169 proposes raising the rate to 3%.

In the past there were good arguments for a low tax on halibut, but these are no longer valid with today's high prices. The large halibut boat will fish steadily until he has a load or up to three weeks before selling his fish. Roundtrip running time from the Kodiak area, which is in the midst of the major grounds, to Seattle is 10 to 12 days. Back in 1967 when the price was 18 cents in Kodiak and 25 cents in Seattle, a boat running to Seattle would receive 40% more money for his catch. Last year, with a price of say 70 cents in Kodiak and 77 cents in Seattle, he would receive only 10% more for his catch, while the increased running time would lengthen the time of his trip by maybe 50%. Seattle, formerly the major American buyer, has had a sharp decrease in landings the past several years, and in 1972, when the halibut price was 100% above 1971 prices, Seattle's already small landings decreased 300%.

Many halibut fishermen had very lucrative seasons this year. Additionally, halibut fishermen, unlike all other fishermen, do not have to pay Alaska income tax on any earnings from fish caught outside three miles, as most halibut reportedly are.

ROE PROCESSOR TAX

SB169 proposes that the roe processor pay a tax of 25 cents per pound of roe processed. The value of the salmon presently taxed as determined by the canned salmon tax does not include the value of the roe. Salmon roe processors reported to Fish and Game that they received $1.25/lb from the 1971 roe pack. Japanese market reports show that when the roe reached the Tokyo wholesale market in the fall of 1971, it was worth about $3.25/lb. Freight and market fees are only about $.25/lb, so I reckon that the roe was worth about $3.00/lb when leaving Alaska.

People's opinions differ as to where the burden of this tax will fall. Twenty-five cents per pound on roe would produce revenues equal to about 1½% of the first wholesale value of the entire salmon production. This burden would be on all processors equally--cold storages and canners alike. The next question is how much of the tax will be passed back onto the fishermen. The vast majority of salmon are sold by the fishermen in the round. When the roe became extremely valuable instead of a waste product, fishermen did not see a corresponding raise in prices. I see no reason why when these extra profits are taxed that the burden should fall completely back onto the fishermen. I feel it will probably be shared by all segments of the industry.

Many salmon fishermen are interested in rehabilitation of the runs, improved management, and hatcheries of some type. With the lack of oil money, I feel the industry should be willing to pay for the investment in the resource. It seems reasonable to 'tax eggs to hatch eggs'. It should all pay off many times over in the long run.

REVENUE SHARING

Under the existing law, 20% of the fish tax revenues are shared with the local governments in which they are collected. In 1971 only 13% of gross revenues were shared, because considerable amounts are collected in unorganized areas. SB169 proposes sharing 40% with the local governments. This would work out to actually sharing only about 25%. For instance, the million dollars collected from the Adak king crab catch with the increased floater tax would go only to the state.

Fishing communities have special tax problems. Our industry produces much wealth, but usually so little of it stays in the local community. Fishing boats and floating processors are difficult to tax. Sales and property taxes are paid largely by the resident, while the transient makes his money and heads South. Ninety-five percent of Alaska's fish are processed by Outside-owned corporations, so their profits don't stay in the community. It is difficult to tax a salmon boat, for only the local boat can be taxed, and the tax could be the last straw on a bad year.

Seafood money flows into the local economy mainly through the local fishermen and cannerywork̃ers, and these two groups have a difficult time passing on direct taxes. It is more fair to get the same number of dollars by taxing the fish, for then the local tax burden is shared by the whole industry, including the Outsiders.

Other areas of the state have industries that provide buildings, heavy equipment, pipelines, oil platforms, steadier payrolls, etc, that can be more easily taxed with local taxes. Fishing communities spend money trying to provide the services for an industry which is difficult to tax locally. The help of the state through revenue sharing of the fish tax is needed in order for our fishing communities to tax the wealth of our industry.

Foster and Marshall recently did a tax study for Kodiak to determine how the town can raise the money needed to pay for the new high school addition and swimming pool. It recommended raising the sales tax from 3% to 5% and taxing the fishing boats full value. The increased shared revenues under SB169 would provide about the same amount of dollars. It's an 'either-or' situation for Kodiak.

SUMMARY

'Tax' is too often considered a dirty word---everybody wants to avoid it, particularly politicians. But taxes are a necessary part of democracy and capitalism. They are the way of appropriating part of the wealth to serve those needs of industry and society that cannot be served by free enterprise alone. It's easy under socialism or communism, for then all the revenues from production go directly to the government, but I don't think we are interested in that.

Completely unrestricted free competition in the harvesting of fish doesn't work. Even though to a few fishermen at times management may seem to be an evil, management is absolutely necessary, and we should work to make sure that it's as effective as possible.

In eight years time in Kodiak I have lived through inadequate management of two major fish stocks, king crab and shrimp, and have twice experienced the results of overfishing, and now it's happening all over again with tanner crab. For several years I fished tremendously rich shrimp and king crab grounds--the prices were low, but the volume was great, and we did well. But now some of those grounds are seriously depleted or practically barren. The prices went up to help compensate for the lower volumes, but think how much richer we would all be if we had had adequate management.

I don't put all the blame on Fish and Game. Some of their managers probably made some mistakes, but they can't work without tools. The king crab and shrimp budgets have been terribly small. It costs money to gather the research data and inventory the stocks.

The blame lies with all of us--processors, fishermen and the state--we've neglected management until the resource gets in trouble. Our fisheries have fantastic potentials if we only pay them the necessary attention. The responsibility of management rests with the state. I love fishing--it's my way of life--but I enjoy it much more when I feel I'm harvesting, rather than raping, the resource.

Table 1. Commercial Fisheries Values and Budgets (Thousands of $)

| Year | Fishermen | Value Wholesale | Budget Management | Research | 88-309 | 89-304 | Misc. | Total | % of Wholesale |
|---|---|---|---|---|---|---|---|---|---|
| 1960 | 40,934 | 96,674 | 511 | 200 | | | | 711 | 0.74 |
| 1961 | 46,470 | 128,687 | 914 | 264 | | | | 1,178 | 0.92 |
| 1962 | 58,436 | 131,938 | 900 | 284 | | | | 1,184 | 0.90 |
| 1963 | 46,859 | 109,038 | 913 | 327 | | | | 1,240 | 1.14 |
| 1964 | 56,843 | 140,921 | 1,147 | 498 | 20 | | | 1,665 | 1.18 |
| 1965 | 70,083 | 166,572 | 1,037 | 257 | 290 | | 50 | 1,634 | 0.98 |
| 1966 | 81,902 | 197,299 | 1,073 | 361 | 328 | | 20 | 1,782 | 0.90 |
| 1967 | 48,777 | 126,696 | 1,165 | 384 | 333 | 166 | | 2,048 | 1.62 |
| 1968 | 79,900 | 191,686 | 1,275 | 375 | 328 | 425 | | 2,403 | 1.25 |
| 1969 | 71,024 | 144,200 | 1,317 | 692 | 328 | 425 | | 2,762 | 1.92 |
| 1970 | 98,390 | 213,932 | 1,502 | 746 | 304 | 425 | | 2,977 | 1.39 |
| 1971 | 85,505 | 198,658 | 1,989 | 980 | 304 | 388 | | 3,661 | 1.84 |
| 1972 | | | 2,095 | 1,052 | 304 | 388 | 383 | 4,222 | |
| | | | | | | | Avg. | | 1.18 |

Table III - Pacific Coast Halibut Landings (drsd., hds-off, weights) 1971 and 1972*

| | Total 1971 | | Total 1972 | |
|---|---|---|---|---|
| | U. S. Vessels 1,000 lbs | Canadian Vessels 1,000 lbs | U. S. Vessels 1,000 lbs | Canadian Vessels 1,000 lbs |
| Alaska: | | | | |
| Juneau | 1,220.0 | 13.0 | 1,017.0 | - |
| Ketchikan 1/ | 2,742.0 | 23.0 | 1,242.9 | - |
| Kodiak | 4,425.0 | 4,792.0 | 5,167.0 | 3,246.0 |
| Pelican | 865.0 | 581.0 | 683.0 | 459.0 |
| Petersburg | 2,528.0 | 61.0 | 2,504.0 | 48.0 |
| Sand Point | 276.0 | 408.0 | 654.0 | 314.0 |
| Seward 2/ | 2,442.0 | 1,169.0 | 3,401.0 | 1,577.0 |
| Sitka | 1,139.0 | 124.0 | 1,159.0 | 70.0 |
| Wrangell | 417.0 | - | 342.0 | - |
| Other Central Alaska | 648.0 | 38.0 | 920.0 | - |
| Total Alaska | 16,702.0 | 7,209.0 | 17,089.0 | 5,714.0 |
| Prince Rupert 3/ | 1,568.0 | 11,514.0 | 1,300.0 | 10,842.0 |
| Vancouver 4/ | - | 4,719.0 | - | 4,181.0 |
| Seattle | 1,875.4 | 120.6 | 631.0 | - |
| Bellingham | 724.0 | 1,940.4 | 510.0 | 1,320.0 |
| Other Washington Ports | 219.6 | - | 233.3 | - |
| Oregon | 69.0 | 3.0 | 45.0 | - |
| Total | 21,158.0 | 25,496.0 | 19,808.3 | 21,657.0 |
| GRAND TOTAL | 46,654.0 | | 41,465.3 | |

1/ Includes Craig, Tokeen and Metlakatla. 2/ Includes Seldovia and Cordova: 3/ Includes Ketchikan.
4/ Includes Vancouver Island and Naiu.

Table 2.--Japan's wholesale price for imported chum and pink salmon roe, September 1971-72.

| Grade | Price per pound | |
|---|---|---|
| | September 1971 | September 1972 |
| First: | | |
| Chum salmon roe | 3.41 to 3.79 | 3.99 to 4.80 |
| Pink salmon roe | 3.15 to 3.41 | 3.99 to 4.28 |
| Second: | | |
| Chum salmon roe | 3.16 to 3.41 | 3.69 to 4.36 |
| Pink salmon roe | 2.90 to 3.03 | 3.69 to 3.84 |
| Third: | | |
| Chum salmon roe | 2.91 to 3.03 | 3.39 to 3.92 |
| Pink salmon roe | 2.65 to 2.65 | 3.39 to 3.40 |

("Suisan Tsushin," September 25, 1972).

It is important when discussing taxes to keep in mind the magnitude of the dollars involved, and to relate the rates to the tax base on which it is applied. It means little to say that a tax is doubled or tripled unless we know the amount of dollars that is doubled or tripled. Three times nothing is nothing. Three times one is three, which is something. But three times three is nine, which may be a lot. Some of the existing tax collections are so low that to double or triple them isn't a lot.

Take the 1972 Kodiak king crab catch as an example:
First wholesale value was about $10,000,000.
15,000,000 lbs @ $.35/lb equals $5,250,000 value to fishermen

present tax rate of 1% produces $52,500
proposed rate of 5% produces $262,500

Tax as related to price: 1% of $.35 is $.0035/lb , about a third of a cent
5% of $.35 is $.0175/lb , a cent and three-fourths
increase is $.014/lb , a little less then a cent and one half

That means if the tax increase were to be completely passed back onto the fishermen, that it would decrease the price of king crab by $.014/lb. If the processor and/or the consumer were to absorb half of the increase, then the amount it would cost the fishermen would be $.007/lb , or ~~xxxxx~~ about three quarters of a cent. It would take only a 2% increase in future king crab harvests as a result of improved management and protection from the investment of the tax dollars in the resource, in order to pay the fishermen back for the increased taxes. Lower local taxes and/or community improvements as a result of the revenue sharing would be an added bonus.

Some other rates as related to price:

1972 Kodiak shrimp harvest(first wholesale value about $11,000,000 )
50,000,000 lbs @ $.0525/lb = $2,625,000 value to fishermen

| | Tax as related to price |
|---|---|
| Present rate 1% = $26,250 | 1% of $.0525 = $.000525 |
| Proposed rate 5% = $131,250 | 5% of .0525 = .002625 |

1972 Kodiak halibut landings
about 9,000,000 lbs @ $.60/lb = $5,400,000 value to fishermen

| | Tax as related to price |
|---|---|
| Present rate 1% = $54,000 | 1% of $.60 = $.006 |
| Proposed rate 3% = $162,000 | 3% of .60 = .018 |

HB 363

"An Act providing for a community water and sewer revolving loan fund; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# HOUSE RESOURCES COMMITTEE WORK SHEET

| BILL NO. | DATE | PAGE | TITLE | SPONSOR | FURTHER REFERRALS |
|---|---|---|---|---|---|

This Bill If Enacted Would: House Bill 363 by Chance

3/26/73

Dept CRAF to Dept of N. AF

When Bill Considered by RA Committee:

Action Taken by Committee:

Amendments: Amended to Provide That:

Degnan -

Witnesses Testifying Before Committee: (summary of testimony)

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POUCH O — JUNEAU 99801

March 26, 1973

The Honorable Joseph McGill
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Representative McGill:

The Department of Environmental Conservation, presently responsible for administering AS 46.03.030, the statute providing State financial assistance for municipal water supply and sewerage systems, as well as the Village Safe Water Act, has reviewed House Bills 363 and 364 and provides the following information for Committee consideration in evaluating this proposal for a "community water and sewer revolving loan fund."

Although the two bills specify administration of the new loan funds by the Department of Community and Regional Affairs, I have discussed the matter briefly with Commissioner Byron Mallott of that Department, and Commissioner Mallott concurs that if the new program is created, it should reside in the Department of Environmental Conservation as being complementary to the water and sewer system support programs presently under Environmental Conservation jurisdiction.

As you may know, the original State statute providing for financial assistance to Alaska municipalities was prepared in 1970 to take advantage of certain federal funding programs which have since been modified or eliminated. In addition to a completely revamped Federal Water Pollution Control Act passed by the Congress in October 1972, we have seen in recent months the termination of all federal grants by departments other than the Environmental Protection Agency. The Farmers Home Administration of the Department of Agriculture, however, continues to make federal loans at rates almost as favorable as those shown in House Bill 363, to municipalities of under 10,000 population. It is our understanding that approximately $340 million has been requested for this purpose during FY 74. Most Alaska municipalities are aware of this loan fund and are taking advantage of its provisions when they are prepared to sell local bonds for water and sewer system improvements. The present FHA rate of interest is five percent for a maximum 40-year period.

Significantly, the Water Pollution Control Act Amendments of 1972 no longer permit State and municipal prefinancing of sewage treatment projects as was authorized under the old Public Law 660. You will recall that our Alaska law was designed to permit State loans of the federal share in any year in which the federal allocation to Alaska had been exhausted. Now that Alaska citizens have voted a substantial $32 million bond issue last November, the Department no longer is able to lend this federal share and advises municipalities that they must await firm federal commitments before initiating sewage interceptor and treatment plant projects.

Summary

In summary, the Department respectfully suggests to the Committee that House Bills 363 and 364 be not favorably considered because:

(1) Since federal sewage treatment grants can no longer be prefinanced by state and municipal governments, this new revolving loan fund essentially could apply only to collection sewer and water system improvements.

(2) An almost identical federal program with adequate funding for all Alaska needs is in existence and has been most helpful to Alaskan municipalities.

(3) The sum of $1 million appropriated in House Bill 364 is grossly inadequate even if the federal program did not exist. Several Alaska projects being considered by municipal officials have a local 75 percent share in excess of the $1 million contemplated.

(4) All Alaska municipalities except the four with populations of over 10,000 could continue to have access to Farmers Home Administration loan funds as well as those created by this bill. Thus, HB 363 would provide real assistance only to Anchorage, Fairbanks, Juneau and Ketchikan.

Sincerely yours,

James A. Anderegg, Director
Division of Water and Air
Quality Control

# STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION**

WILLIAM A. EGAN, GOVERNOR

POUCH O — JUNEAU 99

March 26, 1973

The Honorable Joseph McGill
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

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Sincerely yours,

James A. Anderegg

James A. Anderegg, Director
Division of Water and Air
Quality Control

**Sec. 46.03.030. Grants and loans for water supply and sewerage systems.** (a) The department may pay, as funds are available, 25 per cent of the estimated reasonable cost, as determined by the Secretary of the Interior, of each waste treatment works project approved for a federal grant by the Federal Water Quality Administration or its predecessor, the Federal Water Pollution Control Administration, and on which construction was initiated after June 30, 1967. As funds are available, the department may lend on an interest-free basis for a project approved after June 30, 1970, any part of an anticipated federal grant. Money received from the Federal Water Quality Administration for the project after the loan is given must be used to repay the loan, but the loan need be repaid only to the extent of this federal assistance.

(b) The department may pay to a municipality, as funds are available, up to the lesser of 25 per cent of the estimated cost or 50 per cent of the estimated cost not borne by the federal government, if there is federal assistance, of water systems, including collection and impounding facilities, and of those portions of sewerage systems not covered by (a) of this section. The estimated cost of any part of a system will be as determined by the federal agency which gives the most monetary assistance or, if none, by the department. Systems shall be constructed according to plans and specifications approved by the federal agency which gives the most monetary assistance or, if none, by the department.

(c) There is a water supply and sewerage systems fund created in the department to carry out the purposes of this section. (§ 3 ch 120 SLA 1971)

HB 499

"An Act relating to the boards of fisheries and game; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# Alaska Outfitters Ltd.

*TRUSTEES & OFFICERS*

ROBERT CURTIS, President
DENNIS BRANHAM, Vice President
RON HAYES, Secretary Treasurer
KARL LANE, Trustee
FRENCHY LAMOUREUX, Trustee

*ADDRESS CORRESPONDENCE TO:*

ALASKA OUTFITTERS, LTD.
POST OFFICE BOX 1711
ANCHORAGE, ALASKA 99501

*TELEPHONE:*
277-9403 • 344-1123

THREE BOARD CONCEPT OF THE FISH AND GAME

The reasons for such new Legislation is as follows:

We believe that the present board is to cumbersome as a group and consequently cannot comsistently resolve all proposals, public testimony, staff information and come up with proper answers.

Further, we feel there is a waste of manpower because the board has to have staff people ready to question for days at a time while the board discusses unrelated problems. Such as the staff Bioligest on bear stands by while the board discuse moose season in the Matanuska Valley. This problem will get much worse as our natural resourses are developed fully.

Following figures are from the Board meeting that concluded in Anchorage in December:

21 DAY MEETING:

| | |
|---|---|
| 10 MAN BOARD | 210 MAN DAYS |
| 12 MEN FROM STAFF IN ATTENDANCE | 252 MAN DAYS |
| 6 MEN FROM STAFF IN ATTENDANCE (50%) of time | 63 MAN DAYS |
| TOTAL | 525 MAN DAYS |
| ESTIMATED SPRING MEETING | 300 MEN DAYS |
| TOTAL MAN DAYS A YEAR | 825 MAN DAYS |

ESTIMATED FIGURES FOR THREE DIFFERENT BOARDS: EACH BOARD 8 DAYS:

| | |
|---|---|
| 19 BOARD MEMBERS | 152 MAN DAYS |
| 12 STAFF MEMBERS IN ATTENDANCE | 96 MAN DAYS |
| 6 STAFF MEMBERS IN ATTENDANCE (50%) of time | 24 MAN DAYS |
| 3 ATTORNEYS | 24 MAN DAYS |
| TOTAL | 296 MAN DAYS A YEAR |

We also feel the present board much of the time are delinquent in it's information due to such a wide range of consideration and such a vast area to cover. These ten men cannot be expected to manage all of the game in an area 586,400 square miles, 1/5 the size of the South 48, and manage it properly. These industries are much to important to each and every Alaskan to allow such a shotgun approach.

Another important fact to take into consideration is the economical impact on Alaska.

ANNUAL AVERAGE:

| | |
|---|---|
| COMMERICAL FISHING | 145.6 MILLION |
| GUIDING & HUNTING | 30.4 MILLION |
| SPORT FISHING | 17.9 MILLION |
| TRAPPING & FURS | 6.4 MILLION |

To perpetrate the animals and the economics of each industry, we believe 3 boards with separate studies and consideration for each is the only answer.

BOARD NO. 1
COMMERICAL FISHING BOARD

7 MEMBERS
THREE LAYMEN
ONE CANNERY REPRESENTIVE
TWO COMMERICAL FISHERMEN
ONE DIRECTOR OF COMMERICAL FISHERY DEPT.

BOARD NO. 2
GAME AND TRAPPING BOARD

7 MEMBERS
THREE LAYMEN
ONE TRAPPER OF KNOWLEDGE
TWO PROFESSIONAL OUTFITTERS
ONE DIRECTOR OF GAME DEPT.

BOARD NO.3
SPORT FISHING BOARD

5 MEMBERS
THREE SPORT FISHERMEN
ONE COMERICAL SPORT FISH OPERATOR
ONE DIRECTOR OF SPORT FISHING DEPT.

(1) Governor appoints members of each board which must be ratified by the State Senate and State House of Representatives.

(2) One meeting a year for each board held in November.

(3) Legal counsel for each Board meeting available from the State Attorney GeBeral's Office.

(4) Due to unusal circumstances a joint meeting can be called by any one Board to consider any problem revelant to two Boards.

December 22, 1968

This is the 3 board concept of the Dept. of Fish and Game.

The reasons for such legislation is many fold.

We believe that the present board is to cumbersome as a group and consequently cannot consistently dissolve all proposals and public testimony and staff information to come up with the best answers possible.

Further, we feel there is a waste of manpower because the board has to have staff people ready to question for days at a time while they (the board) are on other unrelated problems. This problem will get much worse as our natural resourses come more into play. The present board much of the time is delinquent in its informations due to such a wide range of consideration and a vast area to cover. This 10 man board would be the same as 10 men governing Fish and Game in a 5 or 6 state area in the south 48. This we think is not in good sense.

Our commercial fish is much to important not to receive every consideration of management possible. The same holds true for Big and Small Game along with trapping. Equally important is sports fish which is fast coming to State and National attnetion. Further, commercial fishermen do not like any sport fish orientated people sitting on a commercial fish board. The following is examples of manpower considerations.

Following figures are from meeting just concluded in Anchorage.

| | |
|---|---|
| 10 man board - 21 days | 210 man days |
| 12 men from staff in attendance | 252 man days |
| 6 men from staff in attendance 50% | 63 man days |
| For one meeting | 525 man days |

Spring meeting est. 40% of above figure.
Total yearly man days for a poor job almost 800 man days.

The3board concept of 6 men on each board with the directors of each divisions voting in case of ties also the commissioner along with the vote of the directors vote could veto any action.

Each board meets only once a year. All boards meet the same time. By splitting the present board actions could be considered much faster. It would focus attention where attention is needed. Fish and Game are already split into 3 divisions.

The amount of time each board would use yearly would be 8 days or less figuring 8 days the following would hold true.

| | |
|---|---|
| 12 staff members full time | 96 man days |
| 6 staff members half time | 48 man days |
| 18 board members | 144 man days |
| | 288 man days |

The big difference in time results mainly from a much better utilization of everyones time and no sitting around. Our renueable resourses deserves the best considerations possible.

Commercial fish board

3 Comm. fishermen
2 lay men
1 biologist(Fish and Game)

Directorsof Commercial Fisherys breaking tie votes

Big and Small Game & Trapping Board

2 professional hunters
1 trapper of knowledge
2 lay men
1 biologist

Director of Game breaking tie vote

Sport Fish Board

2 Commercial Sport fishermen
3 lay man
1 biologist

Director Sport fish breaking tie votes

Commissioner with the vote of Director concerned could veto any board action but would have to give reasons for veto.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

PLEASE USE IN PAPER.

The need for a code of Ethics for the guiding industry has been apparent for many years. This set of guidlines is not designed to put anyone out of business, it is designed to keep the guiding industry in business, in a manner that will promote better relations between guides and clients, administrators and guides, between law enforcement agencies, state and federal, and guides and between the general public and guides.

It is the responsibility of every guide to see that the code is honored and reflected in every guiding operation in the State of Alaska.

GUIDING CODE OF ETHICS

1. I will fully cooperate with State and Federal Wildlife officials and will abide by and advise my Clients and Personel of all applicable conservation and game laws, statutes, regulations and will not condone there violation.

2. Rates, accommodations and services will be clearly defined to prospective Clients prior to booking and acceptance of deposit. I will not misrepresent rates, services, accomodations nor otherwise mislead prospective Clients through false or fictitious advertising. I will be willing and capable of making financial restitution to a Client for any breach of contract by myself, owing to no fault of the Client.

3. I will honestly advise my Clients of game regulations to the best of my ability and base my past performances in hunting areas and its chances of encountering the species he desires in the time alotted. However, I will make no "guarantees" as to the success of a hunt or the number of pieces of game to be collected.

4. I will maintain and/or provide stock, mechanical equipment, gear, food supplies andfacilities of a quality and condition to provide services equal to or better than described in my advertising, correspondence, verbal declaration or contractual agreement.

5. I will maintain a neat, orderly and sanitary camp at all times. I will provide reasonably well prepared, palatable and balanced camp meals for Clients and personel in keeping with the conditions of the hunt.

6. I will not contract for a hunt, more hunters, at anyone time, than I and my hired guides can adequately facilitate rendering services for. These hired guides must be properly licensed, well trained in the art of woodsmanship, judging trophies, cooking, first aid , photography, firearms, trophy preparation and caring for Clients.

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

7. I will, while guiding a Client take all precautions in the event an animal is wounded. It is my duty and responsibility to use everything at my disposal to bag any wounded animal while it is in danger of escaping or if in a serious emergency, human life or well being is endangered. I will never fill a Clients game tag or bag limit.

8. I will, barring unforseen conditions, properly prepare, according to prescribed procedures all antlers, horns, hides and capes to be delivered to the taxidermist or to the Client at the conclusion of the hunt in a satisfactory and unspoiled condition. I will endeavor to salvage all meats of trophies taken by my Client, in accordance with existing State law.

9. ~~I will accept as valid another established guides prior rights to hunt that area, either legal or moral.~~

10. I will promote hunting and the taking of trophies by fair chase; the pursuit of a trophy in a legal and sportsmanlike manner, without herding, driving or chasing of trophies with the use of any mechanically powered equipment.

11. I will practice sound wildlife conservation and endeavor to create an awareness of conservational needs and practices during my associations with the public.

William R. Martin ✓
Alaska Sport Fishing Guides Inc.
P.O. Box 1871
Anchorage

Clark Engel
Ak. Prof. Hunters Assoc. (Pres.) ✓
Anc., Ak.

Bob (Robert) Curtis
Pres. of Ak. Sport ✓
Anchorage, Ak.

Pete Nelson ✓

Nick Gregory ✓

Mark Jensen

# L AND S OUTFITTERS

ALASKAN BIG GAME OUTFITTING
AND GUIDE SERVICE

P.O. Box 1616
Fairbanks, Alaska 99707

February 21, 1974

Mr. Joe McGill
Chairman, House Resources Committee
Alaska House of Representatives
Juneau, Alaska 99801

Dear Mr. McGill,

I am writing about House Bill 499, and act relating to the boards of fisheries and game, and providing for an effective date.

I am a full-time Alaskan guide and outfitter, and for over ten years have been soley dependent upon professional hunting for my livlihood. During this time I have been quite active with, and attentive to, the actions of the Board of Fish and Game. In fact, I have attended every Fish and Game board meeting concerning game and guide management since 1962, when I was just finishing up my degree in wildlife management from the University of Alaska prior to entering the outfitting business.

I feel very strongly that we need to split the functions of the existing Game and Fish board if we are ever to properly "manage" our fisheries resource and our game resource. You are undoubtedly aware of the conflicts of interests that so often arise at the Fish and Game board meetings. In such situations our resources are damaged just as badly as through blatant violations.

Today, more than ever before, Alaska needs resource leaders that will properly, and conscientiously look after our game resources. I think that such leadership has been lacking in the past, and will continue to lack in the future if we cannot establish a board whose primary function is manage of game, and another to look after our fisheries resource.

I urge you to support the House Bill 499, and thank you for this chance to express my views.

Sincerely,

Lynn M. Castle
Wood River, Alaska

My name is William Waugaman. I have been a resident of Alaska for the past thirty-four years and a big game guide since 1947. I have guided in practically every guide district of Alaska and have hunted on guided hunts in many foreign countries.

I am in favor of House Bill 499 for many reasons of which I will mention several of the most important:

1. I have attended several of the Fish & Game board meetings throughout the years and have observed: that the board has much too much work than any non-paid board should be expected to accomplish. In other words the work load of the board should be considerably lessened.
2. The present board consists of eleven commercial fish members and one game member.
3. I don't think commercial fish people should be making the game regulations nor do I think that game people should be making Fish regulations.
4. We have had very serious game problems in the interior for the past five years and todate the board nor the Fish & Game Dept. has done anything to change the trend. The problem being: serious reductions in game population, no control of predators, great increases in hunting pressure.

I think the hunters and guides of this state should be given the opportunity to guide the destiny of their resource and I hope you legislators see fit to give them a voice instead of a whisper.

William I. Waugaman

1271

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 499 2-28-74 12
BILL NO. DATE PAGE

TITLE: An act relating to the boards of fisheries and game; and providing for an effective date.

SPONSOR: Wilson Specking

FURTHER REFERRALS: Judiciary

This Bill If Enacted Would: _____

When Bill Considered by RA Committee: Public Hearing 2-25-74

Action Taken by Committee: Ulrich moved out - ~~Do pass~~ Gardiner objected - for good reasons

Amendments: Amended to Provide That: _____

Clerk Tape #1 185

Witnesses Testifying Before Committee: (summary of testimony)

Clark Cole [illegible] resident [illegible]

Bob Curtis [illegible] Board met 10 man 240 day work

[illegible] Pete Nelson - Can't deal with [illegible]

William Martin -

Marc Jensen Chairman Water Users Board

Hank Ostrosky

With backing -

Branch Office
P.O. Box 847
Telephone 456-5005
Fairbanks, Alaska

USIBELLI COAL MINE, INC.
270 ILLINOIS ST. • FAIRBANKS, ALASKA 99701

February 11, 1974

Representative Joseph E. McGill
State House of Representatives
Juneau, Alaska 99801

Dear Joe:

I am writing in support of House Bill 499 which splits the Geme department from commercial fish. You will recall that I tried the same split when we served together as legislators. At that time Hickle and his boys gave it the harpoon but was never able to find out why.

The people in the interior need the two separated for we know that the game department will never amount to anything as long as the commercial iish are the dominating force.

At the present time the interior game population is at its lowest in thirty years. Brooks and his boys have made it impossible to controll the predators so the game continues to get scarcer.

If things continue as they are going the game in many areas will be without seed stock within a couple years. Just about the time Bill Egan is running for reelection.

Anything you can do on this Bill will be greatly appreciated. Hope to see you in Juneau in a couple weeks.

As ever,

William I. Waugaman

3/21/74

Hon. Wm. McGill,

I regret the brevity of this note, but I'm down with the flu.

I strongly support H.B. 499 which, at long last, would set up a separate Game Board -- the lack of which Alaska has suffered for years. You know why we need this, there's no need to report the reasons. You have my staunch support.

Charles F. Farm
Registered Guide
Box 80-342
College, Alaska
99701

Charles J. Keim
Registered Guide
Box 80-342
College, Alaska
99701

The Hon. Joe McGill
House
Alaska State Legislature
Juneau, Alaska

# DeSPAIN PLUMBING SERVICE

742 - 17TH STREET
FAIRBANKS, ALASKA
P. O. BOX 1255
DIAL 4418

SHEET METAL SHOP

ANCHOR STOKER

MONTAG FURNACES -- SALES -- SERVICE -- INSTALLATION


February 21, 1974

Rep. Joe McGill, Chairman
House Resources Comm.
Juneau, Ak. 99801

Dear Mr. McGill,

I'm Glenn DeSpain. This is my 24th year in Alaska. I'm a former member of the Board of Fish and Game, Past president of the Alaska Sportsmen's Council and the Tanana Valley Sportsmen's Assn. I'm an avid sports fisherman and hunter.

I favor H.B. 499. As a former member of the Board of F and G I can testify that trying to keep up on all the commercial fish, sports fish, hunting trapping and Guide regulations is too much to expect of a citizen on a gratis basis.

The guide part has not been legislated to a guide board.

It has been my firm conviction since about 1954 when the Alaska Sportsmen's Council made an extensive study of the game department, that we should have two departmenst; a department of Commercial Fish and a department of Sports Fish and Game. The Alaska Sportsmen's Council attempted to get this concept into the constitution.

The other is the hang-up. Who is to manage it? I have always maintained that the method of taking should determain jurisdiction. Commercial and subsistance fishing should be the responsibility of the Commercial Board while sports fishing and game the responsibility of the Game Board.

I have seen the reluctance of commercial fishermen on the board to listen to testimony and debate on game matters and vice a versa.

We are talking about managing the fish and game in an area 1/5 the size of the lower 48 states.

Sincerely
Glenn W. DeSpain

HB516

"An Act relating to the development city of Lost River."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE RESOURCES COMMITTEE WORK SHEET

HB 516 1-31-74 "An Act relating to the develop... City of Lost River" Ferguson Degnan
BILL NO. DATE PAGE 1 TITLE SPONSOR FURTHER REFERRALS Judiciary

This Bill If Enacted Would:

When Bill Considered by RA Committee: 2-6-74 3-1-74

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Byron Mallot - Commissioner of Community & Regional Affairs

Pete Walsh (3-1-74)

M/S Chuck Degnan Munoz ... u.c. ... to Pass

6 do pass 3 pass pass with the do pass

Parker Randolph

Degnan Harried

Gleason Huber

Hug

Wilson

Gardiner

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B–JUNEAU 99801

February 12, 1974

The Honorable Joe McGill
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Representative McGill:

In testimony before your Committee on Resources on House Bill 516 regarding the dissolution of the Development City of Lost River, I cited the phase out or impoundment of funds of principal federal community development programs as a critical factor in the City Council's inability to secure necessary funding.

Enclosed is an editorial from the latest issue of Nation's Cities, the publication of the National League of Cities which supports my contention. I commend it to the attention of the Committee.

I appreciate the courtesy of the Committee in asking me to testify. Should it be desired, I am available to discuss this matter at your convenience.

Sincerely,

Byron I. Mallott
Commissioner

BIM:mw

Enclosure

cc: City of Lost River Council

editorial

# Community Development: Top Priority in '74

THE CITIES SHARE a growing national sense of frustration with the deceleration of the Administration's domestic program and the inability of the Congress to provide adequate alternatives. On the one hand, the Administration has engaged in the suspension and phase out of old categorical programs which helped cities and our citizens while, on the other, it has been unable to produce alternative solutions on Capitol Hill. Virtually all of its legislative initiatives are stagnant. This has left cities squarely in the vice of reduced federal outlays for domestic programs with no clear prospect of new tools to help us do our job.

This has produced a sense of frustration in city officials who, as the first line of responsible government, must act and must respond to local demands, however imperfectly. We have been told that our current program efforts will not be diminished in the "New Federalism" and that we will not lose our capacity to mount local efforts. And yet, each day of Congressional delay or Administration inaction, or both, brings us ever closer to the time when local momentum and problem-solving capacities disappear.

Phase out, close out, and shut out of established programs just does not make sense without replacement programs enacted and operational. For this reason, at the close of the 49th year of the National League of Cities, we have established the enactment of a new Community Development Bloc Grant Program as our number one priority; we shall, therefore, press ahead with all the vigor at our command to achieve this goal. We shall support legislation which decentralizes community development planning and decisionmaking into broad, flexible bloc grants but retains reasonable national standards and equitable protection of our vital interests. We expect to advocate a bill, acceptable to us, which can earn Congressional support and Presidential approval.

The energy crisis facing this nation must be of the highest priority for our federal government. We recognize that there are no simple solutions to this mounting problem. Indeed, we believe that we face a long-term energy shortage and only a tough, determined national program can deal with it. The cities of this nation support a comprehensive program in which we expect full partner status. We urge that sacrifices be shared as equitably as possible but insist that vital public health and safety services receive the priority consideration they require.

Institutionally, city governments have not been charged with responsibility for administering human service programs of manpower, health, education, and welfare programs. The failure, or minimal efficiency, of the other institutions in this field and the consequent impact on cities and our society compel us to take an ever-increasing, active role in the delivery-of-services area. We recognize this fact and we advocate an increasingly aggressive posture for city governments in the human services field. We are seeking prime sponsorship roles, more adequate governmental participation in program design and delivery and, indeed, better programs in and of themselves.

THIS CONGRESS OF CITIES has re-emphasized our forthright commitment to a clean environment. Our responsibilities to clean air and water will be executed, but we expect the application of the rule of reason in the administration of environmental programs. We refuse to be stampeded by an overzealous administrative agency and superactive pressure groups. We further urge and have a right to expect that achievement of national goals and objectives will receive national funding and the far-from-adequate city tax base cannot carry this burden.

This Congress of Cities gave close attention to our growing transportation needs. We reaffirm our support for a balanced national transportation program but place ever greater emphasis on mass transportation requirements. The energy crisis aside, we must improve our mass transit capacity and obtain capital and operational assistance in order to foster orderly growth and development and environmental quality. ■

*Adopted as a "Sense of the Congress Statement" by the officers and Board of Directors of the National League of Cities at the close of the annual Congress of Cities Dec. 6, 1973 in San Juan, P.R.*

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
OFFICE OF THE COMMISSIONER
WILLIAM A. EGAN, GOVERNOR
POUCH B–JUNEAU 99801

February 19, 1974

The Honorable Joe McGill
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Representative McGill:

Enclosed is a memorandum from the Department of Law addressing the several questions which were raised during the Resources Committee hearing on House Bill 516, an act to dissolve the City of Lost River.

Sincerely,

Byron I. Mallott
Commissioner

BIM:mw

Enclosure

STATE of ALASKA

# MEMORANDUM

TO: The Honorable Byron I. Mallott
Commissioner
Department of Community and
Regional Affairs

DATE: February 13, 1974

FILE NO:

FROM: Norman C. Gorsuch
Attorney General

By: Stanley T. Fischer
Assistant Attorney General

SUBJECT: Dissolution of the Development City of Lost River

On behalf of the Alaska House of Representative's Resources Committee, you have asked for our views on two questions pertaining to the dissolution of the development city of Lost River. The questions are:

> (1) May the development city of Lost River be dissolved by the Local Boundary Commission under current statutory provisions relating to development cities?
>
> (2) Does the development city of Lost River meet the requisite standards for dissolution under current statutory provisions relating to development cities?

The development city of Lost River was incorporated on June 8, 1972, by an act of the legislature. See ch. 110 SLA 1972. Dissolution of a development city may be accomplished by the Local Boundary Commission under AS 29.18.290(d), which provides as follows:

> The Local Boundary Commission may dissolve a development city established under sec. 20 [sic] of this chapter if subsequent to its incorporation 1/
>
> (1) the major economic development projected does not occur within a period of five years; and
>
> (2) if the development project had been reviewed as a new project the Local Boundary Commission determines it would have rejected the petition on the basis that it is improbable the proposed development would have taken place. (Emphasis added.)

1/ The proper reference is sec. 240 which permits incorporation of a development city either by petition to the Department of Community and Regional Affairs to be acted on by the Local Boundary Commission or by an act of the legislature. See AS 29.18.240.

02-001

The language underscored in the provision above answers both of the questions presented. First, since the development city of Lost River was incorporated on June 8, 1972, a five year period of time has not expired from the time the development city was incorporated. Therefore, the Local Boundary Commission could not dissolve the development city of Lost River should it wish to do so at this time. Second, the duty of determining whether the statutory standards for dissolution have been met is entrusted to the Local Boundary Commission and not the Department of Law. Under AS 29.18.290(d), the Local Boundary Commission must determine "if the development project had been reviewed as a new project it would have rejected the petition on the basis that it is improbable that the proposed development would have taken place". Without this determination, the Department of Law is unable to advise you on whether the standards for dissolution have been met.

Since the legislature created the development city of Lost River, it has the power to dissolve that development city by repealing the legislation incorporating the development city should it choose to do so. Generally speaking, one legislature cannot abridge the authority of a succeeding legislature to repeal an existing law. See 50 Am. Jur. Statutes §516 (1944).

STF:md

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B—JUNEAU 99801

February 20, 1974

The Honorable Joe McGill
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Representative McGill:

Here is a copy of the opinion of Lost River City Attorney Martin A. Farrell, Jr., regarding the dissolution of the City of Lost River.

I requested Mr. Farrell's opinion after testifying before your Committee on House Bill 516.

Sincerely,

Byron I. Mallott
Commissioner

BIM:mw

Enclosure

MEMORANDUM - DISSOLUTION
OF THE CITY OF LOST RIVER

This memorandum may be used for presentation before the Alaska State Legislature on pending legislation relative to the dissolution of the City of Lost River.

Title 29, Municipal Government, Alaska Statutes, governs all actions relative to the dissolution of the City of Lost River. Chapter 18, Article 4 of the same title deals specifically with development cities. However, there are no provisions within Article 4 which govern dissolution of development cities. Therefore, reference must be made to A.S. 29.68.500 - 580: Dissolution, which governs the dissolution of home rule and general law municipalities.

The City of Lost River, although a development city not yet classified by the Department of Community & Regional Affairs, should be considered a general law city for purposes of dissolution.

A.S. 29.68.500: Method of Dissolution, provides the methods by which a municipality may be dissolved. In this instance, the local option method, with some variations, can be used.

A.S. 29.68.520: Standards, allows a municipality to petition for dissolution if (a) it is free of debt and (b) if it ceases to use each and every one of its mandatory powers or it no longer meets the minimum standards for incorporation prescribed by Chapter 18: Incorporation, of Title 29.

These conditions (a) and (b) are met here; because of the uniqueness surrounding the City of Lost River they have been met in such a way as to obviate the necessity of complying with certain provisions of A.S. 29.68.500 - 580.

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ANCHORAGE, AK. 99501
(907) 279-0591

I have reviewed the various agreements entered into by the City; they do not result in any contractual or other obligation by the City.

The City's several agreements with the mining corporation do not impose an indebtedness upon the City. The December 5, 1972 contract was unequivocally non-reimbursable. The May 25, 1973 agreement providing for money advances called for reimbursement by the City to the Corporation out of future revenue sources only if the project should continue. The City has not had, nor will it have, any revenue sources. The project as it was then contemplated has failed. The dissolution of the City will completely end the project as contemplated. The City has no indebtedness.

The City fails to meet the requirements of Chapter 18: Incorporation. Even were the City to contemplate staying in existence aside from its failed role as a development city, it could not. It has no permanent residents to incorporate it even as a second class city, much less as a first class city. Since there are no residents the provisions of A.S. 29.68.570, which require voting on the petition, do not apply. Similarly, the petition is properly drawn when done so by the City Council rather than by a percentage of municipal residents, pursuant to A.S. 29.68.510.

In short, legislation for repeal of the act enabling the City of Lost River is in order. The standards set forth in the Municipal Code, Title 29, for dissolution of municipalities have been met, in that the City cannot meet the incorporation requirements, and it has no debt.

The assets of the City of Lost River would upon dissolution pass to the State of Alaska. This is so because there



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is no successor municipal government being provided for, and because there will be no creditors who can make a claim upon the assets. No manner is provided by law to cover the disposition of the assets. It is suggested that the personal property be liquidated and a draft for the balance of remaining funds after payment of final billings be sent to the Commissioner, Department of Revenue, with appropriate covering explanations to the Departments of Community & Regional Affairs, Attorney General, and Administration. If the personal property cannot be liquidated it is suggested that arrangements be made with the State surplus property office to handle the property, remaining funds to be transmitted to the Department of Revenue.

MARTIN A. FARRELL, JR.

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CITY OF LOST RIVER, ALASKA

Resolution 74-00

Resolution Recommending Dissolution of the City of Lost River

---

WHEREAS, it is agreed among the principal parties of interest, namely the City of Lost River, the Lost River Mining Corporation and the Bering Straits Native Corporation that the City of Lost River be dissolved.

THEREFORE, BE IT RESOLVED, that it is the position of the City Council of Lost River that the Development City of Lost River be dissolved.

BE IT FURTHER RESOLVED, that the City request that legislation effecting dissolution be introduced by the State of Alaska and/or area legislators before the Second Session of the Eighth Alaska Legislature.

Acting Chairman, City Council
City of Lost River

ATTEST:

John J. Trautner, Executive Director
City of Lost River, Alaska

MINUTES OF THE MEETING OF THE CITY COUNCIL

OF THE

CITY OF LOST RIVER, ALASKA

January 17, 1974

The meeting was called to order by Councilman Byron I. Mallott on the 17t day of January, 1974, in Juneau, Alaska, at the offices of Byron I. Mallott, Co issioner, Department of Community & Regional Affairs, State of Alaska.

Councilmen attending the meeting were: Byron I. Mallott, Pearse M. Walsh, Ma tin Olson and Emmitt Wilson. Council Chairman John M. Asplund was unable to at end the meeting due to illness.

Mr. Wilson moved, seconded by Pearse M. Walsh, that Councilman Byron I. Ma lott preside over the meeting as Acting Chairman in the absence of Chairman Jo n M. Asplund. Motion passed. Mr. Mallott immediately assumed the duties of Acting Chairman.

Mr. John Trautner, Executive Director of the City of Lost River, was also in attendance at the meeting. Mr. Mallott also noted for the record the presence of Mr. Joe Acker, as a guest, and Mr. Ron Sheardown, Vice President, Lost River Mining Corporation.

Mr. Wilson moved, seconded by Mr. Walsh, that the minutes of the meeting of December 19, 1973 be approved and adopted. Motion passed unanimously.

Acting Chairman Mallott then called upon Mr. Trautner to give his Executive Director's report to the Council.

Mr. Trautner reported that the letter from the Maritime Study Group in Seattle was a request for permission to establish a tide monitoring gage at the dock facility at Lost River. The letter from Maritime has been referred to the Lost River Mining Corporation.

After discussion the letter from Pacific Architects & Engineers, Inc. dated January 11, 1974 was delayed for any action necessary until the final draft of the PAE study was discussed under "Old Business" on the agenda.

Mr. Trautner read a letter to the Council from the Department of Labor concerning the data used by that Department in preparing their input to the State's Review of the Preliminary Feasibility Study of the City of Lost River. Mr. Trautner has also written to the Department of Health & Social Services of the State of Alaska requesting the same information but no reply has been received.

Mr. Trautner brought to the Council's attention his memorandum of January 15, 1974 concerning his recommendations for the closure of the City offices and business. Mr. Mallott noted that the Council should address itself to those items which deal with satisfying financial obligations and the closure of the City offices. Those items outlined in the memorandum that deal with the dissolution of the City of Lost River should be considered separately.

Mr. Trautner was requested to give the Council a rundown on the meeting held in the Attorney General's office earlier in the day. Mr. Trautner stated the Lost River City Council; himself; members of the State Administration, including Norman Gorsuch, Tom Davis, Charles Herbert, Rod Pegues, Bob Dittman, Stan Fisher and Warren Wiley; Ken Beck; Gary Longley; Ron Sheardown; and Bill Laughlin, had met to discuss the current status of the Development City of Lost River and its future. As a result of that meeting the City of Lost River City Council, Lost River Mining Corporation, and Bering Straits Native Corporation had all agreed that it was best to dissolve the City of Lost River. Subsequently it was agreed at a later meeting that each of the principals involved would write the Governor of Alaska indicating their support for the dissolution of the City of Lost River.

Resolution No. 74-00 entitled "Resolution Recommending Dissolution of the City of Lost River" was read into the record by Mr. Mallott. Mr. Walsh moved that the Resolution as read by Mr. Mallott be approved and asked for unanimous consent. Motion seconded by Mr. Wilson. Motion passed unanimously upon roll-call vote:

| | |
|---|---|
| Martin Olson | Yes |
| Emmitt Wilson | Yes |
| Pearse M. Walsh | Yes |
| Byron I. Mallott | Yes |

Resolution No. 74-00 was approved and adopted and reads as follows:

> "Resolution Recommending Dissolution of the City of Lost River.
>
> WHEREAS, it is agreed among the principal parties of interest, namely the City of Lost River, the Lost River Mining Corporation and Bering Straits Native Corporation that the City of Lost River be dissolved.
>
> THEREFORE, BE IT RESOLVED, that it is the position of the City Council of Lost River that the Development City of Lost River be dissolved.
>
> BE IT FURTHER RESOLVED, that the City request that legislation effecting dissolution be introduced by the State of Alaska and/or area legislators before the Second Session of the Eighth Alaska Legislature."

Mr. Mallott as Acting Chairman directed an appropriate letter be drafted by the Executive Director for approval by the Council for the signature of Chairman

John M. Asplund prior to the close of the Council meeting, and that a copy of Resolution No. 74-00 be attached thereto. Further, the letter to the Governor shall request that he support legislation to dissolve the City of Lost River.

Mr. Mallott suggested that similar letters be drafted to Senator Willie Hensley, Representative Chuck Degnan and Representative Frank Ferguston, requesting them to support or introduce legislation seeking dissolution of the City of Lost River. Mr. Walsh so moved, asking unanimous consent. Motion passed.

Mr. Trautner continued his report, stating he had met with Mr. Vic Fischer of the University of Alaska in Fairbanks. Mr. Fischer indicated that Professor Pernela is going to take the proposed rail route in Northwestern Alaska as a separate project, along with the Department of Transportation, and coordinate it with the Regional corporations to continue discussions.

Mr. Trautner reported on the effects of the fuel crisis the Nation is now facing as it relates to the City of Lost River. Mr. Trautner's findings were that if the mine develops because it is mining an essential mineral there would be no problem in getting fuel to support the community.

Resolution Nos. 74-01 through 74-06 were placed before the Council.

Regarding Resolution No. 74-01, concerning the modification of authorized signatures on the bank account, Mr. Olson pointed out that Chairman John M. Asplund had offered his services free to the Council in closing out the affairs of the City upon the termination of Mr. Trautner's contract. Therefore, the resolution should be acted upon. Mr. Walsh moved that Byron I. Mallott be placed on the bank account as an authorized signature, along with John M. Asplund, and his name be inserted upon Resolution No. 74-01, and said resolution be approved and adopted. Motion seconded by Mr. Olson, and unanimously passed. A copy of Resolution No. 74-01 is attached hereto and made a part hereof as though fully set out.

Resolution No. 74-02 regarding the closure of the City's physical offices was brought before the Council. Mr. Wilson moved that the date of March 1st, 1974 be inserted on the resolution as the date for the closure of the physical offices of the City of Lost River, and the resolution be approved and adopted. Motion seconded by Mr. Walsh, and unanimously passed. A copy of Resolution No. 74-02 is attached hereto and made a part hereof as though fully set out.

Mr. Walsh moved, seconded by Mr. Wilson, that Resolution No. 74-03, regarding a final audit of the City's financial records, be tabled until the next meeting. Motion passed unanimously.

Resolution No. 74-04, regarding the disposal of the personal property acquired by the City of Lost River, was discussed. Mr. Olson suggested that the personal property be returned to the Lost River Mining Corporation as they had totally funded the City. Mr. Sheardown, of the Lost River Mining Corporation, stated his corporation would accept the property if it was the decision of the Council to give it to them. Mr. Wilson stated he had no objections to giving the personal property to the Lost River Mining Corporation since the City was funding entirely by that Corporation, but felt the legalities of such a move should be looked into prior passing on a resolution to do so. Mr. Wilson then moved, seconded by Mr. Walsh, that Resolution No. 74-04 be tabled. Motion passed unanimously.

Mr. Wilson moved, seconded by Pearse Walsh, that legal counsel research the legalities of the disposition of the personal property, with specific reference as to whether or not it can be given to the Lost River Mining Corporation in light of the fact that the funding was provided by them. Motion passed unanimously.

Mr. Olson moved, seconded by Mr. Wilson, that Resolution No. 74-05 entitled "Resolution for method of disposing of City of Lost River, Alaska excess funds upon the close of the City's business" be tabled until the next meeting. Motion passed unanimously.

Mr. Wilson moved that legal counsel review the question of disposition of excess funds upon the closing of the City's business, with specific regard as to whether excess funds may be returned to the Lost River Mining Corporation and that legal counsel deliver a written opinion at the earliest possible date. Motion seconded by Mr. Walsh and unanimously passed.

Mr. Wilson moved and asked for unanimous consent for the adoption of Resolution No. 74-06. Motion seconded by Mr. Olson and passed unanimously. Resolution No. 74-06 entitled "Resolution requesting establishment of permanent repository for official City files of the Development City of Lost River, Alaska" is attached hereto and made a part hereof as though fully set out.

Mr. Ron Sheardown requested all reports furnished to the Council over one copy be returned to the Lost River Mining Corporation, with a list of agencies or persons to whom they had been given.

Mr. Wilson moved, seconded by Mr. Walsh, that Resolution No. 73-5 regarding the classification of the City of Lost River be tabled indefinitely. Motion passed unanimously.

Mr. Wilson moved, seconded by Mr. Walsh, that the Council adopt the fiscal year beginning July 1 and ending June 30 of the following year, retroactive to the start of business of the City of Lost River. Motion passed unanimously.

The letter from Pacific Architects & Engineers, Inc. dated January 11, 1974, requesting the City Council accept the report as submitted was read to the Council by Mr. Trautner.

After discussion of the draft final Comprehensive Development Plan and Long Range Capital Improvements and Finance Plan submitted by Pacific Architects & Engineers, Inc. and the technical recommendations outlined in a memorandum to the Council by Mr. Trautner dated January 15, 1974, Mr. Wilson moved that the Council accept the report submitted as the final report, subject to the corrections outlined in Mr. Trautner's January 15, 1974 memorandum with the addition of a notation that Item II on Page Two of the memorandum be incorporated in the feasibility study as a notation versus a correction. Motion seconded by Mr. Walsh and unanimously passed.

Pacific Architects & Engineers, Inc. will be contacted and a request made that all materials given to them in preparing the feasibility study for the City of Lost River be returned to the Council.

The Environmental Impact Statement contract with Kross & Associates was discussed as to completeness and monies due under the contract. Mr. Trautner reported that Mr. Kross has indicated that he cannot give the Council a completed Environmental Impact Statement but is willing to submit to the Council everything he has accumulated in final form.

Mr. Walsh moved, seconded by Mr. Olson, that the matter of the contract with Kross & Associates on the Environmental Impact Statement be deferred until the next meeting to meet with Mr. Kross. Motion passed unanimously.

Mr. Wilson, after a brief discussion, moved that Jan Palmer, Secretary to the City of Lost River, be notified that because of the possible dissolution of the City on March 1, 1974, her services will no longer be needed and that she be given the highest recommendation possible for future employment, with notice and recommendation to be signed by Chairman Asplund. The motion was amended that the secretary be given the option of remaining after her termination date to work on a part time basis if her services are deemed necessary. Motion seconded by Pearse Walsh and passed unanimously.

The Council directed that insurance policies involving the City of Lost River offices and staff be terminated as of March 1, 1974. A news release regarding the closure of the City of Lost River offices on March 1st will also be drafted and released so that proper notice is given.

Mr. Wilson moved, seconded by Mr. Walsh, that the Council designate the Anchorage office of the Department of Community & Regional Affairs as the common place of U.S. Mail delivery and the U.S. Post Office be so notified. Motion passed unanimously.

The Council shall meet prior to the closure of the City offices on March 1st in Anchorage, Alaska and the Chairman is directed to contact all Council Members and arrange a date.

Mr. Mallott commented for the record that Mr. Trautner had taken on quite a job as Executive Director of the City of Lost River and has carried out his duties in an admirable fashion and the Council really appreciated it. Mr. Mallott moved that his statement be made a part of the record. Motion seconded by Mr. Wilson and passed unanimously.

Meeting adjourned at 6:10 P.M. January 17, 1974.

Respectfully submitted,

JANICE I. PALMER, Secretary

STATE of ALASKA

# MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: The File

DATE: January 3, 1974

FROM: Byron I. Mallott, Commissioner

SUBJECT: Status--City of Lost River and some observations

On October 25 the mining corporation by letter informed the Lost River City Council that it would exercise its right to end its financial commitment to the city effective November 1.

Observations:

1) At the time the City of Lost River was established the possibility of significant federal program assistance was a decisive factor in the total support the legislation received. The mining company obviously also felt that the legislation would allow access to state financial assistance.

Subsequently, the Nixon Administration, on a wholesale basis either did away with all major community development programs or impounded program funds. The state has remained insistent that fiscal constraints preclude any significant state funding, including guarantee of municipal bonds. The city therefore has been completely unable to secure the funding necessary to construct the city as originally envisioned.

It was in the mining company's interest to provide financial support to the city recognizing that having the city fund the port and major community facilities would reduce the company's initial capital investment by almost one half. I recall that under Murray Watts' leadership one of the company's state policy considerations was a desire to keep their initial capital requirements sufficiently low so as to allow them to capitalize without having to give up corporate control to major investors. The City of Lost River thus served the corporate interest of the company in more ways than one.

2) In early August Murray Watts was removed from control by a number of major investors who assumed control themselves. It was at this point that the city's relationship with the corporation changed abruptly. Several of these investors had opposed Mr. Watts' commitment of financial support to the city at the time it was originally made. Immediately the new company leadership notified the city that further financial support in the form of payments under the December 5 agreement would not be forthcoming. This position was subsequently modified under pressure from the city and payment was made.

(3) This waning faith in the city on the part of the corporation can be attributed largely to the growing realization that neither the state and federal governments nor the municipal bond market were realistic alternatives to corporate financing at least in the near-term future. Also the personal concern of Murray Watts that corporate capital requirements be kept sufficiently low so as to allow him and essentially hand-picked investors to retain corporate control was mooted when he lost control of the corporation.

(4) The city council had right from the start exercised jealously its autonomy as a municipal corporation responsible principally to the interests of the State of Alaska. The mining corporation obviously had expected a much more significant role in council activity as evidenced in its initial insistence that the council's executive director be Mr. Ron Sheardown, the corporation's vice president. The council, however, at no time ignored the legitimate interests and concerns of the corporation as evidenced by the following examples:

(a) the appointment at the council's first meeting of Mr. Sheardown as executive coordinator, a position created to give the corporation direct and formal access to the council;

(b) the full participation of the corporation in all council deliberations to the extent that often council meetings were arranged to accommodate the corporation's schedules;

(c) the council meeting especially to establish a working relationship between the corporation and the city's contractor, Pacific Architects and Engineers, to allow for the negotiating of concerns expressed by the corporation over P A & E's preliminary feasibility study. (This, on the very day the corporation posted a letter announcing new management and a decision to discontinue further financial support to the city).

(5) As a contrast, in both instances that the corporation decided to discontinue city funding, the city was not forewarned and notice was given only days before payment was due.

(6) Statements by the corporation that the preliminary feasibility study caused them serious problems are self serving and are made only to mask the more obvious reasons for terminating financial support to the city. The preliminary study is just that. The corporation was involved with the city in the study from the inception; was invited to review sessions held every nine days during the preparation of the preliminary plan and at no time prior to completion of the preliminary study raised any objection. The fact that the study was completed hurriedly in 90 days to accommodate the schedule of the corporation indicates the preliminary nature of the study and therefore the need for the corporation and the city to sit down and, using the preliminary study, accommodate the

requirements of each in a final plan. This step was not taken by the corporation because it was then apparent to it that the city was not able to, in a timely manner, financially assist the corporation.

As of December 19, the city had not yet determined its future course. The corporation is firm in its decision to provide no further funding and would be pleased to see the city dissolved. The Lost River City townsite includes three townships withdrawn for Alaska Native Claims Settlement Act village deficiency selection purposes which poses further difficulty for the city, it not wanting to endanger any village selections but finding itself thereby without land to build upon. Commissioner Herbert has purportedly informed the Bering Straits Native Corporation that he is obliged by the Development Cities Act to seek state selection of those deficiency withdrawals. Thus, the City of Lost River has become an impediment not only to the mining corporation but to the Diomede (Inalik) corporation and the Bering Straits Native Corporation.

The city's funds will be depleted by March 1, compelling the council to give notice to its executive director, John Trautner, effective January 21, 1974, for a month's termination pay is included in his contract. Our only other employee, Jan Palmer, secretary, has been forewarned and is probably already and understandably on the lookout for other employment. At its December 19 meeting the council decided to seek a meeting in January in Juneau with appropriate state officials, the mining corporation, and the Bering Straits Native Corporation, to discuss the future of the city of Lost River.

Observations:

(1) The city council must decide before the legislative session whether to seek the introduction of a bill to dissolve the City of Lost River.

(2) If a decision is made to seek dissolution there must be an understanding among the state, the city, the corporation and Bering Straits Native Corporation in the event that anyone attempts to make political hay of the dissolution.

(3) Most observers assume that without the support of the Bering Straits Native Corporation and the mining corporation, the city, without local political support, funding or support from the principal developer, is doomed no matter what it does--and they have a point.

(4) The Development Cities legislation was supported by the Administration in part as an alternative to a laissez-faire policy with respect to mineral extraction in Alaska. That is, the state would provide a mechanism to allow public funding of capital improvements which would benefit the private mining venture as well as the community built to serve it. The public good would be served by the establishment of a

municipality well planned and a positive addition to the state, which provided decent housing and other amenities to gainfully employed citizens. The mining venture would be freed of the need to make large capital investments in sewer, water, electricity, housing, transportation facilities, etc. The development city would be a disincentive to "high grading" and transient mining camps.

In the instances of the City of Lost River, the mining corporation has withdrawn its support for good and sufficient corporate reasons before the merit of the Act can be proven. My experience as a council member though leads me to doubt whether the Act in most instances would be anything but an exercise in the "tail wagging the dog." For the principal developer will almost always be in a dominent position with respect to the council unless the council right from the start is adequately funded from public sources. Conversely, developers will want to make sure of the prospects for major public funding and the timeliness thereof before becoming involved with the Act unless they themselves are willing and able to purchase the required municipal debt offerings. In any event, unless any municipal corporation established under the Act can create or attract alternate sources of employment for its residents there exists the strong possibility that a single-industry community will have been created dependent upon the benevolence of the corporate owners and the accident of the life of the mineral being extracted; not, in my judgement, a high priority setting for major expenditure of public funds in a state with literally hundreds of communities with long-standing needs.

(5) Although these observations may seem to reflect harshly on the Lost River Mining Corporation it must be pointed out that the city enjoyed an honest and forthright relationship with the corporation under Murray Watts' leadership. There were certainly times of strain and misunderstanding due largely to the inherent conflict of a private corporation concerned ultimately with corporate profit and a municipal corporation concerned similarly with the protection and advancement of the public good. But difficulties were generally able to be worked out for the corporation was one of enlightened self interest which to the degree its corporate designs allowed was willing to accommodate the public interest. The corporation, however, did not, at the point it came to comprehend that the city probably would not be able to obtain funding and get under construction within the corporation's time requirements , make an effort to discuss alternatives with the city except for an offer briefly made and withdrawn to design and construct the mine such that the city could "plug in" to its facilities as the city was later built.

So long then as the city and the corporation's interests might coincide all was well. But corporate interests overrode any commitment to the Development Cities Act at the first sign of major difficulty. A case

of "summertime soldiers" maybe; but the city's inability to obtain funding had become a major difficulty that in the expressed corporate view threatened the entire project. The corporation had letters of intent to market its product, so they said, that would be jeopardized if construction did not begin in 1974 for marketing in late 1976 or early 1977.

In the corporation's view the city was fast becoming a burden rather than an asset and a decision had to be made for the corporation had already invested upward of three hundred thousand dollars in the city.

(6) Some questions come to mind: If the city is dissolved what then is the relationship between the corporation and the state or between the state and any similarly situated developer in the future that chooses not to utilize the Development Cities Act? How is the public interest to be served?

If the city is not dissolved what is its relationship between the corporation and the city even should other funding sources be found, which is not likely?

Under the intent of the legislation can the city proceed without the active support and involvement of the principal developer?

HB524

of ALASKA MEMORANDUM

TO: Ralph Kimlinger, Deputy Commissioner
Department of Revenue
Alaska Office Building
Juneau

DATE : February 7, 1974

FROM: R. H. Pilcher, Manager
Department of Revenue
Juneau Field Office
Juneau

SUBJECT: HB 524 Increase Sport Fishing and Hunting License Fees and Commercial Fishing License Fees.

Passage of HB 524 would increase resident sport fishing, hunting and trapping license fees, non-resident fishing and hunting license fees, and all Commercial fishing license fees.

Based on the 1973 calendar year license sales, increases to the treasury of the State have been estimated as follows:

| License Sales | Increase over 1973 | Fund |
|---|---|---|
| Sport Fishing | $ 1,036,947 | Sport Fish |
| Hunting | 1,241,217 | Game |
| | (3,782) | General |
| Total | $ 2,274,382 | |
| Commercial Fish | $ 432,468 | Sick and Disabled Fishermen 40% |
| | 1,422,615 | General 60% |
| Total | $ 1,855,033 | |

In keeping with the resident non-resident license structure, I would recommend an amendment to section 16.05.650 setting up a non-resident fee as separate and distinct from a resident fee for small boat operations.

HB 524 provides for an effective date "on the day after its passage and approval or on the day it becomes law without approval" which will cause administrative problems and expenses. Additional funds amounting to approximately $ 30,650 will be necessary to implement during a license year. Breakdown of the above is as follows:

| | |
|---|---|
| Printing | 7,150 |
| Postage | 2,000 |
| Personel Services | 21,500 |

If an effective date of January 1, 1975 were placed in HB 524 the additional expense would not be necessary.

RHP/em

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Receipts and Revenues Re: H.R. 524 and Extended 1975 and 1973

* Trust Impact effective date 1/1/75

| Sale | No. Sold in 1973 | Gross Re HR 524 | Net | Net To Spt. Fish | Net To Game | Net To General |
|---|---|---|---|---|---|---|
| 401 (5) | 47,893 | 7182450 | 6823325 | 6823325 | | |
| 402 (52) | 23,375 | 5938750 | 5670325 | | 5670325 | |
| 402B 52 (455) | 1,089 | 317900 | 302150 | | 251525 | 50625 |
| 404 3 | 29,931 (35%) (12%) | 8981100 | 8534355 | 3243171 | 5289184 | |
| 405 35 | 5,343 (35) | 1871250 | 1776547 | 604262 | 977211 | 174254 |
| 406 (17) | 22,166 | 2216600 | 2105770 | 2105770 | | |
| 407 (32) (A5) | 14,374 | 1615750 | 1534325 | 1534325 | | |
| 408 | 7,066 | 2375250 | 5034525 | | 5034525 | |
| 409 91 | 1,639 (1624) | 147510 | 140245 | 53251 11 | 8688339 | |
| 410 | 23 | 46000 | 43700 | | 43700 | 39300 |
| 415 | 4 | 4000 | 3800 | | | 3800 |
| 417 (33) (5) | 1,137 | 56850 | 54007 5 | | | 54007 5 |
| 420 | 1,537 | 30740 | 29203 | | | 29203 |
| 421 | 126 | 25200 | 23940 | | | 23940 |
| 422 | 2 | 2000 | 1900 | | | 1900 |
| 423 | 54 | 27000 | 25650 | | | 25650 |
| 424 | 3 | 4500 | 4275 | | | 4275 |
| 401-B | 2 | 200 | 190 | 190 | | |
| Misc 25% | 6,658 | 16445 | 15627 | 5370 4 | 7379 2 | 3152 5 |
| Subtotal | 132,833 | 3.999295 50 | 3799330 72 | 1.945841 38 | 1.810390 27 | 43 099 07 |
| 415 | 2339 | 7536250 | 7159437 5 | | 7159437 5 | |
| Total | 171 227 | 4.752922 50 | 4.515276 47 | 1.945 841 38 | 2.524 231 02 | 43 099 07 |
| Allowable Comm. 5% Fees 1973 | | 2357545 50 | 2240 372 50 | 908 874 57 | 1.285 116. 57 | 46 881 36 |
| % Increase over 1973 | | 2.395575 00 | 2.274 321 97 | 1.036 946 51 | 1.241 217 05 | ( 278229) |
| % Increase over 1973 | | 101.6217% | 101.4945% | 114.085% | 96.584% | ( 8.0678%) |

H. Res
(McGill's) Committee
465-3824 -

Cut rate fee on Classes 4, 5 and 9 were intentional. Committee felt licensees should have a price break by buying combination license over separates).

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Increase in Comput. Revenues re: HB 524 in Calendar 1975 over 1973

* First request effective Late 11/1/75 Do'n Inc

| Code | No. Lic in 1973 | Gross under HB 524 | Cost | Net | '73 Net | Increase |
|---|---|---|---|---|---|---|
| 270 | 11777 | 49553200 | 2462710 | 46795290 | 158,478.18 | 309,474.72 |
| 271 | 3190 | 17073000 | 853150 | 16219350 | 55,073.94 | 107,119.56 |
| 272 | 1918 | 15601500 | 780075 | 14821425 | 50,274.14 | 97,940.11 |
| 273 | 6425 | 42622500 | 2131125 | 40491375 | 136,908.41 | 268,005.34 |
| 274 | 3504 | 11616000 | 580800 | 11035200 | 37,377.69 | 72,974.31 |
| 275 | 91 | 415500 | 20775 | 394725 | 1,336.84 | 2,610.41 |
| 276 | 1341 | 38677200 | 1922550 | 36648150 | 124,361.05 | 242,120.45 |
| 277 | 54 | 870000 | 43500 | 826500 | 2,826.68 | 5,438.32 |
| 278 | 106 | 2370000 | 118500 | 2251500 | 7,710.55 | 14,804.45 |
| 279 | 959 | 8707500 | 435375 | 8272125 | 28,174.16 | 54,547.09 |
| 280 | 356 | 271200 | 3390 | 237300 | 824.14 | 1,548.86 |
| 281 | 16625 | 19950000 | 2493750 | 17456250 | 60,759.74 | 113,802.76 |
| 282 | 6396 | 23025600 | 2873200 | 20147400 | 69,714.92 | 131,759.08 |
| 283 | 5 | 75000 | 3750 | 71250 | 243.01 | 460.49 |
| ST | 52747 | 250433000 | 14765160 | 235678840 | 734,063.45 | 1,422,654.95 |
| 560 | | 406800 | — | 406800 | 1,356.00 | 2,712.00 |
| 561 | | 29925000 | — | 29925000 | 99,750.00 | 199,500.00 |
| 562 | | 34538400 | — | 34538400 | 115,128.00 | 230,256.00 |
| ST | | 64870200 | — | 64870200 | 216,234.00 | 432,468.00 |
| Total | 52747 | 295303200 | 14765160 | 280538040 | 950,297.45 | 1,855,082.95 |

Commission was based on the allowable 5% for purposes of this research, however, annual cost of sales averages less than 4%.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

HB325

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF BUDGET & MANAGEMENT / POUCH C — JUNEAU 99801

February 6, 1974

Honorable Helen Beirne, Chairman and
members of House Health and Social
Services Committee
Capitol
Juneau, Alaska 99801

Thru: M. R. Charney, Director
Division of Budget and Management
Department of Administration

SUBJECT: Comments regarding House Bill 525

Dear Representative Beirne:

I would like to comment that House Bill 525, by making the establishment section of the University's statute more specific, would in my opinion be a move in the wrong direction. Little if anything is gained by such a statute except the development of statutes full of anachronisms such as the current statute's reference to departments of archaeology and paleontology (which to the best of my knowledge don't exist and won't in the near future).

It should be obvious that funding is the key to achieving the goals of those responsible for this bill's introduction. The establishment of a Department of Fisheries in the statutes is no guarantee that money will ever be allotted for it. On the other hand, even if not legislatively established, an earmarked appropriation will accomplish the desired purpose.

If this section is to be amended, therefore, I would suggest that broader language such as that indicated on the attached copy of the bill would be more appropriate.

Sincerely,

Bob Jacobs
Education Program Budget Analyst
Division of Budget and Management

cc: Legislative Finance
Pres. Hiatt

ROBERT W. HIATT
PRESIDENT

UNIVERSITY OF ALASKA
OFFICE OF THE PRESIDENT
FAIRBANKS, ALASKA 99701

February 18, 1974

The Honorable Joe McGill
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Representative McGill:

Thank you very much for your letter of 4 February affording me an opportunity to comment on House Bill No. 525 "An Act Creating a Department of Fisheries within the University of Alaska". Below are some preliminary comments which should be followed up by a meeting in Juneau with you. At my first opportunity to be in Juneau I hope we shall have an opportunity to discuss all aspects of our renewable marine resources, for the University can make important contributions to all aspects of them, including fishery education.

First, Section 14.40.010. UNIVERSITY OF ALASKA, is hopelessly out-of-date. The entire Section needs to be rewritten, so I should like to see a revision which in someway might refer to the State's resources development more generally.

Second, and more important, I have engaged an outstanding fisheries expert, Mr. Clanton Atkinson, formerly Fisheries Attache, American Embassy, Tokyo, to come to Alaska to study comprehensively what each jurisdiction is presently doing (e.g., federal program, State Fish and Game Department program and the University of Alaska), what they have plans to do, and what it is that most needs to be done. On this information base he is to recommend to me what type of a renewable marine resources program the University System should have. Presumably, this will include fishery education both technological in the Community Colleges and academic-research education at the four-year campuses. Additionally, it will spell out in priority order what fishery investigations are especially appropriate for the University and which will both complement and support those investigations carried out by the State and federal programs.

Frankly, I don't think we need a Bill in support of this work, but what would be especially useful would be a Joint Resolution which encourages us to proceed with this study this year and to present to the following Legislature

a program which can be considered and supported legislatively in the best manner appropriate to the program.

We can discuss this at greater length when I see you in Juneau. In fact, I should like to bring Clint Atkinson along (he will arrive on February 27th) so that he can have the benefit of the thinking of yourself and other legislators who want to do something about our marine resources. Please let me know if I can be of help in any way in the interim.

Sincerely,

Robert W. Hiatt

Robert W. Hiatt
President

RWH:dm

]

February 4, 1974

Doctor Hyatt
University of Alaska
Fairbanks, Alaska 99701

Dear Doctor Hyatt:

Enclosed is House Bill No. 525 "An Act creating a Department of Fisheries within the University of Alaska."

I am very interested in receiving your comments on the Bill. If you ever have the opportunity to be in Juneau, please drop into my office and I would like to discuss it with you. However, if you cannot meet with me I would like you to write and let me know what you think.

Please let me know, as soon as possible.

Sincerely,

Joe McGill

JM/dln

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 525 | 1-31-74 | BILL NO. | DATE | PAGE 1 | TITLE "An act creating a Dept. of Fisheries within the Univ. of Alaska" | SPONSOR Interim Committee on Fisheries | FURTHER REFERRALS H. E. SS Finance

This Bill If Enacted Would: _____

When Bill Considered by RA Committee: 3-11-74

Action Taken by Committee: Huber moved to have a Committee Resolution drafted up. Motion carried

Amendments: ~~Attached to Provide That~~: Draft one on Forestry also!

Witnesses Testifying Before Committee: (summary of testimony)

Dr. Hyatt - Not pass bill but a Resolution encouraging Thisand dept can react to it.

HB529

"An Act relating to staffing for the Board of Fish and Game."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

CS

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 529 1-31-74 BILL NO. DATE PAGE 1

TITLE An act relating to Staffing for the Board of Fish & Game

SPONSOR Interim Committee on Fisheries

FURTHER REFERRALS Finance

This Bill If Enacted Would:

When Bill Considered by RA Committee: 2-22-74

Action Taken by Committee: J. Miller moved we accept C.S. in lieu of original bill. Vidon moved we pass out do pass with unanimously

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: C.S. for House Bill No. 529
Title: An Act Relating to Staffing for the Department of Fish and Game
Requested by: Interim Committee on Fisheries Date: Feb. 25, 1974
Return Date Requested: March 4, 1974
Agency: Fish and Game Program: Natural Resources Management and Environmental Conservation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Administration and Support

A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | 62,300 | 63,900 | 65,400 | 66,900 | 68,500 |
| 200 | TRAVEL | | 4,100 | 4,300 | 4,500 | 4,700 | 4,900 |
| 300 | CONTRACTUAL | | 2,600 | 2,700 | 2,800 | 2,900 | 3,000 |
| 400 | COMMODITIES | | 200 | 200 | 200 | 200 | 200 |
| 500 | EQUIPMENT | | 2,300 | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | TOTAL | -0- | 71,500 | 71,100 | 72,900 | 74,700 | 76,600 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | - | 71,500 | 71,100 | 72,900 | 74,700 | 76,600 |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |

C. POSITIONS:

Executive Secretary, Range 24, $1969/mo. plus benefits = $27,400
Attorney III, Range 22, $1699/mo. plus benefits = 23,600
Secretary III, Range 12, $814/mo. plus benefits = 11,300
$62,300

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | - / - | 3 / - | 3 / - | 3 / - | 3 / - | 3 / - |
| MAN MONTHS (P./T.) | - / - | 36 / - | 36 / - | 36 / - | 36 / - | 36 / - |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

| | Exec. Sec. | Attn. III | Sec. |
|---|---|---|---|
| Travel: Three trips to Board Meetings | $ 390 | $ 390 | $ 390 |
| Per Diem, 32 days @ $30/day | 960 | 960 | 960 |
| Contractual: Communication | 2,000 | 600 | - |
| Commodities: Office Supplies | 100 | 100 | - |
| Equipment: 3 desks - $730, 3 chairs - $285, 2 bookcases - $300, 3 file cabinets - $405, typewriter - $600 | 760 | 620 | 940 |
| Total | $4,210 | $2,670 | $2,290 |

IV. ATTACHMENTS

Note: Personal services reflect merit increases, travel and contractual services reflect inflation @ 5%.

V. DATE: Feb. 28, 1974 PREPARED BY: John T. Stewart

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill No. 529
Title: An Act Relating to Staffing for the Board of Fish and Game
Requested by: Interim Committee on Fisheries Date: Feb. 25, 1974
Return Date Requested: March 4, 1974
Agency: Fish and Game Program: Natural Resources Management and Environmental Conservation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Administration and Support

A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | 38,700 | 40,200 | 41,700 | 43,200 | 44,800 |
| 200 | TRAVEL | | 2,700 | 2,800 | 2,900 | 3,000 | 3,100 |
| 300 | CONTRACTUAL | | 2,000 | 2,100 | 2,200 | 2,300 | 2,400 |
| 400 | COMMODITIES | | 100 | 100 | 100 | 100 | 100 |
| 500 | EQUIPMENT | | 1,700 | - | - | - | - |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | | | | | | | |
| | TOTAL | -0- | 45,200 | 45,200 | 46,900 | 48,600 | 50,400 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | - | 45,200 | 45,200 | 46,900 | 48,600 | 50,400 |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |

C. POSITIONS: Executive Secretary, Range 24, $1,969/month plus benefits total $27,400. $27,400
Secretary III, Range 12, $814/month plus benefits total 11,300
$38,700

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | - / - | 2 / - | 2 / - | 2 / - | 2 / - | 2 / - |
| MAN MONTHS (P./T.) | - / - | 24 / - | 24 / - | 24 / - | 24 / - | 24 / - |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

| | Exec. Sec. | Sec. III |
|---|---|---|
| Travel: Three trips to Board Meetings | $390 | $390 |
| Per Diem, 32 days @ $30/day | 960 | 960 |
| Contractual: Communications | 2,000 | |
| Commodities: Office Supplies | 100 | |
| Equipment: 2 desks - $490, 2 chairs - $185, bookcase - $150, 2 file cabinets - $270, typewriter - $600 | 760 | 940 |
| Total | $4,210 | $2,290 |

IV. ATTACHMENTS

Note: Personal Services reflect merit increase, travel and contractual services reflect inflation at 5%.

V. DATE: Feb. 28, 1974 PREPARED BY: John T. Stewart

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Mr. Larry Calvin
Baranof Builders Supply
Box 1170
Sitka, Alaska 99835

Dear Mr. Calvin,

Thank you for your interest in the area of a possible co-ordinator working with the Fish and Game Department. There is a bill in the House Resources Committee right now entitled HB 519 which relates to the staffing of the Board of Fish and Game. Enclosed is a copy of this bill which the House Resources Committee will be considering very soon. Please let us know how you feel about it and if there is any written testimony you would like to send to us to consider at the meeting, just send to us at the above Juneau address. Thanks for your letter and call regarding this matter.

Sincerely,

Joe McGill

JM:ts

30

Sitka Advisory Committee
Ann Aitken-Secretary
General Delivery
Sitka, Alaska 99835
December 20, 1973

Mr. Jim Brooks, Commissioner
Department of Fish & Game
Juneau, Alaska

Dear Commissioner Brooks:

The Sitka Fish & Game Advisory Committee protests the present system of regulatory management, particularly in the area of co-ordination between the local knowledge available and the central board.

There have been far too many instances of ridiculous regulations emerging that could have been prevented by a few minutes consultation with either the local Fish & Game Advisory Committee or the local Fish & Game personnel.

The last fiasco is not a major Alaskan concern, but it reflects on the entire method of regulation. A brief history of the latest deer season in Southeastern Alaska is as follows.

In the winter of 1972 the Sitka Advisory Committee discussed the 1973 deer season at some length. Our Committee is very divided in opinion concerning the December deer hunting; however, AT THAT TIME we voted to leave the deer season as it had been in the past several years, which allowed December hunting.

Against our wishes, and against the recommendation of the local game biologist, the Board eliminated the December hunting. We had been advised the year before that regulations could not be changed from what had been proposed.

Our Advisory Committee resolved to plan extensive discussions, work to consolidate our opinions, and make our voice heard the following year.

In October we suddenly were advised that the deer season was to be opened in December. This was again, with no discussion with the local Advisory Committee, nor with the local biologist. We were told this move was prompted by a petition in Juneau. We highly resented again not being consulted and arranged a meeting with Mr. Gorden Jenson and Mr. Frank Jones, Director of the game division. One of the results of the meeting was an assurance by Mr. Jones that we would be consulted in the future before a change was made. We stressed, that while part of our members were opposed to December hunting, ALL our members were opposed to making emergency regulations when there has been no emergency or change in the factors that the Board had originally based their decision. If this practice were allowed to continue, pressure groups would all too often dictate management procedure by emotion, rather than logic.

In November of this year, under some emotional pressure; but without any real check on what the local people or Advisory Committees wanted, the season was extended 15 days in Unit 4 with the exception of Baranof Island.

Mr. Gorden Jenson tried to apply our opposition to an extended deer season. But in the rush of applying an unnecessary emergency, the many islands directly to the westward of Baranof were included in the extension. Thereby, creating a ridiculous situation, since the deer population on the islands are usually Baranof deer.

Two minutes consersation with the local Advisory Committee would have prevented this situation.

The Sitka Advisory Committee proposes that a full time Advisory Committee Co-ordinator would solve many of the communication problems arising throughout the state. This person would organize and advise new boards, update the exhisting ones, and continually keep in contact with all legislation pertaining to the local Committee. This person must sit in on all "closed sessions" and inform the local Committee of any "unexpected" development, so that last minute advise can be offered.

Something must be done! This program would be a start to better game management.

Sincerely yours,

Larry Calvin

Larry Calvin, Chairman

LC:na

Copies sent : State Legislatures and all Alaska Advisory Committee's

FLINTKOTE®

**BARANOF BUILDERS SUPPLY** Box 1170 • Sitka, Alaska 99835

Mr. Joe McGill
Chairman, House Reßouces Committee
Pouch V
Juneau, Alakka

Dear Mr. McGill

Please read our enclosed letter to Commissioner Brooks. It is just typical of the fustrations lacal advisory committees have been experiencing over the years. Local knowledge can be a big asset to fish & game management. In all practical respects, it has been ignored.

Our proposal of a full time public cO-ordinator acting as a non-voting board member could bridge the very large chasm between the academic knowledge of the Fish & Game department, the politics of the Fish & Game board, and the local knowledge available.

We all realize that some committees would be very biased, some would be good. The co-ordinator would advise the board of the backgeound of the committee, providing a better value to the opinion.

This route would not be the final answer to the many communication problems but with the proper personel it could be the first step towards better management and regulations.

If you are interested in our proposal, you can call me during the day at 747-3339 or at night at 747-8373.

Yours truly,

Larry Calvin

nobody's got more products to build with

HB 531

"An Act relating to the taking of anterless deer."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 531 | 1-31-74 | PAGE 1 | TITLE An act relating to the taking of antelerss deer | SPONSOR Union | FURTHER REFERRALS Judiciary

BILL NO. | DATE

This Bill If Enacted Would:

When Bill Considered by RA Committee: 2-15-74

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Haugen - urge passage Change of date of hearing Biologist to Adv. Board (Adler wasn't) no support

scientific approach Palmer no hunting in Nelchina

Don Sradar (Eagle River) - Bd of Directors (Chugach St. Park) - 2 days (1100 conservation dept) not enough on protection

Reg Union

Max Jones

Dan Thompson

Frank Jones - petition

The Gastineau Channel Advisory Committee voted unanimously at their Feb. 7th, 1974 meeting in opposition to House Bills #531 and #532, relating to the management of Alaska's moose and deer herds. Regardless of the merits of doe and cow moose seasons, these bills propose a long jump backwards in game management. Alaska's game should be managed by the Alaska Fish and Game Board with the help of the professionals in the Fish and Game Department and not by the local advisory committees.

Nancy Henkins
Box 161 Douglas

HB 613

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 613 2-11-74 5 Anadromous Water Impact Report M. Miller
BILL NO. DATE PAGE TITLE SPONSOR FURTHER REFERRALS

3+0

This Bill If Enacted Would:

Present - Parker
Gardner
McGill
Union
J. Miller
Lakosky
Harty
Elmore
Huber
Randolph

When Bill Considered by RA Committee: 2-26-74

Action Taken by Committee:

Amendments: Amended to Provide That: Line 22

Witnesses Testifying Before Committee: (summary of testimony)

Mike Miller - allow citizen participation - public hasn't had anything to do with what happens to the streams

Jim King

Ryan Andrews - Director of Sport Fish 1968 restricted to area within 50 mi of coastline

Alaska Miners Association
Carl F. Heflinger
Chairman Water Use Committee
409 Clara Street
Fairbanks, Alaska 99701

March 10, 1974

Honorable Joseph E. McGill
Chairman Resource Committee
Alaska State House of Representatives
Juneau, Alaska 99801

Re: House Bill No. 613

Dear Sir:

I am writing to let you know how the Miners feel about H.B. 613 entitled: "An act requiring anadromous water impact reports." The bill amends AS 46.05.870 so as to give the Department of Fish and Game absolute power over all waters of the State, if they see fit, merely by the recommendations of field biologists or enforcement officers. We are opposed to H.B. 613 and recommend the State Legislators consider it carefully before acting on it. Please find the enclosed copy of H.B. 613 with our comments. A number of our particular objections are as follows:

Section 16.05.870

Line 12 - They want to substitute the words "used by" instead of (important). This means they will no longer be obliged to consider the relative economic values of any project other than fish, i.e., one fish could conceivably hold up a $100,000,000 project that could give employment to 2,000 people.

Lines 13 through 25 - These lines to be removed from the present law. This would leave the Department free to use the whole State for the fish, without any restriction as to place or time. Hallelujah! The Miners will never know where they are if this passes.

Part (b) - Page 2, Line 2 - They would insert the words "activity or action which may have a significant effect on specified lake, river, stream, or part of it." This means everybody, home builders, sport fishermen, scuba divers, all forms of activity that may (but not shall) effect the fish. This means that if the Fish & Game even think you might be harmfull to the fish, they can stop you from proceeding.

Part (c) - This section forces one to submit plans and specs to Fish & Game. This already is done through the Water Section of Natural Resources, who have the overall proprietory management function, while Fish & Game have only habitat management function.

Part (d) & (e) - Constitute an environmental impact statement (few people can afford this).

Part (f) - Environment is not Fish & Game's responsibility.

Section 5, AS 16.05

New section. This refers to abatement of pollution and is already law administered by Department of Environmental Conservation. Standards are set by Environmental Conservation and not by Fish & Game.

Section 6, AS 46.15 (new section added)

46.15.020 - Quote page 5, line 11: "However, rights relating to those waters may be determined under this chapter when not in conflict with AS 16.05.870 - 16.05.900." AS 46.15 relates to the rights of people to appropriate water, therefore, the rights to people. If there is a conflict, the rights of people to appropriate water is denied. Fish are more important than people!?

In conclusion, the Alaska Miners recognize that the State needs adaquate laws to protect people and industry. However, we must not have vague laws that overlap other laws, give clear direction to only one item or industry, and leave laws pertaining to other industries grey and vague. This type of lawmaking will stop progress in the State and cause distress to the people.

Respectfully submitted,

ALASKA MINERS ASSOCIATION

C F Heflinger

Carl F. Heflinger
Water Use Chairman

CFH/mh

Enclosure

cc: All State Legislators

Pet Club

Introduced: 2/11/74
Referred: Resources and Judiciary

Miller

IN THE HOUSE BY M. MILLER

HOUSE BILL NO. 613

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act requiring anadromous water impact reports."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. AS 16.05.870 is amended to read:

Sec. 16.05.870. ANADROMOUS WATER IMPACT REPORT. [PROTECTION OF FISH AND GAME.] (a) The commissioner shall, in accordance with the Administrative Procedure Act (AS 44.62) specify the various rivers, lakes, and streams or parts of them that are used by [important for the spawning or migration of] anadromous fish for spawning and migration. [BEFORE DECEMBER 31, 1968, THE SPECIFICATION MAY BE MADE BY DESIGNATING AREAS WITHIN WHICH ALL RIVERS, LAKES, AND STREAMS ARE CONSIDERED IMPORTANT FOR THE SPAWNING OR MIGRATION OF ANADROMOUS FISH; PROVIDED, THAT THE AREAS LIE WITHIN 50 MILES OF THE COASTLINE EXTENDING FROM DIXON ENTRANCE THROUGH FALSE PASS TO CAPE MENSHIKOF, INCLUDING ALL ISLANDS EAST OF FALSE PASS. A PERSON GIVING NOTICE UNDER (b) OF THIS SECTION BEFORE DECEMBER 31, 1968, MAY, IF THE ACTIVITY IS TO TAKE PLACE WITHIN SUCH A DESIGNATED AREA, REQUEST THE COMMISSIONER TO SPECIFY INDIVIDUALLY BY NAME OR NUMBER THE PARTICULAR RIVERS, LAKES, AND STREAMS OR PARTS OF THEM WITHIN THE AREA OF OPERATIONS DESCRIBED IN THE NOTICE WHICH ARE IMPORTANT FOR THE SPAWNING AND MIGRATION OF ANADROMOUS FISH. UPON RECEIPT OF THE REQUEST THE COMMISSIONER SHALL PROMPTLY MAKE THE DESIGNATION.]

(b) If a person or governmental agency desires to construct a hydraulic project, or use, divert, obstruct, pollute, or change the natural flow or bed of a specified river, lake, or stream, or to use wheeled, tracked, or excavating equipment or log-dragging equipment in

Among other things, roads, logging & mining etc. this also includes homes! See memo Dec 22, 1972

the bed of a specified river, lake, or stream, or in any other way construct a project or engage in an activity or action which may have a significant effect on a specified river, lake, stream, or part of it, the person or governmental agency shall notify the commissioner of this intention before the beginning of the construction, [OR] use, activity, or action.

NOTE: This is not will or shall but may

(c) The commissioner shall acknowledge receipt of the notice by return air mail. The [If the] commissioner or his designee [DETERMINES TO DO SO, HE] shall, in the letter of acknowledgement, require the person or governmental agency to submit to him full plans and specifications of the proposed project, activity or action [CONSTRUCTION OR WORK], complete plans and specifications for the proper protection of fish [AND GAME] in connection with the project, activity or action [CONSTRUCTION OR WORK, OR IN CONNECTION WITH THE USE], and the approximate date the project, activity or action [CONSTRUCTION, WORK, OR USE] will begin, and shall require the person or governmental agency to obtain written approval from him as to the sufficiency of the plans or specifications before the proposed project, activity or action [CONSTRUCTION OR USE] is begun.

Please note that only habitat management is a function of F&G. Overall-proprietary management is DF&N's responsibility

* Sec. 2. AS 16.05.870 is amended by adding new subsections to read:

(d) Before approval by the commissioner of a project, activity or action specified in (b) of this section, the department, with the assistance of any other state department it requests, shall prepare a detailed anadromous water impact report to include but not be limited to the following:

who says so? where do the people come from to accomplish same?

(1) The physical, biological, and hydrological effect of the proposed project, activity or action;

(2) any adverse or irreversible environmental effects which cannot be avoided if the project, activity or action is undertaken;



Paragraphs (d) and (e) effectively constitute an Environmental Impact statement. Can you afford it?

(3) mitigation measures available to minimize the impact of the project, activity, or action;

(4) alternatives to the proposed project, activity or action;

(5) the specific relationship between the local short-term use of the specified water, and the maintenance and enhancement of its long-term productivity; and

(6) the boundaries of the area which may be affected by the proposed activity.

(c) If the commissioner, after reviewing the report, determines that the project, activity or action will have a significant adverse impact on the river, lake, or stream and that it is likely to disturb or destroy the spawning or migration of anadromous fish, he shall refuse to approve it. However, he may approve it if all of the following apply:

(1) there is no more prudent and feasible alternative to the project, activity or action;

(2) the project, activity or action will be undertaken in such a manner as to avoid or minimize its adverse effect; and

(3) the public benefit to be derived from the project, activity or action substantially outweighs its adverse effect on the environment or resource involved.

(f) If the project, activity or action will have an adverse effect on the environment or resource involved but is approved under (c)(1) - (3) of this section, the commissioner may require the person or agency to take reasonable means to minimize the adverse effect, including but not limited to the construction of facilities to allow the free ingress or egress of anadromous fish into the waters during the spawning or propagation process.

* Sec. 3. AS 16.05.880 is amended to read:

what are significant adverse impacts? more the and

local short-term ? who says so ?

and ? will ?

on the environment

Environment was not and is not [illegible] Games responsibility even though they may think so.

Sec. 16.05.880. VIOLATION OF SECS. 870 - 895 OF THIS CHAPTER. If a person or governmental agency begins construction on a work or project or uses or engages in an activity or action for which notice is required by sec. 870 of this chapter without first providing plans and specifications subject to the approval of the commissioner for the proper protection of anadromous fish [AND GAME], and without first having obtained written approval of the commissioner as to the adequacy of the plans and specifications submitted for the protection of anadromous fish [AND GAME], he is guilty of a misdemeanor. If a person or governmental agency is convicted of violating secs. 870 - 895 of this chapter or continues a use, activity, action, work or project without fully complying with secs. 870 - 895 of this chapter, the use, activity, action, work or project is a public nuisance and is subject to abatement. The cost of restoring a specified river, lake, or stream to its original condition shall be borne by the violater and shall be in addition to the penalty imposed by the court.

* Sec. 4. AS 16.05.881 is amended to read:

Sec. 16.05.881. PENALTY FOR CAUSING MATERIAL DAMAGE. If a person or governmental agency fails to notify the commissioner of any construction, [OR] use, project, activity or action that causes material damage to the spawning beds or prevents or interferes with the migration of anadromous fish, or by neglect or noncompliance with plans and specifications required and approved by the commissioner causes material damage to the spawning beds or prevents or interferes with the migration of anadromous fish, the person or governmental agency shall be guilty of a misdemeanor.

* Sec. 5. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.897. COMMON INTERFERENCE. It is unlawful for a person or governmental agency to obstruct, divert or pollute a river, lake, or

Prevention and abatement of POLLUTION by regulations setting standards is a function of Envir. Conservtn. not Fish and Game

stream, or part of it, used by anadromous fish for spawning and migration, by felling trees or timber in those waters, casting, passing, throwing or dumping any tree limbs or foliage, underbrush, stumps, rubbish, earth, stones, rock or other debris, or passing or dumping sawdust, plane shavings, or other waste or refuse of any kind in those waters.

* Sec. 6. AS 46.15 is amended by adding a new section to read:

Sec. 46.15.020. RESPONSIBILITY FOR ANADROMOUS WATERS. The authority to review and approve projects, activities, and actions affecting anadromous fish granted to the commissioner of fish and game under AS 16.05.870 - 16.05.900 is not affected by this chapter. However, rights relating to those waters may be determined under this chapter when not in conflict with AS 16.05.870 - 16.05.900. 7

to people

Fish

* Sec. 7. AS 16.10.010 - 16.10.050 are repealed.

46.15 relates to the rights of people to appropiate waters. Therefor rights to people.

If there is a conflict, the right of people to appropiate water IS DENIED. Fish are more important than people!?

# AMENDMENT

OFFERED IN THE HOUSE: BY: _____

TO: C.S for HOUSE BILL NO. 613

SENATE BILL NO. _____

PAGE: 2 LINE: 22

Delete: "the department, with the assistance of any other state department it requests,"

Add: the person or government agency proposing the project

Line 24

Delete: "and" and "to include ~~[illegible]~~"

Add: after "report", if in the view of the commissioner, the project or activity will have significant fisheries impact. If the person or government agency proposing to engage in activities listed in Section 1., (b) is incapable or incompetent to prepare a detailed anadromous water impact report as required in this subsection, the Department shall prepare the report with the cost in total being borne by the person or government agency making the application request.

HB 628

STATE
of ALASKA

# MEMORANDUM

TO: Ralph Kimlinger
Deputy Commissioner
Department of Revenue

DATE: March 14, 1974

FROM: Gerald Heier
Director
Property Tax Division

SUBJECT: HB 628
Definition of Taxable Property

HB 628 proposes to amend AS 43.56.210 (6) so that oil refineries and natural gas liquefication plants will be taxable by the State of Alaska under the oil and gas property tax bill.

At the present time there are two refineries and one liquefication plant within the State, situated in the Kenai Peninsula Borough, North Kenai Area. The L.N.G. plant is presently covered by an Industrial Incentive Act, which exempts the facility from state and local taxation.

It is estimated that the value of the two refineries will be $22,000,000 as of January 1, 1975, and that the combined local mill levy applicable to these perperties will be seven mills.

| Year | Valuation | Net State Millage | Net State Taxes |
|---|---|---|---|
| 1-1-75 | $22,000,000 | 13 | $286,000 |
| 1-1-76 | 20,900,000 | 13 | 271,700 |
| 1-1-77 | 19,855,000 | 13 | 258,115 |
| 1-1-78 | 18,862,250 | 13 | 245,209 |
| 1-1-79 | 17,919,137 | 13 | 232,948 |

The following information would be applicable to the liquefication plant if it were not covered by the Industrial Incentive Act:

Estimated value as of 1-1-75 $50,000,000

| Year | Valuation | Net State Millage | Net State Taxes |
|---|---|---|---|
| 1-1-75 | $50,000,000 | 13 | $650,000 |
| 1-1-76 | 47,500,000 | 13 | 617,500 |
| 1-1-77 | 45,125,000 | 13 | 586,625 |
| 1-1-78 | 42,868,750 | 13 | 557,293 |
| 1-1-79 | 40,725,312 | 13 | 529,429 |

GH:eh

HB634

"An Act making a special appropriation to the Department of Fish and Game for an x-ray spectroscopy program; and providing for an effective date."

# COMMITTEE REPORT

2/13/74 FINANCE

## HOUSE

Mr. Speaker: Date Feb 1 1974

The Committee on APPROPRIATIONS has had HB 634

under consideration. A Majority of the members of the Committee

(X) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

| | | |
|---|---|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# HOUSE RESOURCES COMMITTEE WORK SHEET

HB 634 2-14-74 / Making A Spec. Approp. to Dept. of F.G. McGill
BILL NO. DATE PAGE TITLE SPONSOR FURTHER REFERRALS
for an X-ray Spectroscopy Program Finance

This Bill If Enacted Would:

When Bill Considered by RA Committee: 2-21-74

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

February 21, 1974

Committee Report on House Bill 634

The House Resources Committee has met on HB 634 and a majority of the members present have recommended that HB 634 be passed out of committee with a do pass recommendation. If enacted HB 634 would make a special appropriation to the Department of Fish and Game for an x-ray spectroscopy program. This program would replace many of the tagging programs and save the Department money by carrying this program out. The sum of $88,000 would be appropriated for the project and after it is gotten underway the continuation of the program would be inexpensive.

Joe McGill

Chairman

February 21, 1974

Committee Report

on

House Bill #634

The House Resources Committee has met on HB 634 and a majority of the members present have recommended that HB 634 be passed out of committee with a do pass recommendation. If enacted HB 634 would make a special appropriation to the Department of Fish and Game for an X-ray spectroscopy program. This program would replace many of the tagging programs and save the Department money by carrying this program out. The sume of $58,000 would be appropriated for the project and after it is gotten underway the continuation of the program would be inexpensive. It is important to the management of the fisheries resource, both sport and commercial.

Joe McGill, Chairman
House Resources Committee

HB724

March 28, 1974

Representative John Huber
Alaska House of Representatives
Pouch V
Juneau, AK 99801

Dear John:

I'm writing, as a private citizen, to express my support for your bill (SSHB 724) and to express my personal thanks to you for approaching the problem of shooting along highways in a common-sense manner. Your efforts are appreciated by all those people who work with me.

HB 724 is, in my opinion, a good bill, and would cure the unsurmountable problems inherent in the present statute that closes the right-of-way of highways, trails, etc. It is agreed by all, I believe, that the present statute is completely unenforceable. Your bill, in establishing a zone 25 feet wide on either side of the road accomplishes the prevention of shooting on, across, or right next to a road without the unreasonable restriction to public recreation embodied in other bills. Note also that the enforceability of a narrow corridor such as this is much greater than those proposals which would establish a much wider zone. Almost everyone can be expected to be able to judge 25 feet fairly accurately, but many people would be inadvertant violators in trying to judge a quarter mile, especially in areas of timber and twisting roads.

I might add that I find CSHB 591 to be a completely unacceptable answer to the roadside shooting problem. First it addresses itself to big game hunters only, and not all shooters. Secondly, the half-mile corridor unnecessarily restricts hunting in a State where closures for various purposes are descending upon us en masse. Addition of the provision of local advisory committees to be even more restrictive without provision for straightening out the whole advisory committee system, and without providing for a legal method for them to establish, promulgate, etc., such regulations (presumably outside the restrictions of the A.P.A.), completely negate any value of 591, in my opinion.

Again, thanks for your support. Please feel free to make copies of these remarks available to other members of the House Resources Committee.

Very sincerely yours,

Robert A. Hinman

Robert A. Hinman
1039 Lathrop Street
Fairbanks, AK 99701

HB 748

# HOUSE RESOURCES COMMITTEE WORK SHEET

BILL NO. HB 748 DATE 2-25-74 PAGE 3 TITLE Hatcher Pass SPONSOR Beirne FURTHER REFERRALS Judiciary Finance

This Bill If Enacted Would:

When Bill Considered by RA Committee: ~~2-25-74~~ Public Hearing on 3-21-74

Action Taken by Committee:

Amendments: Amended to Provide That:

Witnesses Testifying Before Committee: (summary of testimony)

Rep. Beirne - approx 100,000 acres - 2 creeks area very accessible - main tourist area - historical mining area many mine open shafts, various hazards - People left food supplies, equipment, fraudulent claims - Not to eliminate rec. opportunity - Purpose of multi purpose area - Amend bill in sec 2 &c. - Possible main ski area

Ed Smith - Director of Div of Parks - Doesn't provide enough protection to mineral lands - 211,000 acres

Phil Holdsworth - Alaska Miners Assoc. - Dangerous precedent - 2 areas established this way - Crown Point area - 3 - No special authority for purchase

Just leave as it is - eminent domain

Floyd C. Beal
Box 727
Palmer, Alaska-99645
April 3. 1974

Representative Joe MC Gill
House Resource Committee

Dear Sir:

I attended the meeting March 30th in Palmer and Each of us had a chanch to say some thing at the meeting. ther Ted Smith met with the chamber of Commerce to day at a luncheon meeting I attended that meeting to and Ted Smith made allowances for the mining and grazing but wanted to faze out the private owner and any one who might want to farm or build homes in some of this area.

Dr. Dearborn from the Expermintation station said a lot of this area could be farmed and ideal for many homes to be built on. I can vouch for this since I came from the farm and I have walked from the little Susitna Bridge to moose Creek and all this area I walked is suitable for farming, and home building, gardens.etc.

To set this area aside which runs 30 miles across and 15 miles going North which contains 200,000 acres or more for just a Park or recreation is rediclous, and to supose out the little farmer and home builder isan't fair to these people and not fair to the private land owner in this area.

I urge you to kill this bill before Ted Smith mush rooms it out it to some thing that we will be sorry for later on and which will cripple or shut off future development.

It would cripple our Mat-Sue Borrough in selecting land they desperately kneed to sell to survive and to stop our tax base wouldn't be fair either.

Thank you for you'r prompt attention on HB 748 and SB 436. I have lived in Palmer since 1950 and have seen a lot of growth in this area.

Sincerly
Floyd C. Beal

Floyd C. Beal

SB 268 AM

"An Act relating to oil and gas pipelines and the Alaska Pipeline Commission; and providing for an effective date."

# COMMITTEE REPORT

## HOUSE

Mr. Speaker: Date April 1, 1974

The Committee on RESOURCES has had SB 268 am under consideration. A Majority of the members of the Committee

(✓) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

# AMENDMENT

OFFERED IN THE HOUSE: BY: Hinds

TO: _____ HOUSE BILL No. 518

SENATE BILL No. _____

PAGE: _____ LINE: Beginning Line 23

Page 4, Line 23

# Alaska State Legislature

SENATOR
GEORGE C. SILIDES
DISTRICT J
POST OFFICE BOX 746
FAIRBANKS, ALASKA 99707

ALASKA'S INTERIOR

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 9980

## Senate

April 8, 1974

The Honorable Joe McGill
Chairman
House Resources Committee

Dear Representative McGill:

You now have in your committee Senate Bill 268 which amends 42.06.340 of the Pipeline Commission Act to bring the Act into conformance with the Right of Way Leasing Act, in so far as the Amendments made by Senate Bill 269 are concerned, by giving the Commission the authority it does not how have to order the special fittings and valves during construction.

If you will review the existing language of Sec. 42.06.340, Order for joint use and connections, you will notice that it is, first of all, predicated on disagreement between parties and the subsequnt investigation and delay. Moreover, the probable claim by the carrier concerning economic loss and danger involved in making connections during operation is clearly anticipated.

I would hope that your committee considers this bill at the earliest date and sends it to the next committee referred. Please contact me if I can furnish additional information.

Sincerely,

George C. Silides
State Senator
District J

cc: All members House Resources

# Alaska State Legislature

SENATOR
GEORGE C. SILIDES
DISTRICT J
POST OFFICE BOX 746
FAIRBANKS, ALASKA 99707

ALASKA'S INTERIOR

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99801

## Senate

April 8, 1974

The Honorable Joe McGill
Chairman
House Resources Committee

Dear Representative McGill:

You now have in your committee Senate Bill No. 311 which is an important measure dealing with the disposition of royalty gas and oil. To assist your deliberations I have prepared a summary of my remarks on the measure during debate in the Senate where is passed 16 to 4.

1. Serves notice to everyone, including the ICC and the FPC of our determination to keep our royalties for our use. This is especially important in view of the fact that plants engaged in product manufacture find it necessary to locate in areas guaranteeing uninterruptible supply of feedstocks. We attempt to do this by prohibiting the sale or export of royalties, or their derivatives, until it is determined by the Commissioner of Natural Resources that the royalties and products are surplus to present and projected intra-state domestic and industrial needs.

2. Provides both authority and mandate to the Commissioner of Natural Resources to determine disposition of the royalties in a manner which would bring overall benefits rather than a rigid bidding procedure. For example, while an LNG processor may bid more per 1,000 cubic feet, a refinery or petrochemical plant may accrue greater benefits through jobs and taxes.

3. Establishes an Advisory Board, as requested by the Governor, to assist the Commissioner to perform his duties. The bill provides for the powers, duties, procedures,

composition, terms, and emoluments of the Board. The Board is made more responsive to the public than in the original bill, Senate Bill Number 309, by calling for three public members removable only for cause to serve with the Commissioners of Natural Resources, Economic Development, and Revenue.

Of particular interest to the members should be Sec. 38.06.060 of the bill, on page 4, which sets out the criteria which the Board is to use in making its determinations. These include revenue needs for the state, local and regional needs, localized capital investment, social impact, costs and responsibilites, labor markets, environmental effects, and effects on existing private commercial enterprise.

I am trustful of your committee's prompt action on this measure and will be available to you at any time for testimony or questions.

Sincerely,

George C. Silides
State Senator
District J

cc: All members House Resources

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Eighth Legislature

I. REQUEST
Bill Identification: Senate Bill 268
Title: "An Act relating to oil and gas pipelines..."
Requested by: Jay Hogan Date: February 6, 1974
Return Date Requested:
Agency: Commerce Program: Pipeline Commission

II. FISCAL DETAIL
Budget Request Unit(s) Affected:
A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | | | | | |
| 200 | TRAVEL | | | | | | |
| 300 | CONTRACTUAL | | | | | | |
| 400 | COMMODITIES | | | | | | |
| 500 | EQUIPMENT | | | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | Repayable Advances | -0- | 25.0 | 25.0 | -0- | -0- | -0- |
| | TOTAL | -0- | 25.0 | 25.0 | -0- | -0- | -0- |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | -0- | 25.0 | 25.0 | -0- | -0- | -0- |
| FEDERAL FUNDS | -0- | -0- | -0- | -0- | -0- | -0- |
| OTHER | -0- | -0- | -0- | -0- | -0- | -0- |

C. POSITIONS:

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| MAN MONTHS (P./T.) | / | / | / | / | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Projecting the number of possible requests for special fittings and the number of advances to fund them was discussed with the Department of Natural Resources in an attempt to arrive at a reasonable estimate of general fund outlay for this Bill. It was our concensus that the magnitude of the Pipeline and the monitoring controls to be placed on the line would tend to prohibit noncontinuous flow thereby prohibiting connections for other than municipalities or possibly refineries.

IV. ATTACHMENTS

Continuation of Analysis.

V. DATE: March 8, 1974 PREPARED BY: Lucien D. Wilson

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Analysis (Continued)

To include one of the special fittings referred to in the Bill at the time of construction of the Pipeline would probably cost in the neighborhood of $5,000. This estimate could, however, be much higher deperding on the magnitude of the proposed connection.

At the present time, 5 villages or small towns are located within proximity of the Pipeline which could conceivably request such a connection (Wiseman, Bettles, Stevens Village, Big Delta and Glennallen) and could possibly request an advance from the State. It is felt, however, that a corporation, company or person proposing a project of an extent to utilize a continuous flow into or from a pipeline the size of the Alaska Pipeline would have the funds available to cover the special connection.

The operating budget for the Pipeline Commission to process the advances would not be impacted. An unsubstantiated estimate of advancements would be $25,000 for FY 74 and 75.

1973-1974

HOUSE RESOURCES COMMITTEE - LIMITED ENTRY

LIST OF FILES (PAGE 1)

LIMITED ENTRY FILES:
HB 126

CS HB 126: HOUSE RESOURCES REPORT

SB 39: ECONOMIC & ADMINISTRATIVE ASPECTS
DR. GEORGE ROGERS

SB 39: FLETCHER

SB 39: HAMMOND PROPOSAL

SB 39: FISCAL NOTES

SB 39: TRANSFERABILITY

SB 39: WORK DRAFT I -WHITEHEAD

SB 39: WORK DRAFT II - WHITEHEAD

SB 39: WORK DRAFT II - CLEAN COPIES

SB 39: WORK DRAFT III - WHITEHEAD

LIMITED ENTRY: NATIVE FISHERMEN GOV.
STUDY GROUP

LIMITED ENTRY: ATTRITION RATES
GOV. STUDY GROUP

LIMITED ENTRY: PUBLIC PROPOSALS

LIMITED ENTRY: CORRESPONDENCE

LIMITED ENTRY: LEGAL ANALYSIS

SB 39: CLEAN COPIES WITH COVER LETTER

LIMITED ENTRY: MISCELLANEOUS MATERIALS

HB 126

PROPOSAL I

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.

Within two years from the effective date of this Act the Commission shall recommend proposed transferability provisions to the legislature.

REASONS

1. Will not reach optimum levels in two years.

2. There exists no study on the current credit-financing structure of the fishing industry.

3. To establish a transferability system without a thorough understanding of the credit-financing structure is unwise.

4. There exists essentially no State or bank financial assistance to bolster indebted resident fishermen in many areas of the State.

PROPOSAL II

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that:

(1) The holder of an entry permit may apply to the commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY.
(a) Following the issuance of entry permits pursuant to sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants of preference:

(1) Extent of participation in the fishery.

(2) Extent of participation in similar fisheries.

(3) Training pertaining to commercial fishing.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery (or to applicant with the highest priority classification) provided that the applicant has the present ability and intent to participate actively in the fishery.

PROPOSAL III

Sec. 16.43.220. ISSUANCE OF ENTRY PERMITS

(c) Applicants may elect to receive either transferable or non-transferable permits. Non-transferable permits shall become transferable after ten years from the date of issuance of the permit. Within two years from the effective date of this Act the commission shall recommend to the legislature a loan and grant program to provide for economic and financial assistance for non-transferable permit holders.

Sec. 16.43.250. TRANSFER OF UNRESTRICTED ENTRY PERMITS.

(a) The holder of a transferable permit....

Sec. 16.43.240. FEES.

There is an annual fee of $50 for the issuance and annual renewal of transferable entry permits. There shall be no change for the issuance and annual renewal of non-transferable entry permits until ten years from the date of issuance at which time the annual renewal fee shall be $50.....

REASONS

1. Permits in economically depressed areas will migrate to centers of financial power.

2. These areas need protection and financial assistance.

3. Incentives beats paternalism.

PLEASE RETURN THIS SHEET TO THE COMMITTEE

1. Are you in favor of SB 39 as written? ~~Yes~~ NO

2. Are you in favor of this committee's report in principle? Yes

3. Are you in favor of forming an organization to substitute a more equitable limited entry bill as outlined in the committee's report? Yes

4. Are you in favor of this organization hiring a lobbyist to assist this group in substituting a more equitable limited entry bill? Yes

5. Are you willing to contribute between $25.00 and $50.00 to raise the necessary funds to hire a lobbyist? If yes, please state your name, address and phone number.

NAME K. L. Scott

ADDRESS Box 77, Tuxedni, AK

PHONE NUMBER 789-7464

6. Are you willing to assist the committee by making phone calls raising funds and/or occasionally listening in on legislative public hearings on this Bill?

---

Since this may be a large group and you may not have a chance to be heard, please indicate below any information you desire to be considered by the committee.

PLEASE RETURN THIS SHEET TO THE COMMITTEE

1. Are you in favor of SB 39 as written?
2. Are you in favor of this committee's report in principle?
3. Are you in favor of forming an organization to substitute a more equitable limited entry bill as outlined in the committee's report?
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NAME [illegible]

ADDRESS [illegible]

PHONE NUMBER [illegible]

6. Are you willing to assist the committee by making phone calls raising funds and/or occasionally listening in on legislative public hearings on this Bill?

---

Since this may be a large group and you may not have a chance to be heard, please indicate below any information you desire to be considered by the committee.

HB 126

RECOMMENDATIONS OF THE COMMITTEE FOR AN EQUITABLE LIMITED ENTRY PROGRAM

We are not satisfied that Senate Bill 39 meets the needs of the people of Alaska. It creates a new commission with new regulations based on nebulous definitions and vague terms.

It will work to the detriment of resident Alaskans by taking them out of the fishery and yet allow non-residents to fish. It does not provide for reimbursements to fishermens' gear and boats if he cannot qualify. It gives the commission power to regulate entry based on their own conclusions or definition, with little recourse to rectify injustices. It does not let us know in advance where we stand in the fishery. It would be almost impossible to reword Senate Bill 39 and still come up with the answers that we believe are necessary. It is our belief that the Limited Entry concept, approved last year, meant to most people "No more gear", not "Knock residents out of the fishery and keep them out".

We hereby affirm our belief in the Limited Entry concept and wish to submit for your consideration the following ideas based upon what we feel would result in a more just and equitable Bill to all concerned.

As we understand it, the State is faced with legal problems in instituting a Limited Entry proposal unless it contains provisions that do not:

1. Discriminate between residents and non-residents.
2. Discriminate between various types and classes of people.
3. Provide for a "Closed To Entry" class of fishermen.

On Page 15 of the cover letter, the Governor states "Any license freeze will PROBABLY be struck down in the courts because the effect is to create a completely closed class of fishermen for a substantial period of time" and with that statement, threw out the freeze proposal.

On Page 14 he states, "The court will also look unfavorably upon any regulatory system which creates a completely closed class of fishermen. Some new entry must be permitted. Therefore I am proposing the administratively controlled transfer or sale of entry rights, which will permit new entry while allowing fishing effort to be held at

constant levels". Unquote.

It would therfore appear that a license freeze proposal which incorporates a means of new entry, should be equally acceptable. We therefore wish to reinstate this concept and suggest the following ideas.

ENTRY PERMIT QUALIFICATIONS

1. An entry permit will be issued upon application only to those who:
   a. Has grossed at least $100.00 per year in the commercial fishery in 1970, 1971 and 1972 fishing seasons. (This will eliminate paper licenses)
   b. Are ready and able to continue fishing.
   c. Or can prove he has an investment in commercial fishing gear prior to December 31, 1972 exceeding $500.00.

2. Permits for more than one type of gear shall be issued upon application providing the fisherman can qualify for each type of gear in paragraph 1 above.

3. We suggest that this Act be administered by an existing State Agency even if it means creating a new Department within such Agency.

4. Permit quotas shall be established providing the maximum number of permits until it can be shown that either of the following limits is about to be exceeded:
   a. The fishery can no longer be managed on a sustained yield basis.
   b. The average seasonal gross income from the top 50% of the permit holders falls below that of a base level. This base level for each area and each type of gear shall be between 5% and 25% above the three year average seasonal gross income of the top 50% of the fishermen in each area for each type of gear for the 1970, 1971 and 1972 fishing seasons, depending upon the depressed condition of the fishery.
   c. The permit quotas for each area shall in no case fall below 66% of the three year average number of gear licenses issued from 1970 through 1972 in each area without the express permission of the Alaska State Legislature.

5. Each Entry Permit is issued for an initial term of one year, and confers upon the Permittee a permanent right of renewal.

6. Permits must be renewed annually.

7. Permits are not transferable and must be fished by the holder, except a permit is not required of a crewman or other person assisting in the operation of a unit of gear engaged in commercial fishing.

8. The Permittee must have the Entry Permit in his possession at all times when commercial fishing.

9. The Department is charged with record keeping of issued and returned Permits. All Permits revert back to the State in the following events, (except that immediate dependent family (Husband/wife - Son - Daughter - Stepson - Stepdaughter) has the option to retain if it can be shown they are ready, willing and able to continue in the fishery):

a. The Permittee dies.

b. After 2 consecutive years of non-use, unless it can be shown it was caused by circumstances beyond his control.

c. If the holder is convicted three times of illegally fishing. (In this event, immediate family clause does not qualify).

10. By May 1 of each year the Alaska Department of Fish and Game shall publish a statistical report on the salmon fishery of the preceeding season including the range of income and the average gross income of the top 50% of permit holders for each type of gear in each area. The report shall also include data concerning escapement, the health of the run, the relative effects of one type of gear on another and other data pertinent to the control of the fishery.

11. Fishermen and persons outside the fishery may present their views to the Alaska Board of Fish and Game in the interest of the best use of the resource.

NEW ENTRY

1. Permits returned to the Department by normal attrition and other, shall be reissued on a 50% basis of permits turned in, - on the type fishery basis, until such time as the unit quota for that type fishery is reached. At that time, all permits will be issued up to said quota for said fishery. The Permit (s) will be issued annually.

2. Permits to be reissued will be awarded to the highest sealed bid ~~on the following basis~~:

~~a. Past participation in the fishery.~~

~~b. From a registration list by date and time.~~

~~c. By lottery or sealed bid.~~

3. If it is desirable to accelerate the attrition rate, we suggest one or both of the following:

a. The State can offer to purchase the Permittees' fishery investment. In this case the Permit will revert to the State and will not have to be reissued.

b. The Department of Fish and Game may impose further reductions to the amount of gear the fisherman may fish and the length of the opening.

You will note we do not mention the sale of these Permits. It is our feeling this type of action will lead to speculative efforts, circumvention of concept etc. and is not necessary under this bill.

There are many miscellaneous items not listed here, such as fees, legal references etc. These are easily filled in once the basic concept is approved. This simple, easily administered Limited Entry Program could be placed into effect in 1974

COMMITTEE NOTES ON SB 39

1. SB 39 is decidedly prejudiced in favor of the people it chooses to include in the commercial fishery. The Bill awards the favored fisherman with a greater potential share of the catch and a permit which in many cases will have a value far exceeding the fisherman's present investment in the fishery. For instance, under SB 39 any fisherman with a modestly equipped older vessel worth about $5,000.00 who depends solely on the fishery for his $6,000.00 of income would certainly receive a permit. Another fisherman with a newer and better equipped vessel worth about $20,000.00 and catches $12,000.00 worth of fish and also works at another job for six months a year may be refused a permit. This fisherman would certainly be willing to pay $5,000.00 to $10,000.00 for a permit to get back into a more promising fishery and probably would have to wait several years for the chance. Why should he be so rewarded for his hard work? Which man would contribute more toward an efficient, professional fishery?

2. By placing a high value on a permit SB 39 allows financially powerful special interest groups, such as fish processors, to greatly influence the price of fish and where they are sold by assisting the fisherman to pay the high cost of a permit as well as the high cost of a vessel and gear. This control by the processors has already occurred to a large degree in Canada for the same obvious reason. By placing no resale value on the permit the fisherman would become more independent of the fish processor.

3. SB 39 has no provision to reimburse the fisherman who will be denied a permit. The State would require the fisherman who is refused a permit to pay the entire price of the Limited Entry Program for the sole benefit of the other fisherman who remains in the fishery.

4. Many of the most knowledgeable, most industrious fishermen have another occupation and are not content to remain idle six to eight months a year. These men own expensive and efficient vessels and account for a large percentage of the catch. It would be an unjust bill which would deny these men their share of the fishery. The number one criteria of SB 39 is the degree of economic dependence on the fishery.

5. It is believed by many that it is unlawful to inflict economic hardship on one-third to one-half of the fishing fleet for the great benefit of the remainder.

6. The value of a fisherman's vessel will be greatly reduced if he is forced out of the fishery in addition to the loss of approximately half his income. These men will sue the State of Alaska for their losses and if successful the State will be required to pay several hundred million dollars including loss of several years income and vessel and gear resale value.

7. How can the State of Alaska force fishermen to experience great financial loss without offering to lessen their burden? Is it not the State which has allowed the fleet to increase to its present size?

8. Are people who live in a proposed Urban Renewal Area or on a proposed highway right of way required to leave thier homes without compensation?

9. Farmers are paid not to grow crops. Are fishermen to be deprived of the right to fish, forfeit a lifetime of hard earned experience and expertise, and have their considerable investment diminished by a government regulation?

10. SB 39 has two other glaring defects:

a. It greatly magnifies the problem of too much gear in the water by establishing difficult-to-define criteria for the elimination of the gear.

b. It creates an expensive $400,000.00 a year commission. Each commissioner is paid more than the average seine boat grossed in Southeast Alaska in 1971. ($29,000.00 compared to $23,564.00)

11. A limited entry program can be achieved without a lot of expense and hardship to the fisherman as outlined in the attached committee report.

12. Fishermens' money can be more profitably directed toward an effective salmon propagation program. Many breakthroughs have occurred recently in this field and only need monies and political pressure to become effective in increasing our salmon runs.

13. The following Permit Fee Schedule is proposed:

| | RESIDENT | NON-RESIDENT |
|---|---|---|
| SEINE | $150.00 | $300.00 |
| GILLNET | 75.00 | 150.00 |
| TROLL | 75.00 | 150.00 |
| SPORT-COMMERCIAL | 25.00 | 50.00 |

14. Advantages of a Gradual Attrition Program:

a. The people who leave the fishery do so voluntarily without suing the State or having financial hardship forced upon them by the State.

b. The fishermen have an opportunity to sell their investment in an active market which is not depressed by a large quantity of excess vessels and equipment.

c. The support of more fishermen is available to increase the salmon runs through an aggressive salmon propagation program.

15. Reasons why Natural Attrition will occur UP TO (26% per year) (13% after ½ permits re-issued)

a. Age. Most fishermen probably are within ages 30 to 60 years with an expectancy of a maximum of 30 years as a permit holder. Each year 3% of the fishermen will leave the fishery for reasons of age.

b. Accidents and poor health.

c. Fishing is a "way of life" as much as a lucrative profession. Some people will become disillusioned by the severity of the life.

d. Some fishermen have short range goals in mind, such as a college education, a quick stake to invest in another livelihood.

e. Many residents of Alaska are transients. Some of these presently will initially qualify for permits but will move away because they or their families would rather live elsewhere.

f. Other partimers will advance in their primary profession and will not be able to spare the time for fishing.

g. Some will give up fishing because they will not improve fast enough to justify their continued efforts.

h. Because the salmon fishery has poor years as well as banner years, some

fishermen will give up and sell out after a poor year.

i. Some will meet hardship such as vessels being lost by storms, groundings, overloadings and will be unable to recover.

j. Other reasons not listed.

16. Page 5 of the Governor's letter of January 10, 1973 shows a table of optimum units of gear or permit quotas and a total of approximately 9000 (8917) gear units issued in 1971. A 12% per year gradual attrition rate could reduce the fishery to 66% of its present level in four years. It would reduce the critical areas by 50% in six years. By this time the runs should have recovered sufficiently by natural escapement and fishermen funded salmon propagation programs to support gear permits equal to at least 75% of the 1971 level.

17. Induced attrition may be accomplished as follows:

a. The State may make some fishermen "an offer which they cannot refuse". $$$ This buy back program will be financed with revenue from permit fees and the sale by sealed bid of entry permits. The permit fee shall be increased by 100% if necessary. It is estimated that $2,400,000.00 would be generated annually for this program and would retire about 3% of the Net Gear @ $10,000.00 each per year or 6% @ $5,000.00 per year.

b. The amount of gear which each permit holder is allowed to fish may be reduced in critical areas to maintain a sustained yield.

c. The amount of time fishermen may fish a type of gear may be reduced in critical areas to maintain a sustained yield.

18. An aggressive salmon propagation program financed by a bond issue and retired by a raw fish tax shall be started simultaneously with the Limited Entry Program. An annual report shall be issued by the Department of Fish and Game including the amount of funds collected, funds expended the previous season, planned expenditures for the next year, results of the program to date and future objectives. The annual revenue for this program is estimated at approximately $500,000.00. This salmon propagation program is considered to be essential tothe legality and constitutionality of the Limited Entry Program because it proves good faith on the part of the State and the fishermen who are protected by the program to work toward improving the fishery. A larger catch would directly lead to an increase in the permit quota and thereby opening

the fishery by requiring the issuance of more permits. A larger catch and the issuance of more permits would also generate an increase in revenue to invest in the salmon propagation to further develop the fishery.

19. A positive approach to improving the fishery would be supported by both sport and commercial fishermen as well as the rest of the State because it would generate more tax revenue and business for fishery related industries such as suppliers, vessel repair facilities and tourism. A positive provision for salmon propagation would greatly improve the attractiveness of a Limited Entry Program to all concerned.

# *The* PACIFIC SALMON FISHERIES

*A Study of Irrational Conservation*

JAMES A. CRUTCHFIELD
*and* GIULIO PONTECORVO

*Published for* RESOURCES FOR THE FUTURE, INC.
*by* THE JOHNS HOPKINS PRESS

e of immediate concern is the
... the regulatory area not cov-
...nternational Pacific Salmon Fisheries
... over sockeye and pink salmon.
... the same waters and in over-
...hooks, silver, and chum salmon.
...ively unregulated; they are sub-
... the state of Washington and
... be stressed, the programs are
...rrent. As a result, a serious con-
...an and American fishermen over
... salmon now prosecuted by
...Cabo to Juan de Fuca and for
... pink salmon mixed with
...n fishermen in the vicinity of

...is beyond the scope of this
... Canadian fishermen operat-
...n de Fuca, under existing
... to the sockeye and pink salmon
... much larger proportion of the
... Puget Sound and British Colum-
... to them than to
... reason). Exactly
... the Noyes Island
... to the Canadians).
...ues, which could be negotiable, a
... stocks results from failure to
... effort regulated to achieve
... under the Commission's con-
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...season, which are derived from its
...ccess situation. But this means
...ther species not under its jurisdic-
... season or closed periods or

...available in Martin Nelson
... Report to the Department of

escapement. While most of the value of both Canadian and American catches from the Puget Sound and Fraser River runs comes from sockeye and pink salmon, it is perfectly conceivable that, in incremental terms, the losses from what is essentially indiscriminate harvesting of silvers and, to a lesser extent, chums and chinooks, would warrant modification of the optimal fishing pattern for the principal species. Certainly inclusion of the silvers is essential if the distinctly undesirable effects of international competition for these fish are to be controlled.

If the gear reduction program outlined above were carried out in Washington (and, possibly, in British Columbia as well) it is essential that steps be taken to prevent a partial shift of the released capacity to other segments of the salmon fishery already in deep difficulties. While it might be possible to eliminate both licenses and gear as indicated above, there is no ready way of eliminating the men, and they are very likely to seek employment in the troll fishery or in Alaska (if the reduction in net fishing is not extended to its salmon operations).

*Effect on Industry Structure.* In discussion of the proposals outlined above, concern has been expressed about the possibility of complete domination of the Puget Sound salmon fishery by canners. From a purely rational calculation of costs, there is no particular reason to believe that integration of canning and fishing would prove any more attractive under a management program that holds fishing gear to near optimal levels than it does at present. It is quite possible, however, that the irrational competition for fish by *sub rosa* payments to skippers and subsidized construction of new boats might carry over to an equally unproductive scramble to buy licenses under a restricted-entry fishery. The dominating fear of being cut off from sufficient supplies of fish to assure a minimum degree of utilization of the plant might trigger a move to purchase licenses at prices well above the capitalized value of the potential rent accruing to them. Such a tendency would be strongly reinforced if increased net yields resulting from reduction in excess capacity were not partially absorbed in higher license fees or taxes.

On the other hand, there has always been a hard core of

independent fishermen in the Puget Sound salmon fishery, most of them highly competent captain-owners, with a consistent record as "high-liners." If gear reduction were really achieved, the inevitable increases in factor incomes would make it possible, at least, for an independent fishing group to deal at arm's length with all canners while earning opportunity incomes or better. In purely economic terms, of course, it would appear illogical to hold a license in the face of an offer greater than its capitalized claim on future income; but the fisheries (and many other small-scale industries) are full of anomalies of this sort, many of them far less rational. Unless the competition for licenses results in completely outlandish prices, it seems quite possible that the desire for independence, so characteristic of fishermen throughout the world, would lead many of the purse seiners, gill netters, and reef netters to retain their licenses. In more formal economic terms, it may well develop that an independent fishing group, controlling the marginal increment of each year's supply of fish, might be able to extract from the canners a significantly higher price than could otherwise be obtained in the course of preseason negotiations. The fishery method of determining returns to fishermen if the industry were to approach full integration of canning and fishing operations.

On the other side of the fence, canners have expressed equally serious concern over the implications of limited entry for the relative strength of fishermen's organizations in collective bargaining. Despite a series of antitrust cases that appear to outlaw industrywide collective bargaining between salmon fishermen and packers, the practice persists *de facto*. If new entry to the fishery were completely closed, it would certainly provide considerable incentive for full unionization of the industry (or for the formation of effective cooperatives under the Fishery Cooperative Act of 1933, which would permit negotiation of prices with less possibility of problems arising under the antitrust statutes). The industry regards the present situation as open-ended with respect to collective negotiation of prices, and it would be reluctant to give up the possibility of bringing any coordinated effort to forge a really closed bargaining unit among salmon fishermen.

We are much less concerned about the validity of these arguments than about the fervor with which they are advanced and the apparent proclivity of crucial portions of the industry to "rather bear those ills we have than fly to others that we know not of." It is by no means clear, for example, that integration of fishing and processing, partial or complete, would have any adverse effect on the administrative efficiency of the regulatory agencies. On the contrary, we would expect some improvement in compliance and in the speed and accuracy of information provided to the Commission. In addition, integration of all or a substantial part of the industry would permit it to do legally what must now be done *sub rosa* with respect to preseason determination of prices to be paid for fish.[18] Perhaps the most compelling argument against any serious unforeseen effects from further integration of the industry is the fact that it is, from an economic standpoint, already an accomplished fact; only a small number of boats are free of substantial packer control through indebtedness.

What of the public interest? Would either integration or the development of much stronger bargaining units in the fishing fleets [illegible] prices of lower quality? It is difficult to see what unfavorable [illegible]tions could result from rationalization in the fisheries along [illegible]ggested. Any price effects would be neutral or favorable. Given consumer demand for the several end products involved, the price of salmon to consumers is determined once the regulatory authority has indicated the amount that can be taken. Within any single season, the quantity taken is almost completely insensitive to prices (at least over ranges that have prevailed over the last three decades). The public has no particular interest in procedures or mechanisms involved in the retail distribution of these products unless it can be demonstrated that they restrict total output to levels lower than those permitted under existing regulatory standards. To the best of our knowledge, this has never occurred in the salmon fishery, even in areas where buying power is heavily concentrated.

In addition, it should not be impossible to devise legal safe

[18] The issues involved here are discussed in detail in J. A. Crutchfield, "Fishermen's Union and the Anti-Trust Statutes," *Industrial and Labor Relations Review*, VIII, 1 (October 1954).

guards that would minimize direct participation by packers in the fishery if it were deemed desirable to do so. Obviously some evasion would always be possible, but concern over "monopoly," in this rather obscure sense could be laid to rest through appropriate legislative action if, in some manner not now apparent, integration should result in a continuing undue restriction of output.

*Gear Reduction and the Sport Fishery.* In all the Pacific Coast salmon areas except Alaska, the relationship between commercial and sport fishing must be taken into consideration in any overall control program. In Washington, for example, the number of salmon anglers is currently estimated at more than 100,000 and in recent years fishing effort has averaged about a million angler days per year. A small number of pinks—50,000 to 90,000 in recent years—are taken by Washington sportsmen, but the real clash is between recreational and commercial usage centers on chinooks and cohoes.

In many respects, however, the conflict is more apparent than real. Net-caught chinook and coho salmon account for only about 10 percent of the total value taken in Puget Sound waters, and the peak of the commercial net fishery for silver salmon occurs after virtually all sport fishing has ceased. The light recreational pressure on the peak and latter parts of the silver runs is due in large part to their timing: the fish are moving rapidly, often in deeper water, after Labor Day, when both available recreation time and weather conditions cut sharply into sport fishing effort. It has been estimated that as much as 80 percent of the sport catch of mature cohoes inside the Strait of Juan de Fuca is taken from the first 15 percent of the run.[1] The really serious conflict between sport and commercial fishermen in Washington centers on the trollers, and the real public issue is that at present neither group is subject to effective regulation.

For purposes of this study, two points might be stressed. First, greater effectiveness in management achieved by a substantial reduction in the number of units of the commercial net fishery,

[1] Personal communication from J. S. Crutchfield, Department of Fisheries, State of Washington, 1961.

UNIVERSITY OF ALASKA
Sea Grant/Marine Advisory Programs

Volume 1, Number 1
February 15, 1973

# ALASKA Seas and Coasts

A Newsletter for the Alaska Commercial Fishing Industry

## Egan Proposes Limited Entry Bill

Protection of Alaska's salmon fishery and the relief of economic distress among the state's professional fishermen are the administration's top priorities in the current legislative session, Gov. William A. Egan told the Eighth Alaska Legislature in his Affairs of State address Jan. 10 in Juneau.

The governor introduced a bill to limit entry into Alaska's salmon fishery, and said he would seek support for a "bold scientific venture" to create expertise in managing proposed landlocked Bristol Bay fisheries.

Alaskans last year approved a state constitutional amendment allowing the state to limit entry to the fishery for conservation purposes and to protect the economic welfare of fishermen.

In a transmittal letter accompanying his limited entry bill, the governor said that his proposal is aimed primarily at eliminating part-time fishermen from the salmon fisheries in order to establish a level of fishing pressure that allows improved management and the development of a professional fishery. The letter contains figures indicating that the total number of commercial licenses used in the state's salmon fishery grew from 15,697 in 1961 to 20,564 in 1971. Of the 1971 total, 14,276 licenses were issued to Alaska residents, and the remainder (approximately 30 percent), to nonresidents. The governor's program would hit hardest those who are least dependent on commercial fishing, those with the shortest history in the harvest and fishermen who have failed to file state income tax returns.

[redacted] the alternative to his limited entry proposal—continuation of the traditional free access of Alaska's salmon fishing grounds—would result in "the economic destitution of a much larger number of fishermen."

[redacted] plan calls for establishment of a three-man Alaska Commercial Fisheries Entry Commission composed of a commercial fisherman, a fisheries management specialist and an attorney. Commissioners would be given broad powers to limit entry to the salmon fishery on the basis of protection of stocks and the economic well-being of the fishing community.

The commission would establish administrative areas, determine the maximum amount of gear permissible in each unit and issue entry permits for specific types of gear in each unit. The commission would be required to balance the following four factors: (1) the amount of gear necessary to fully harvest the allowable catch, (2) the amount of income that would result in an average level of income to fishermen adequate to sustain a professional fishery, (3) the amount of gear manageable without risk of impairing sustained yield, and (4) the number of gear units "commensurate with the traditions and history of the particular fishery."

Entry permits, which would cost $50 each, would be issued under a priority system, with each potential fisherman evaluated on his degree of economic dependence on the fishery, the extent of his past participation and his ability and intent to continue fishing.

Entry permits could not be used by anyone other than their owners, but they could be transferred to qualified fishermen. In addition, the bill does not require permit holders to work every year, but specifies that permits lapse back into state control after failure to fish for five consecutive years.

In his transmittal letter, Egan said his limited entry program would meet constitutional constraints against complete closure of a fishery to all but those in a certain class and against discrimination excluding nonresidents. Controlled sale and transfer of entry permits, he said, would make new entry possible, while economic and historic standards for permit awards would disqualify many nonresident fishermen.

Egan said that four alternative limited entry proposals, including a freeze on the number of licenses issued with attrition slowly diminishing fishermen's numbers, sliding gear scales, a distressed fishery plan, and preference for state residents, would not meet legal or management requirements.

Commenting on Egan's limited entry proposal, Philip Daniel, secretary-treasurer of United Fishermen of Alaska, gave it the following plus marks: "The bill appears sound legally, since the commission would stand in relationship to the fisherman just as a liquor control board stands in relation to the holder of a liquor license. The commission would be given plenty of authority to reduce and limit the number of fishermen involved in the salmon harvest. Under the bill, very large numbers of fishermen could be excluded from the fishery."

*(Continued on Page 7)*

# What's YOUR Opinion?

ALASKA SEAS AND COASTS, a newsletter for the Alaska commercial fishing industry, makes its debut with this issue. The newsletter will be published periodically by the Sea Grant and Marine Advisory Programs of the University of Alaska, and will be circulated free of charge as widely as possible among fishermen, processors and other interested individuals. Initial circulation is 10,000 copies, the great majority of which will be distributed among Alaska's commercial fishermen.

This publication is intended to serve as a communications tool within the industry and between the various government agencies which are concerned with management of Alaska's fisheries. Representatives of the National Marine Fisheries Service, the Alaska Departments of Fish and Game and Economic Development, Kodiak Community College and United Fishermen of Alaska will contribute material and will act as an initial editorial board.

ALASKA SEAS AND COASTS is edited by Robert W. (Jake) Jacobson, who is directing the University of Alaska's Marine Advisory Program while director John Doyle is on a year's sabbatical leave. Jacobson, 32, has worked as a marine extension agent for the Oregon State University for the past six years. He currently spends much of his time working with commercial fishermen in Alaska's coastal communities.

In addition to printing news of current events and feature material written by authorities in their fields on major topics of interest in the industry, ALASKA SEAS AND COASTS will serve as a forum for open discussion of the prime issues in Alaska's fisheries. This page and its facing page are intended to be used as an editorial and opinion section for working fishermen and their organizations and for guest editors. The United Fishermen of Alaska (UFA), has expressed an interest in channeling fishermen's interests into the newsletter on a continuing basis, and a UFA editorial appears in this section. News of other organizations, of individual fishermen and other interested persons are invited.

Free subscriptions are available upon written request. Please use the space provided below to order ALASKA SEAS AND COASTS, to comment on the content and aims of the publication or to request information on fisheries related topics. We will endeavor to provide answers to your questions with the aid of our editorial board. Address all inquiries to the Editor, University of Alaska Sea Grant/Marine Advisory Programs, 142 E. Third Ave., Anchorage, Alaska 99501.

# Alaska Records Highest Water Accident Rate

Alaska has the unenviable distinction of possessing the worst water safety record of any state in recent years, and the commercial fishing industry accounts for a large percentage of the state's boating accidents. During 1966 and 1967 a total of 99 boats out of the Alaskan commercial fishing fleet were lost at sea, and there were nearly 1,800 reported accidents involving injury to Alaskan fishermen. The most tragic statistics, however, are those which list loss of lives; 60 fishermen died in accidents in Alaskan waters during 1966 alone.

The following cartoon and suggestions on how to avoid grounding of fishing vessels are excerpts from the booklet, "Safety Notes for the Alaskan Fisherman," published cooperatively by the National Marine Fisheries Service and the U. S. Coast Guard. A copy of the booklet may be obtained by writing to National Marine Fisheries Service, P. O. Box 1668, Juneau, Alaska 99801.

- Stress the importance of staying alert to the man on wheel watch. Going to sleep on watch has contributed to many accidents.
- Make sure a new crewman knows what he is doing before he stands watches. As a minimum, he should know basic rules of the road, whistle and radio distress signals, standard running lights, how to use the radar and fathometer and when to call the captain.
- Have a deviation table made up and posted, and make sure you know how to apply it.
- Keep a dead reckoning plot on a chart whenever under way in the fog, even if you have every piece of modern, red hot electronic gear made.
- Be sure you understand the effects of current on your boat and that you know what the current is for where you are.
- When anchoring for the night, have enough anchor hawser (or chain) out. In good holding ground, use cable at least five times the depth of the water. If you expect some weather, you should let out seven times the depth of the water.
- When anchored at night in bad weather or in a spot where you cannot let out enough scope, maintain an anchor watch to check the boat regularly for dragging.

# Alaska's Commercial Fishermen Find a Strong New Voice

By PHILIP DANIEL
*Secretary Treasurer, United Fishermen of Alaska*

The United Fishermen of Alaska (UFA), a parent fishermen's organization consisting of 20 local groups throughout the state, was established in February of 1972. The UFA represents every fishing area in Alaska except the Yukon-Kuskokwim Delta. The state's 22,000 commercial fishermen harvest a product worth $214 million at the first wholesale price level. The UFA feels that an industry of this magnitude should have a voice at legislative sessions in Juneau. The commercial fishing industry traditionally has been one of Alaska's largest but most silent industries. We would like to make it one of Alaska's most verbal and influential industries. That goal is our reason for existence.

There is little doubt that the governor, the legislature and the various state agencies which provide funding for programs and formulate the laws which regulate our fisheries have in their hands the ability to aid or to harm our fisheries by virtue of their policy making authority. There is also little doubt that they often have wanted to do the right thing by fishermen. They have, however, faced the dilemma of not knowing which of the many voices raised by the fishermen most accurately reflected the view of the majority, because there has been little communication between fishermen throughout the state.

We are particularly pleased to participate in this newsletter, and we wish to acknowledge the enormous service that the University of Alaska's Sea Grant Program has provided for commercial fishermen in editing and publishing this newsletter. Many of us regard this publication as vital to fishermen, because it will provide us with a means to communicate with each other for the first time.

The United Fishermen of Alaska are working to support fishery legislation. Through this newsletter we will bring you current information on bills of interest to you, and we may wish to publish voting results on such bills. Our ability to influence legislation which is favorable to fishermen ultimately will depend on the number of people we represent. We haven't the money or the talent to pursue a fancy campaign in support of a bill, but we do hope to be able to represent the best interests of Alaska's commercial fishermen, and we believe that the legislature will take our efforts seriously.

### UFA Feels the Pulse of Alaska's Fishermen

Last month we met with 14 of our organizations in Southeastern and Southcentral Alaska, because the UFA feels that if we are to be effective, we must learn the views of fishermen, and reflect those views as clearly as possible. Highlights of the meetings were recorded on video tape to be used to back UFA's position at the legislature. During the meetings, fishermen expressed their views about the UFA and what it can do for them. They also provided answers to the question, "What do we want done during this session?" On a swing through Ketchikan, Petersburg, Juneau, Cordova and Sitka, upwards of $10,000 was raised through voluntary donations to the UFA. Of equal importance, however, were the discussions of major issues such as limited entry, a raw fish tax and the new, two cents per gallon increase on marine fuel.

### Financing the UFA

Financing was a priority item on the agenda at our annual meeting, held Jan. 26-28 in Juneau. (Other highlights of the annual meeting will be reported in the next issue of this newsletter.) We have thus far financed UFA activities through voluntary donations. We plan to maintain a full time office in Juneau during the session, and we have many other plans and ambitions which require funding. Many individuals have considered this organization valuable enough to encourage its progress through donations. If the UFA is to represent the commercial fishermen in Juneau, it needs your financial support. If every commercial fishermen in the state were to donate five dollars to this statewide organization, we could raise $110,000, but we realize that this is not likely to happen.

If you believe that a statewide commercial fishermen's organization is important to you, we strongly urge you to support the UFA with a donation. You will receive a receipt, UFA decal and UFA Associate Membership card. Persons who send in $25 or more will be placed on our mailing list, and will receive any correspondence addressed to our organizations. You do not have to belong to one of our organizations to support the UFA.

# Capital Construction Fund

A number of fishermen in recent months have inquired abou. the Capital Construction Fund. Following is a list of frequently asked questions and their answers:

**Question:** What is the Capital Construction Fund (CCF)?

**Answer:** CCF is a federal program provided for under Public Law 91-469. It provides certain tax benefits to commercial fishermen for building a new vessel or purchasing or reconstructing a used vessel, including its gear if the gear is part of the vessel purchase.

**Question:** How does it operate?

**Answer:** It authorizes owners or lessees of documented vessels to establish, through an agreement with the Secretary of Commerce, a special fund in a depository that is mutually satisfactory to you and a representative of the Secretary of Commerce. Generally, this means a local bank or savings and loan association which is insured by the Federal Deposit Insurance Corporation (FDIC).

Money earned from your commercial fishing operations can be deposited into this fund and become exempt from taxes. Before CCF was created, you had to buy or improve vessels with the money left over after paying your income tax. Now the CCF offers you a way to use before-tax dollars to buy or reconstruct a vessel.

**Question:** Who is eligible?

**Answer:** You are eligible and can enter into a CCF agreement if your answer to the following four questions is "yes."

(1) Are you a citizen of the United States?

(2) Do you own or lease a documented fishing vessel?

(3) Will your new vessel be built or reconstructed in the United States?

(4) Will the vessel be registered in the United States?

**Question:** Does the Government take any of the money that I put into CCF?

**Answer:** No, the government does not put money into the fund nor take any money from it. The money you put into CCF is all yours. In fact, you get a tax break on the money you deposit.

**Question:** How does that work?

**Answer:** Your taxable income for the year is simply reduced by the amount you deposit in the fund.

**Question:** Are there any limits to how much I can deposit?

**Answer:** Yes. In any tax year the amount you deposit cannot exceed the *sum* of the following:

(1) Your taxable income from your fishing operations in the fisheries of the United States;

(2) The net proceeds, including any mortgage you hold, on the sale of your vessel involved in the fund;

(3) Receipts from the investment or reinvestment of amounts held in the fund, and

(4) Depreciation from agreement vessels.

**Question:** How are deposits into the fund handled?

**Answer:** There are three accounts in the CCF. They are the Capital Account, Capital Gains Account and Ordinary Income Account.

(1) Ordinary Income Account—This account receives the deposits that would normally be subject to income taxes. This would normally mean the money earned from fishing your eligible vessel. Other money is also credited to this account—short term capital gains, non tax-exempt interest earned and whatever dividends are earned from investments in the fund. That's right! Money deposited in the CCF can be used to purchase interest bearing securities approved by the Secretary of Commerce. If the Secretary of Commerce agrees, you can invest up to 60 percent of the money you have in CCF in the stock of domestic corporations.

(2) Capital Gains Account—If you experience any income that is taxable as long term capital gains, it is deposited in this account. The most common example is that of selling your vessel. If you sell a vessel which you've owned for more than six months for a price higher than its depreciated value, the excess would be placed in this account.

(3) Capital Account—This account receives the money you wish to deposit that ordinarily is nontaxable. Examples are depreciation, tax-

*(Continued on Page 8)*

# New FCC Rules Alter Marine Radio Practice

Are you familiar with the new Federal Communications Commission regulations dealing with marine radio communications and with the timetable for their implementation? Do you understand how the changes will affect you?

The next ten years will span more changes in marine radio practice than any other decade in radio's short history. Despite improvements in equipment, marine telephony has changed little in the last 50 years.

The changes have been necessitated by an increased number of licenses, which has resulted in channel overcrowding and interference, and are necessary in order to implement international rules.

The new regulations involve the use of single sideband (SSB, 2-23 MHz) for long-range communications and very high frequency (VHF 156-162 MHz) for the bulk of transmissions of shorter range.

There naturally has been some confusion along the waterfront about these new regulations. Following are the important dates and changes to remember:

—No new double sideband (DSB, 2 MHz—the present radio for many boats) licenses will be issued as of January 1, 1973.

—If you currently own a licensed DSB, you may continue to renew it as necessary until Jan. 1, 1977. However, if you allow your current license to lapse, you will have to apply for a new license under new FCC regulations.

—You can install VHF and SSB now.

—After Jan. 1, 1974, you can install SSB only if you already have VHF.

—After Jan. 1, 1974, all existing SSB installations must also add VHF.

It should be emphasized that the above regulations apply specifically to vessels operating in Alaskan waters. These regulations are somewhat different than those which affect vessels operating in other parts of the country.

## Ever See a Sea Monster?

F. F. Wright is seeking first-hand accounts of Iliamna Monster sightings. Write him c/o Marine Advisory Program, 142 E. Third Ave., Anchorage, Ak. 99501.

# Meet 'Walter'

Alaska Black Dolphins

Ever catch a snailfish? The specimen pictured above, "Walter" by name, was brought up from a depth of more than 120 fathoms in a Tanner crab pot last November near Seward by Martin Goresen of Seward. The mottled, black and brown fish is 21 inches long, weighs four and one-half pounds and has finger-shaped pectoral fins. Its most striking features are its orange eyes, a sucker disk under its mouth and a pensive expression.

Walter has been placed on public display at the Alaska Black Dolphins divers office in Anchorage by owner Yvon Van Driessche. Several biologists have tentatively identified the fish as a member of the genus *Liparis*, commonly known as a snailfish, and rarely netted in its rocky, deep-sea habitat.

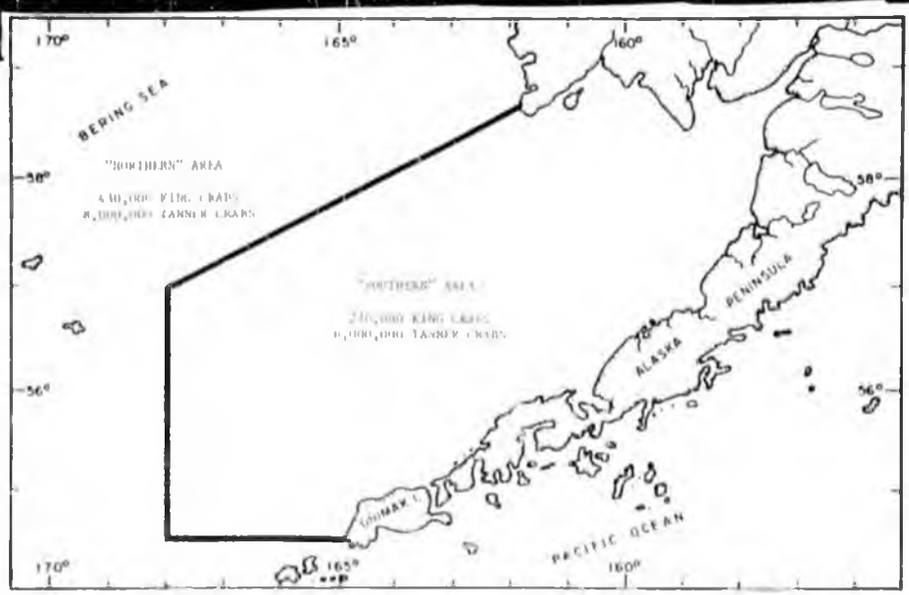
# New Book Explores Alaska's Fisheries

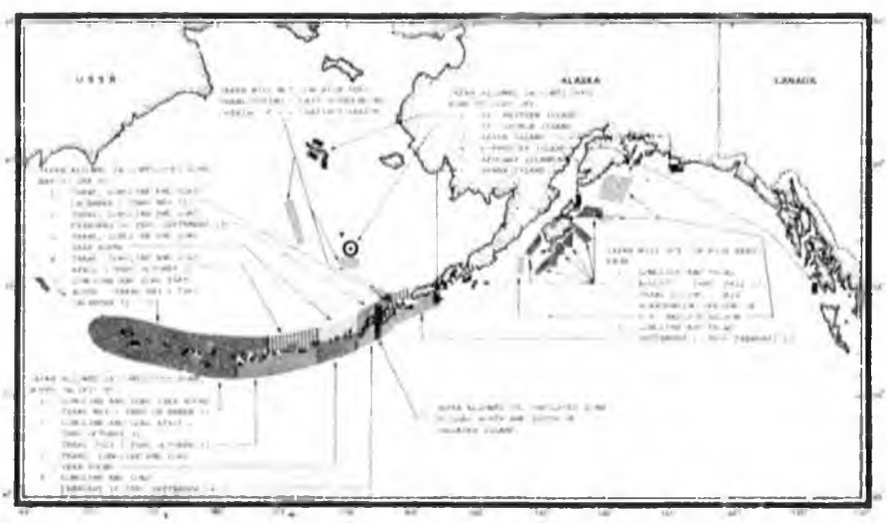
"Alaska Fisheries Policy," an extensive report on the broad range of issues in Alaska's fisheries, was published recently by the Institute of Social, Economic and Government Research, University of Alaska.

The 470-page, soft cover book is a compilation of papers written by experts in fisheries economics, law and management; fish stocks; commercial fisheries; marine education, and fisheries management in Alaska.

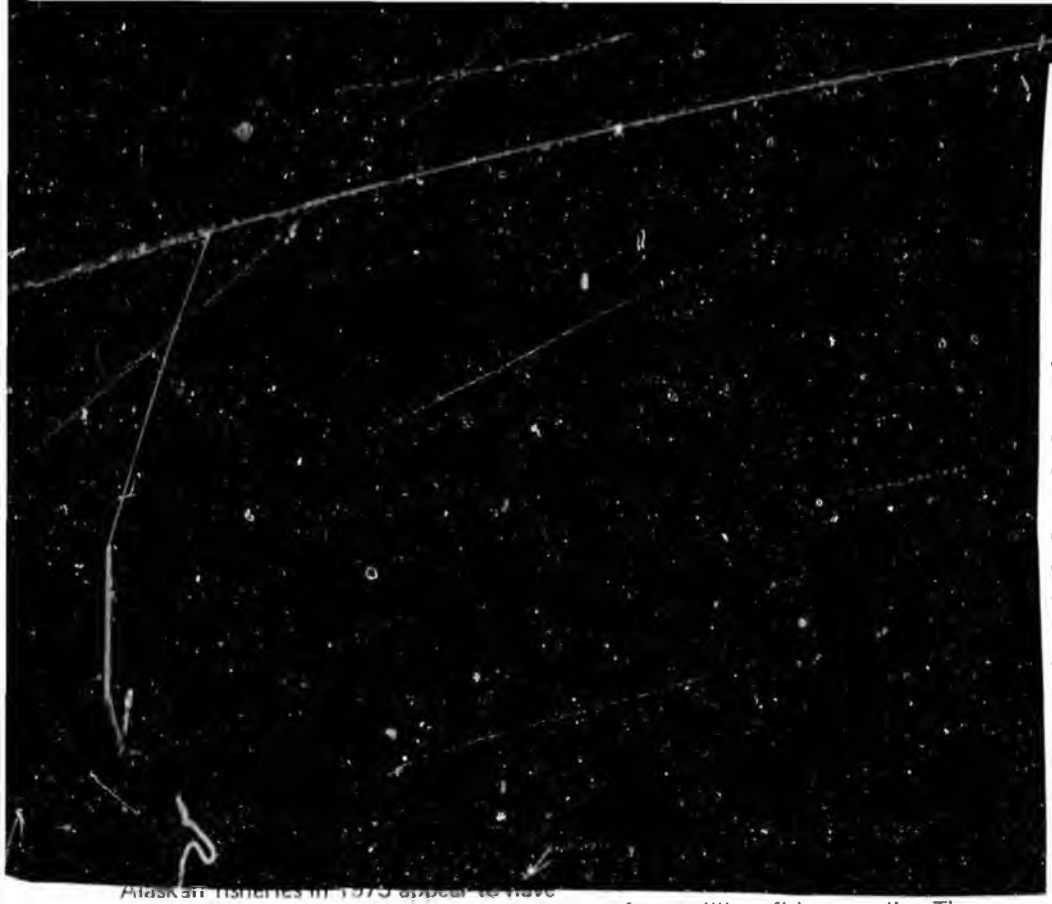
These articles deal with major factors in fisheries policy making and management. Entry limitation is a recurrent theme in the book.

"Alaska Fisheries Policy" may be purchased for $10 per copy from the Institute of Social, Economic and Government Research, University of Alaska, Fairbanks, Alaska 99701.




*The charts above, prepared in December of 1972 by the National Marine Fisheries Service, illustrate new U.S./Japan fisheries agreements concerning the Japan eastern Bering Sea crab quotas for 1973 and 1974 (top), and the U. S. contiguous fishery zone off Alaska (bottom).*



Alaskan fisheries in 1973 appear to have suffered unusually high natural mortalities in last year's severe winter. Weather also was the factor responsible for the poor returns in 1972.

Southeastern fisheries are expected to harvest more than half of the 18.5 million pink salmon catch projected for the state. Department biologists predict relatively good returns in 1973 for those areas south of Frederick Sound in the Panhandle area. This is one of the few areas which also experienced good returns in 1972.

In Prince William Sound, where no commercial fishing could be allowed on the extremely poor pink run in 1972, the predicted run of only 2.7 million pinks is expected to require substantial restriction of fishing again in 1973 if the escapement goal of 1.5 million is to be achieved. The predicted harvest of 6.5 million pinks for the Kodiak area accounts for roughly one-third of the state's pink harvest expected in 1973. Returns to the General and Alitak districts are expected to contribute about 80 percent of the total Kodiak harvest. Department biologists emphasize that some evidence indicates the possibility that the run may be even somewhat weaker than is now expected.

Bristol Bay, the major sockeye producing area in the state, is facing its second poor season in two years with an anticipated harvest of only 1.5 million sockeye. In 1972, the harvest of 2.4 million sockeye was the smallest since 1896, although comparable low catches or four million fish annually. The unusually low harvest predicted for 1973 is the result of abnormally high natural mortalities coinciding with a low point in the Kvichak's five-year cycle.

Sockeye, chum and pink salmon runs to Chignik fisheries are also expected to be poor in 1973. As in 1972, no harvest is expected from early sockeye runs prior to July 1 and fewer than 200,000 sockeye are expected to be harvested from the late run. Chum and pink salmon returns to this area are expected to be so small that little if any harvest is anticipated.

## F&G Appoints Rosier Fisheries Division Head

Carl Rosier has been named director of the commercial fisheries division, Alaska Department of Fish and Game, by James W. Brooks, commissioner.

Rosier has been with the department since 1960 and has served as commercial fisheries regional supervisor for Southeastern Alaska for the past three years.

"Rosier replaces Roy Rickey, who has been assigned new responsibilities involving the study of the very complex and important problems of limited entry into Alaska's fisheries," Brooks said.

Before moving to Juneau in 1970, Rosier served as commercial fisheries management biologist at Ketchikan and Wrangell. He holds a B.S. degree in fish and game management from Oregon State University.

# TIDAL BORES

**F. F. Wright**
*Marine Advisory Service*

When we use the words, "Tidal Wave," we are usually referring to a tsunami, a tremendous, destructive ocean wave produced by an earthquake or landslide. In Turnagain Arm near Anchorage, however, a genuine and dangerous breaking wave is sometimes produced by the interaction of tide and wind. Such waves, properly called tidal bores, form in shallow, tapering inlets where the tidal range is great.

Here is how a tidal bore is formed: The ebbing tide runs so strongly that it temporarily dams back the flood tide; then the rising tide literally bursts into the inlet, advancing as a solitary, breaking wave. Such tidal bores are found in scattered areas all around the world, the most famous being in the Severn Estuary in England and at the mouth of the Chiang Tang Kiang River in China, where on spring tides the bore may form a wall of water 11 feet high, traveling at more than 16 knots.

In Turnagain Arm, conditions for a tidal bore occur at irregular intervals throughout the year. The bore is most likely to develop two or three days before a spring tide, on the flood at about middle of the interval between the low low tide and the high high tide of the day. Apparently, they are more apt to form when the wind is blowing west, out Turnagain Arm toward Cook Inlet. The height of the Turnagain bore is usually three or four feet, but bores of six and nine feet have been reported. Obviously, anyone who is in a small boat in the area should be very cautious, for the bore is similar to a wave breaking on a beach, and can be very difficult to ride through. Outrunning the bore is possible but tricky, for it may be moving at more than five knots, and you would be running directly into waves produced by wind. In addition, shoals in Turnagain Arm often shift, and a grounded boat is very apt to be swamped.

## 'Fisheries Institute' Scheduled at Kodiak

Kodiak Community College will sponsor its second annual "Fisheries Institute" for Alaska fishermen March 5-9 in Kodiak. This year's program will be an expanded version of the successful 1972 "Fisheries Institute," which drew 1,200 participants.

Classes will be conducted in marketing of seafood products and hydraulics aboard vessels. Don Cunning, Ketchikan Community College teacher, will give instruction in electronics, electrical maintenance and trouble shooting on board. Representatives from private, state and federal loaning institutions will discuss financing available to fishermen.

Other sessions will be devoted to halibut fishing and to the quality of fish products, with discussions of current and future Federal Drug Administration requirements for fishing vessels. An inspection and repair team is expected to run safety checks on inflatable life rafts. Guest speakers at the institute's seafood banquet March 8 are expected to be Gov. William A. Egan and Robert Wildman of the Office of Sea Grant from Washington, D.C.

## Hard Times for Bristol Bay:

# Sliding Scale Adopted

The Alaska Board of Fish and Game has adopted a sliding gear scale to reduce fishing effort in the Bristol Bay fishery in 1973, and has trimmed salmon fishing in the Unimak area fishery along the Alaska Peninsula and Aleutian Chain from 528 hours to 156 for the coming season. The actions were taken at a meeting of the board Jan. 10-11 in Anchorage to ensure the survival of the bay's red salmon.

Forecasts for this year's run, the smallest of the century, indicate that only 6.2 million reds will enter the bay, a drastic decrease from the 1965 record of 54 million. The projected harvest has dropped proportionately from 24 million in 1965 to 1.5 million for 1973.

The board decided to restrict the Unimak fishery because some of the Bristol Bay fish return from the high seas through passes at the end of the Alaska Peninsula. The board's action cuts the June 11-30 portion of the Unimak fishing season to four days and in most areas limits fishing to 13-hour periods. This cut came on top of the 1971 cutback there to a five-day, 120 hour weekly opening.

Fishery managers hope the commitment to a sliding gear scale will cut the total length of nets used in Bristol Bay from 1.8 million feet last year to 360,000 feet. The length of net each gear license holder may operate will be fixed by a sliding gear scale when the total fathoms registered are determined after the April 15 registration deadline.

What the action means in dollars and cents to the Bristol Bay area is that only 300 of the bay's 3,000 fishermen could hope to earn enough from the 1973 season to match federally set poverty levels of income, according to Kenneth R. Middleton, regional supervisor of commercial fisheries. Yet he expects more than 3,000 to register for gear by April 15, pooling their nets and increasing the size of licensed crews on gillnetters from the normal two to as many as six per boat.

## Limited Entry Bill

*Continued from Page 1*

Unfavorable aspects of the governor's proposal, according to Daniel, are: "The bill is too broad in scope. No individual fisherman can look at the bill and tell how he will be affected. This is simply left up to the commission. By analogy, this is like turning the Bill of Rights over to three men and hoping they are rational. The bill is too drastic," Daniel added. "In order to be politically acceptable, the bill will probably not be able to cut out nearly as many units of gear as are indicated. It should be made very clear that additional approaches to limited entry will be considered," he said.

Following a Special Senate Fisheries Committee hearing on the proposed limited entry plan Jan. 24 in Juneau, committee chairman Sen. W. I. (Bob) Palmer of Ninilchik said that the bill must be made to compensate commercial fishermen ousted from the salmon harvest. Palmer remarked that in his opinion it would be an injustice to tell a fisherman who might have a substantial investment in the industry that he can no longer fish without providing him with some form of compensation.

Institute of Marine Science

*The Research Vessel ACONA, pictured above, is assigned to the University of Alaska's Institute of Marine Science to support the oceanographic effort of the university. The 11-year-old ship, owned by the U. S. Navy, was designed specifically for oceanographic research, and is scheduled to operate approximately 200 sea days each year. Although the prime vessel schedule and scientific programs are developed by the Institute of Marine Science, the vessel is part of the National Oceanographic Fleet and her scheduling is coordinated through the University National Oceanographic Laboratory System. Operation costs of the ACONA, which totaled more than $210,000 in 1972, are paid by the National Science Foundation, Office of Naval Research, U. S. Navy, and American industry. The ACONA carries a crew of six, with space for nine scientific personnel. The 179-ton ship is 85 feet long and cruises at eight knots, with a range of 5,000 miles. Home port for the ACONA is the Seward Station, Institute of Marine Science.*

## Capital Construction Fund

*(Continued from Page 4)*

exempt interest received on state and municipal bonds and any money you receive from the sale of your vessel which does not exceed its depreciated value.

**Question:** How do I get my money out of the fund?

**Answer:** Your money can be withdrawn by obtaining the consent of the Secretary of Commerce. You can ask for either a qualified or nonqualified withdrawal.

(1) Qualified Withdrawal—You request a qualified withdrawal when you want to use the money to purchase a vessel or to build or reconstruct a vessel.

(2) Nonqualified Withdrawal—This is a withdrawal from the fund for any purpose not specified under qualified withdrawal.

**Question:** What happens if I make a *nonqualified* withdrawal?

**Answer:** Money from each of the three accounts is treated differently under a nonqualified withdrawal.

(1) Ordinary Income—Money withdrawn from the ordinary income account is simply added to your taxable income in the year it is withdrawn. You therefore pay tax on it when withdrawn. An additional charge of eight percent of the tax is levied for each year the money was in CCF.

(2) Capital Gains—Money withdrawn from this account will be subject to the capital gains tax rate. The same regulation concerning a payment of eight percent of the tax due applies here.

(3) Capital—Money withdrawn from this account is not taxed since this account receives only money that is nontaxable.

**Question:** From which of the three accounts do *qualified* withdrawals come?

**Answer:** The money comes from the accounts in the following order:

(1) Capital Account—None of the money withdrawn is taxed, and the depreciation base of the vessel is not lowered.

(2) Capital Gains Account—None of the money withdrawn is taxed. The depreciation basis of the vessel in which you are interested is lowered by one-half of the amount of the withdrawal.

(3) Ordinary Income Account—None of the money withdrawn is taxed. The depreciation basis will be lowered by the amount of the withdrawal.

Alaskan fishermen who are interested in additional information on this program may contact Jack Kelly, Coordinator, Financial Assistance Programs, National Marine Fisheries Service, P. O. Box 1668, Juneau, Alaska 99801.

*Alaska Seas and Coasts*
UNIVERSITY OF ALASKA
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Nonprofit Organization
Bulk Rate
Permit No. 253
Anchorage, Alaska

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**LAURIE McNICHOLAS, Assistant Editor**

The University of Alaska Sea Grant Program is made possible through a grant from the National Oceanic and Atmospheric Administration, U.S. Department of Commerce. David M. Hickok is Sea Grant Program Director.

Serving as members of the editorial board of ALASKA SEAS AND COASTS are Bob Burnett, Alaska Department of Fish and Game; Phil Daniel, United Fishermen of Alaska; Sig Jaeger, Kodiak Community College; Charles Jensen, University of Alaska Marine Advisory Program; Walter G. Jones, National Marine Fisheries Service; and Richard E. Reynolds, Alaska Department of Economic Development.

ALASKA SEAS AND COASTS is published regularly by the University of Alaska Sea Grant/Marine Advisory Programs. Subscriptions are available upon written request. Address all inquiries to the Editor, University of Alaska Sea Grant/Marine Advisory Programs, 142 E. Third Ave., Anchorage, Alaska 99501.

Mr. Joe McGill

GOVERNOR'S STUDY GROUP ON LIMITED ENTRY

JANUARY, 1973

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# ALASKA NATIVE FISHERMEN

# COMMERCIAL, VESSEL, AND SALMON GEAR LICENSES

# FOR

# STATEWI AND SALMON NET REGISTRATION AREAS

# 1971 - 1970 - 1969

JOHN E. HAVELOCK
ATTORNEY GENERAL
STATE OF ALASKA

JAMES W. BROOKS
COMMISSIONER
DEPARTMENT OF FISH AND GAME

# SALMON NET REGISTRATION AREAS

A. Southeastern
D. Yakutat
C. Prince William Sound
H. Cook Inlet
K. Kodiak
L. Chignik
M. Aleutians-Peninsula
T. Bristol Bay
W. Kuskokwim
Y. Yukon
Z. Norton Sound — Arctic-Yukon-Kuskokwim
X. Kotzebue

NUMBER OF ALASKA NATIVE FISHERMEN

COMMERCIAL AND VESSEL LICENSES

1971 - 1970 - 1969

| | Total [1] | Native [2] | % Native | Resident | Native | % Native | Non-Resident | Native | % Native |
|---|---|---|---|---|---|---|---|---|---|
| **1971** | | | | | | | | | |
| Commercial | 20,564 | 4,658 | 22.7% | 14,176 | 4,580 | 32.3% | 6,388 | 78 | 1.2% |
| Vessel Operator | 10,710 | 2,656 | 24.7% | N/A | 2,619 | ---- | N/A | 37 | ---- |
| **1970** | | | | | | | | | |
| Commercial | 22,088 | 4,508 | 20.4% | 14,370 | 4,448 | 31.0% | 7,718 | 60 | .7% |
| Vessel Operator | 10,877 | 2,498 | 22.9% | N/A | 2,483 | ---- | N/A | 15 | ---- |
| **1969** | | | | | | | | | |
| Commercial | 18,927 | 4,182 | 22.1% | 12,609 | 4,182 | 32.7% | 6,318 | 57 | .9% |
| Vessel Operator | 9,972 | 2,429 | 24.3% | N/A | 2,408 | ---- | N/A | 21 | ---- |

1/ Alaska Department of Revenue

2/ Governor's Study Group on Limited Entry

Alaska Native Fishermen Total State Gear - 1971 - 1970 - 1969

1971

| | Purse Seine 1/ | | | Drift Net 2/ | | | Set Net | | | Troll | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native |
| Res. | — | 375 | — | — | 1300 | — | — | 1174 | — | — | 410 | — |
| N-Res. | — | 7 | — | — | 18 | — | — | 17 | — | — | 4 | |
| Total | 1,323 | 382 | 29% | 4,779 | 1318 | 28% | 3062 | 1191 | 39% | 2,533 | 414 | 16% |

1970

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Res. | — | 365 | — | — | 1219 | — | — | 1114 | — | — | 391 | — |
| N-Res. | — | 10 | — | — | 3 | — | — | 5 | — | — | 1 | — |
| Total | 1311 | 375 | 29% | 4,710 | 1222 | 26% | 3053 | 1119 | 37% | 2,567 | 392 | 15% |

1969

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Res. | — | 359 | — | — | 1244 | — | — | 1063 | — | — | 369 | — |
| N-Res. | — | 10 | — | — | 7 | — | — | 6 | — | — | — | — |
| Total | 1207 | 369 | 30% | 4,374 | 1251 | 29% | 3011 | 1072 | 36% | 2,303 | 369 | 16% |

1/ Alaska Department of Revenue

2/ Governor's Study Group on Limited Entry

NATIVE COMMERCIAL FISHERMEN BY COMMERCIAL LICENSE AND VESSEL OPERATOR LICENSE

1971 - 1970 - 1969

| | SOUTHEASTERN | YAKUTAT | PRINCE WILLIAM SOUND | COOK INLET | KODIAK | CHIGNIK | ALEUTIAN PENINSULA | BRISTOL BAY | KUSKOKWIM | YUKON | NORTON SOUND | KOTZEBUE | OTHER 1/ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1971** | | | | | | | | | | | | | |
| Licenses | | | | | | | | | | | | | |
| Comm. | 244 | 75 | 134 | 147 | 181 | 48 | 127 | 729 | 387 | 463 | 116 | 79 | 1928 |
| Res. | 241 | 75 | 132 | 147 | 178 | 47 | 124 | 721 | 385 | 450 | 115 | 79 | 1886 |
| N-Res. | 3 | -- | 2 | --- | 3 | 1 | 3 | 8 | 2 | 13 | 1 | — | 42 |
| Vess. Op. | 172 | 72 | 91 | 118 | 157 | 44 | 110 | 523 | 377 | 444 | 118 | 71 | 364 |
| Res. | 169 | 72 | 91 | 118 | 155 | 43 | 107 | 518 | 375 | 431 | 112 | 71 | 357 |
| N-Res. | 2 | — | -- | --- | 2 | 1 | 3 | 5 | 2 | 13 | 1 | — | 7 |
| **1970** | | | | | | | | | | | | | |
| Comm. Licenses | 542 | 69 | 159 | 201 | 409 | 123 | 174 | 1060 | 384 | 441 | 113 | 105 | 734 |
| Res. | 529 | 69 | 155 | 198 | 394 | 122 | 168 | 1048 | 384 | 441 | 113 | 104 | 723 |
| N-Res. | 13 | -- | 4 | 3 | 9 | 1 | 6 | 12 | --- | --- | --- | 1 | 11 |
| Vessel Operator | 207 | 67 | 93 | 114 | 163 | 40 | 91 | 515 | 340 | 400 | 102 | 64 | 302 |
| Res. | 203 | 67 | 92 | 113 | 159 | 39 | 91 | 511 | 340 | 400 | 02 | 64 | 302 |
| N-Res. | 4 | — | 1 | 1 | 4 | 1 | -- | 4 | --- | --- | --- | — | --- |
| **1969** | | | | | | | | | | | | | |
| Comm. License | 505 | 69 | 150 | 190 | 327 | 114 | 142 | 990 | 399 | 413 | 127 | 45 | 711 |
| Res. | 496 | 69 | 146 | 188 | 320 | 112 | 140 | 974 | 399 | 413 | 127 | 45 | 696 |
| N-Res. | 9 | — | 4 | 20 | 7 | 2 | 2 | 16 | --- | --- | --- | — | 15 |
| Vessel Operator | 200 | 52 | 87 | 110 | 157 | 36 | 8 | 548 | 338 | 386 | 116 | 42 | 277 |
| Res. | 194 | 52 | 86 | 109 | 155 | 35 | 8 | 540 | 338 | 386 | 116 | 42 | 275 |
| N-Res. | 6 | — | 1 | 1 | 2 | 1 | - | 8 | --- | --- | --- | — | 2 |

SOURCE: Governor's Study Group on Limited Entry

1/ Other category includes those individuals who are not classified by salmon net registration area due to record error.

Alaska Native Fisherman Salmon Gear

Registration by Salmon Net Registration Area

1969 - 1970 - 1971

| | Southeastern | Yakutat | Prince William Sound | Cook Inlet | Kodiak | Chignik | Peninsula Aleutians | Bristol Bay | Kuskokwim | Kotzebue | Yukon | Norton Sound |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 1971 | | | | | | |
| Purse Seine | 99 | — | 35 | 12 | 119 | 44 | 73 | — | — | — | — | — |
| Drift Net | 54 | — | 89 | 34 | - | — | 66 | 481 | 361 | — | 232 | — |
| Set Net | 1 | 73 | — | 104 | 41 | — | 65 | 245 | 55 | 80 | 411 | 114 |
| Troll | 380 | 29 | — | — | — | — | — | — | — | — | — | — |
| | | | | | | 1970 | | | | | | |
| Purse Seine | 108 | — | 34 | 14 | 116 | 40 | 58 | — | — | — | — | — |
| Drift Net | 39 | — | 91 | 35 | — | — | 59 | 472 | 328 | — | 196 | 2 |
| Set Net | 3 | 71 | 4 | 95 | 41 | — | 57 | 254 | 57 | 68 | 363 | 105 |
| Troll | 369 | 15 | 2 | — | — | — | — | — | — | — | — | — |
| | | | | | | 1969 | | | | | | |
| Purse Seine | 106 | — | 32 | 15 | 120 | 38 | 58 | — | — | — | — | — |
| Drift Net | 34 | — | 82 | 35 | — | — | 56 | 511 | 325 | — | 206 | 1 |
| Net | 6 | 68 | 4 | 88 | 40 | — | 60 | 256 | 38 | 47 | 325 | 114 |
| Troll | 335 | 23 | — | — | — | — | — | — | — | — | 1 | — |

SOURCE: Governors Study Group on Gear Limitation

Qualifications of limited gear entry into Alaska commercial fisheries.

1. Person who held a gear license and fished that gear license in a designated area once in past 3 years in Alaska.

(Or)-2. Person who ever owned a gear license and fished that gear license in past 4 years, and has a ten thousand dollor investment (mortgaged or not) in commercial fishery of license or licenses owned and fished in designated areas.

Reasoning: Any person whom does not meet above criteria could reasonably be determined already out of the fishery. Such criteria as having fished 3 out of past 10 years and absent past 7 years would be considered less dependent and less intent than a person having fished commercially during past 1,2, or 3 yrs.

3. A fishermans outside interest should not concern above criteria Whether he is a trapper that fished or a fisherman that trapped.

4. Any new entry not qualified on above criteria must purchase from a license holder his license and pay to State tax office the appraised value of the license less 10 percent. Assuming the seller gains 10 percent of the license value. This 10 percent encourages the seller to sell out when he has a boat to sell as he can let the permit go to get the boat sold. Or the seller can sell to the tax office for 90 per cent the assessed license. He can keep his equipment or sell privately.

5. The seller is taxed when he sells a license even when selling to tax office in graduations of degree of years he fished the license. The graduation in degrees spread over 20 years fishing. For each year fished 1/20 th deducted off sellers tax.

Reasoning: The heaviest burden of tax upon new entry. Those that fish longest have lesser taxes. Impossible for a ghost license to make any money. Present holder can't make a fast buck on a license. Gives a short timer invested the opportunity to prove his full intent to be a fisherman. Gives the old timer the incentive to sell out and give the new blood opportunity to fish. Gives the opportunity for a new investor to sell his equipment to a new buyer as this may include his license if he chooses. Encourages people in the industry long time with old slab of a boat to sell out to tax office and this in turn is financed by the change over in the industry mostly by new entries. The seller does not pay tax unless selling to tax office in the graduation scale of 1/20th stated above.

6. Fisherman are taxed according to assessed value of gear license in designated areas annually. This fund is also used for buy back in this designated area. When optimum level reached this tax can be used to further enhancement of the fishery in designated area.

7. After 3 yrs fishing the seliers tax automatically is reduced to 3/5th of assessed value of gear license. (Gains 2/5th assessed value as incentive to sell out.

Reasoning: Allows man in now with investments and recent participation to prove his intent & retrieve his investment. This method prevents short timer gaining return on license value if intent and participation inactive.

8. Sport fishing gear as rod & reel holding a commercial license is based only on attrition rate decrease. Not included on buy-back program. License not transferable. Person must have held commercial license once in past 3 yrs.

reasoning: Allows small income fisherman presently in small resident villages to retain his interest during lifetime. Short time residents leaving state will have higher attrition rate. Allows qualified holders to retrieve their investment without taking away their rights accepted in past. License has no monetary value.

9. Apprenticeship program to add incentive for same:
Person holding apprentice permit has buy in tax reduction of1/10 gear license assessed value per 5 yrs apprentice. Based proportion per annum for participation weekly for weeks of season open. (example: 16 weeks of season and fishes 12 weeks would get credit for 3/4 participation that particular season). This is based on particular gear in particular areas as designated. (Areas to be set forth by law). Apprentice ship is based upon participation within past 4 years. (Eliminates credit for participation beyond 4 years for ones who did not actually enter fishery with full gear license participation).

Ray Mathews
Fisherman

Natural ATTRITION WITHOUT Freezing licenses

SOUTHEASTERN ALASKA SALMON FISHING GEAR

IN UNITS

(Including Yakutat troll)

| Year | Purse Seines | | Drift Gill Nets | | Set Gill Nets | | Troll | | |
|---|---|---|---|---|---|---|---|---|---|
| | Reg. | Fished | Reg. | Fished | Reg. | Fished | Reg. | Fished | Not Fished |
| 1960 | 463 | 450 | 438 | 431 | 11 | 11 | 1,524 | | |
| 1961 | 495 | 443 | 420 | 414 | 13 | 13 | 1,497 | | |
| 1962 | 497 | 472 | 410 | 392 | 10 | 10 | 1,440 | | |
| 1963 | 484 | 467 | 451 | 381 | 10 | 10 | 1,470 | | |
| 1964 | 501 | 477 | 372 | 324 | 8 | 7 | 1,735 | | |
| 1965 | 463 | 433 | 301 | 258 | 11 | 11 | 1,922 | | |
| 1966 | 447 | 419 | 302 | 285 | 14 | 14 | 1,915 | 1,769 | 146 |
| 1967 | 428 | 403 | 370 | 320 | 19 | 11 | 1,847 | 1,598 | 249 |
| 1968 | 498 | 470 | 527 | 402 | 18 | 12 | 2,054 | 1,772 | 282 |
| 1969 | 405 | 339 | 395 | 297 | 12 | 8 | 2,273 | 1,795 | 478 |
| 1970 | 422 | 405 | 420 | 339 | 11 | 9 | 2,528 | 1,895 | 633 |
| 1971 | 358 | 306 | 475 | 347 | 13 | 9 | 2,356 | 1,662 | 694 |
| 1972* | 411 | | 582 | | 12 | | 2,237 | | |
| 1973 | | | | | | | | | |
| 1974 | | | | | | | | | |
| 1975 | | | | | | | | | |

* 1972 figures are preliminary

# STAN'S PLAN

To help solve the "limited fisheries" problem, to alleviate the extreme hardships designed into the Governor's bill, to keep the state from stealing from some fishermen to give to others (as is in the present proposed bill) I would like to present the following plan - please note - no one gets hurt nor is "forced" to do anything.

I. STATE OFFERS TO BUY FISH BOATS AND SITES:

(a) At 2 or 3 times appraised value

(1) to cover loss of income, plus value;

(2) fishermen agree not to fish for 5 ± years;

(b) Willing sales only

(1) no one must sell.

II. STATE ISSUE LIMITED NUMBER OF NEW LICENSES:

(a) 2 ± years experience or apprentice;

(b) Resident and veterans preference;

(c) Children of fishermen preference.

III. STATE INCREASE LICENSE COSTS:

(a) Difference in costs to go to special fund to pay for gear, sites, purchases;

(b) Fishermen remaining should gain and benefit and thus be willing to pay higher licenses;

(c) In long run should not cost state anything.

IV. EVERYONE GAINS

(a) Fishermen remaining get more fish and less competition;

(b) Fishermen who sell gain as get cash to use elsewhere;

(c) State gains - no long run costs - better fish returns and less problems.

Addendum:

As canneries would be less likely to enter into above program and as some of them have huge fleets of fishing boats they will be required to reduce their fleets by 20% and be reimbursed for this loss.

DIVISION OF STATEWIDE SERVICES

FISHERIES EXTENSION

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

February 2, 1973

TO: Those concerned with legislation regulating participation in the Alaska commercial fisheries.

When the writers of the U.S. Constitution were designing the national government, James Madison said, "if men were virtuous, there would be no need of government at all". Well, obviously, we find ourselves in need of government, and in this case concerning participation in our fisheries of Alaska, I have found that the people who have seriously tried to consider the immediate, total, and long-range effects of Senate Bill No. 39 on the people of all of Alaska can agree on two things. One, there is a real and critical problem concerning excess participation in many of Alaska's commercial fisheries, and two, this legislation is the most far-reaching and important bill to ever come before any State of Alaska Legislature since Statehood itself. These are honest opinions; the first is obvious; the second must not be underestimated!

Most people associated with the Alaska commercial fisheries recognize the problems stated in the purposes and findings of fact; they recognize the problems, but there are many, perhaps a majority, who feel that the lure of the Alaskan way of life, and the heartfelt rights of men are more important than the economic health and stability of any commercial fishery. It is most likely that a student of economics could persuade these people to accept the fact that the real value to society in dollars and cents rendered by some of our fishery resources is pitifully low when compared with its potential value to society because of the dissipation of that value through the excess use of other resources, namely capital and labor. However, being persuaded of this would not convince them that such economic sense is nearly so vital as what they feel to be the rights of men. In this state and time, there are many different standards for right and wrong, we can all express feelings, idealism, and findings of fault, but these expressions usually represent the very human bias of self-preservation. There is nothing wrong with this but it makes the job of men designing laws governing men critically difficult as James Madison realized so many years ago. The answer may well be that what many people have so long felt to be a right was never really a right of man at all, but a trust to him.

Many people have expressed an interest in seeing this legislation cover more species than just salmon. This is partly because of the fear that a fisherman eliminated from the salmon fishery will transfer his effort to another fishery and create a hardship there. In a few cases this may well be true, but truly I believe that a real salmon fisherman who would be likely to transfer his efforts to another species will not be eliminated from the salmon fishery by the Governor's established criteria. In this vien,

it seems that our over-exploited fisheries other than salmon lack the vacation aspect and are too expensive to get into efficiently on the basis of speculation. Another reason for wanting to see species other than salmon included is that many other species are in need of fishing participation regulation in all or part of their range; I am not arguing with this but I believe that considering the magnitude of the diverse salmon over-fishing problem, trying to include all species is really an unreasonably large task without precedent. It seems to me that setting up a workable program dealing with salmon is most critical at this time and will lay the groundwork for dealing with other species in the future, and it would really be sad if in your efforts to deal with participation in all fisheries you rendered this legislation ineffective for any fishery.

Now, let's look to the heart of the issue allowing that we accept and remember the original purposes of the bill. There is considerable fear among the people, with whom I have discussed this bill, that the authority of the Commission is too great. I agree, but considering the diversity of Alaska's fisheries, we should realize that the Commission must have broad and flexible authority with some additional constraints. The heart of the bill is in the idea of the Commission making decisions as to who will participate in Alaska's fisheries based upon three criteria. Now, we get into the problem which nearly all of us have when we consider the fisheries of Alaska, that of having a limited area of experience prejudicing our point of view and biasing our decisions. St. Mathew made the profound observation that "to them that hath shall be given and from them that hath not shall be taken away". It has been called the St. Mathew effect, and while we must realize its validity, we must believe that we can temper and control it. The criteria which the Commission is to use are set up to provide for an equitable professional fishery; while they frighten people who probably need not be frightened the criteria are well-founded and will work with perhaps certain qualifications to achieve the original purposes of the bill and yet quell the worries of many of the professional fishermen. I suggest that we consider the concept of professionalism. What is a professional fisherman? What is a professional salmon fisherman? He is a fisherman who fishes. He is a fisherman who catches salmon, and he catches them to sell for economic gain from his salmon catching enterprise!

Now, if we take each of the three criteria individually and examine them with regard to equity and professionalism we are going to hurt many people who enjoy salmon fishing on a large or small scale, but to be effective, this bill must hurt, it might even hurt me and I don't know if it's worth it. The first of the three criteria is: "Degree of economic dependence upon the fishery". This frightens many people who feel that it would possibly unfairly penalize a person who, realizing the short duration of our salmon season, has had the motivation and drive to find other income

sources. To take the extreme I know several fishermen who went teaching as well as teachers who went fishing. Some of the other sources of income for fishermen have been arrived at only after years of dedication, work, and sacrifice. Therefore, obviously this criteria cannot be singularly applied, and to be morally applicable must be qualified. Let's now consider the second of the three criteria which is: "Extent of past participation in the fishery". It is obvious that this must be considered heavily; however, a straight grandfather clause would really destroy the effectiveness of the legislation by cutting out no one and encouraging many who have been in the fishery and are out of it to re-enter when they might not have otherwise; perhaps this would be for the sake of speculation or insurance or self-assertion. Most assuredly, the idea that all people who have, or in the last few years have had a license, which they have fished, be given another in the reliance that attrition will reduce the fleet over next few years is totally absurd. This is because there is a backlog of eligible fishermen who could qualify and would get hold of an old slab or some boat and be ready to go. While perhaps a more politically popular way of limiting new entry into the fishery, that is all that it would do and it would definitely fail to achieve what I perceive to be the intent of the Governor. Past participation must be considered, but to be equitable, it seems wise to qualify it too, relative to the concept of professionalism. The third criteria is: "Present ability and intent to participate actively in the fishery". There will be some problems here where a boat sinks or a gear shed burns or a man is ill, but allowances will undoubtedly be made by the Commission because its members are to be human beings. I would suggest however, to again alleviate worry, that a specific hardship allowance be incorporated in a qualification to this third criteria.

Okey, now I've qualified and qualified and qualified these criteria without putting forth anything concrete. I'll do that here; noting that parenthetical additions are by way of example indicating ball-park figures, not dictating specifics. Hopefully we can here foil the harshness of the St. Mathews effect, at least a little bit:

(1) Degree of economic dependence upon the fishery: A person who has in the years of his past participation in the fishery derived at least 20% (or 25%) of his total earned income from the fishery will satisfy this standard, however the Commission may determine that a lower percentage is acceptable, particularly, but not only, with respect to the fish which were available.

(2) Extent of past participation in the fishery: A person who has in 2 (or 3) of the <u>last</u> 7 (or 10) years actually fished on a day-to-day basis during each of those fishing years for at least 2/3

(or 3/4) of the available fishing days will satisfy this standard, however the Commission may determine that a lower fraction is acceptable, particularly, but not only, with respect to evidence an individual presents relative to weather layups, mechanical breakdowns, and the overlap of two fisheries which the individual participates in.

(3) Present ability and intent to participate actively in the fishery. The Commission will make allowances for hardship cases where the ability and intent were genuine but inadvertantly curtailed.

These criteria will be easier for the professional salmon fisherman to live with and yet allow the Commission to perform its function adequately. They probably won't make me any friends, though perhaps that's life.

Remember, I said that I wasn't sure that this legislation was worth the hurt involved; I am glad someone else is responsible, yet some avenues are open to us to help lessen the hurt and prevent unnecessary problems. Perhaps, to begin with, the members of the Commission should all be social scientists or psychologists with a staff of people satisfying the various other qualifications deemed necessary. If the fleet reduction is accomplished on a 20% a year basis it may be more acceptable, however you don't want to be in the position of the little boy who wanted to dock his dog's tail but not wanting to hurt him, cut off only one inch at a time. This Commission will always leave an air of uncertainty for some fishermen; it does seem advisable that this be minimized. The problem of fisheries paying their own way must be incorporated in any program of compensation for those who are eliminated from the fishery, and realistically some people will be eliminated and should be compensated. Considerable care must be taken to insure that the abuse of such a compensation program is held to a minimum. Another point is that there must be procedures for temporary emergency transfers of permits. It takes a lot of pure guts to recognize that "there comes a time in each man's life when he must take the bull by the tail and face the situation", this is certainly the case in this situation with its imparative urgency. As a person thoroughly immersed in the commercial fishing industry through experience gained in nine years of commercial fishing for salmon, five years of formal training in fisheries biology and wildlife management, some time with the fisheries extension program in Southeast and South Central Alaska, and as a student of marine and fishery economics, I have undoubtedly introduced considerable bias into this note. That I cannot change, but I remain quite willing to discuss this further if I can be of help.

Respectfully,

Donald B. Kalk

Donald B. Kalk
Marine Advisory Agent

# Alaska State Legislature

## House

JUNEAU ALASKA

February 2, 1973

Mr. Joe McGill
Chairman
House Resources Committee

Dear Joe:

Enclosed is a letter I have received from Mr. Stan Thompson, which is self-explanatory. I pass this letter on for your information and consideration by your Committee.

Sincerely,

Dick

RICHARD L. McVEIGH,
Representative

McV: k
ENclosure

January 30, 1973

Box 217
Kenai, Alaska 99611

Rep. Tom Fink
Rep. Milo Fritz
Rep. Earl Hillstrand
Rep. Richard McVeigh
State Capitol
Juneau, Alaska 99801

Gentlemen:

Enclosed is a possible plan that I would like to humbly offer which would, I believe, alleviate the overcrowding in the salmon fisheries without causing injury or financial loss to anyone. This would be in place of Governor Egan's bill and would be far less restrictive and political. (I have been intimately associated with fishing for 20 years; have fished boats and sites; have been U. S. Commissioner and am now Borough Mayor of a fishing area.)

Thank you for your indulgence and hope you will consider this plan.

Sincerely,

Stan Thompson

ST/tb
Enc.

1. Are you in favor of SB 39 as written? No!

2. Are you in favor of this committee's report in principle? yes - see comment

3. Are you in favor of forming an organization to substitute a more equitable limited entry bill as outlined in the committee's report?

4. Are you in favor of this organization hiring a lobbyist to assist this group in substituting a more equitable limited entry bill?

5. Are you willing to contribute between $25.00 and $50.00 to raise the necessary funds to hire a lobbyist? If yes, please state your name, address and phone number.

   NAME_____

   ADDRESS_____

   PHONE NUMBER_____

6. Are you willing to assist the committee by making phone calls raising funds and/or occasionally listening in on legislative public hearings on this Bill?

---

Since this may be a large group and you may not have a chance to be heard, please indicate below any information you desire to be considered by the committee.

Basically agree w/ committee report — however would like to see recommendations ...

fisherman.

6. Has any one conducted a survey on the number of Alaskan fisherman who fish the fisheries of Washington, Oregon, and California every year? As mentioned at the meeting of January 23rd, by a full-time commercial fisherman fishing in Icy Straits among 120 boats last season, only three out of 120 were Alaskan, the remainder were non-resident ( Puget Sound).

SUMMARY: By raising non-resident license fees as stated in Paragraph 2, and by increasing the surveillance of Japanese bait boats, and by using' additional revenue from license fees for hatcheries, our problem could be solved.

Elsie E. Culver

Elsie E. Culver, Part-time troller

Original sent to The Honorable [illegible], President of the Senate

## TRANSFERABILITY - ONE ASPECT OF WHAT ALL THE FUSS IS ABOUT.

Section 250. S. B. 39, the proposed limited entry program for Alaska's fisheries, holds the key to the identity and character of future participants in Alaska's fisheries. While the interests of Alaskan fishermen dependent on the fishery, who have been actively participating therein, are adequately protected in establishing the initial level of participation in our fishery, there are grave apprehensions concerning future participation as controlled through Section 250.

There are three transferability basis for determining participation in the State's fishery resources:

1. Luck
2. Money
3. Participation and skill.

Free transferability as established in Section 250 adopts solely the monetary standard. In order to obtain entry into our fishery in the future, most fishermen will have to buy their way in. This standard presupposes a freely competitive marketing and financing system that exist, if at all, in very few locations in Alaska. Free transferability based on a monetary standard will strike a severe blow to crew members and fishermen from economically depressed areas who depend upon processing interests for credit. It is these same processing interests who have a vested interest in seeing that a substantial number of non-resident "high-liners" receive permits at the expense of local fishermen who presently have inferior equipment, and who cannot obtain credit from governmental or other private financial institutions. While the Study Group on Limited

Entry has thoroughly documented and analyzed many aspects of the fishery, the credit financing system remains a largely unknown factor. Yet, it is this very information that should, indeed must, determine decisions on transferability.

While under the limited entry proposal a processor cannot own a permit, it is safe to assume that he will financially back those fishermen that he needs to maintain his superior bargaining edge. The problem of "industry control" and "vertical integration" when dealing with a transferability system based on monetary standards has been documented in recent works on limited entry.

Crutchfield and Pontecorvo (see attached article) point out that the limited entry proposals set forth for Puget Sound (free transferability of permits) might lead to integration by the processing interests. While they did find that a "hard core of independent fishermen" would still control a "marginal increment of each year's supply of fish" that "hard core" is very much diminished, or absent, in many areas of Alaska. Further, whereas the author's find vertical integration somewhat desirable, such a system may not be acceptable to the Alaskan fishermen on the beach.

Morehouse (Morehouse, T. A., Limited entry in the British Columbia salmon fisheries, in Alaskan Fisheries Policy, I.S.E.G.R., University of Alaska, 1972) found that the monetary standard in the Davis plan of vessel license and control would be disadvantageous to the poorer and smaller independent fishermen:

> "The prospective winners under the Davis plan of vessel license control are the more prosperous fishermen owners, including companies, because access to fishery will depend upon the ability to pay for licenses and vessels, which are expected to increase in value. Staying in the fishery requires paying for a license or maintaining a place on a smalle number of boats,

> and a license in a smaller number of places in the fishery. Thus, the losers will clearly include poorer fishermen and future fishermen.
>
> * * *
>
> Because some will win and others will lose, there is no single 'fishermen interest' in the fishery under the limited licensing scheme. However, to the extent that a smaller number of companies may acquire greater control of the fishery through consolidation and the use of their superior financial resources, there is a greater unity of interest among fishermen and their various organizations vis-a-vis the companies. (Ed., pp. 411 - 412)."

It is submitted that the present limited entry proposal will work a hardship similar to that described by Morehouse in those areas of the State characterized by present company domination through credit financing of not only vessels and gear, but food and clothing as well.

There is precedent for a non-transferable permit system. The Japanese coastal fishery which has a limited entry program has limitations on permit transfers:

> "The rights fishery gives the operator exclusive right to carry out a particular body of water. This fishery right is granted by the Prefectural Government (almost always to a cooperative). The granted fishery right stipulates the type of fishery, the location, and the boundaries of the area included. It may also establish limitations on fishing seasons, etc.
>
> The Prefectural Government prohibits the holder from leasing or mortgaging granted fishery rights. Also, transfer by the holder to other operators is strictly limited. (Herrington, W. C., Operation of the Japanese Fishery Management System, in Alaska Fishery Policy, I.S.E.G.R., University of Alaska, 1972, p. 22-423)."

Who should participate in Alaska's fisheries? Should it be those who are able to gain company financing? Should it be those who are the most skilled in the financing and credit system? Or, should it be those persons who are fishermen and who are willing

to invest their time and energy as fishermen?

We should consider not only those fishermen, and those areas, that presently competitive financially, but also those areas and fishermen dominated by financial institutions over which they have had little control. Further, we must not lock out of the future those individuals who are presently crew members, or subsistence fishermen, who cannot now, or in the foreseeable future, compete within the established credit-financing system.

Frank Flavin

John Wiese
2140 SUNRISE DRIVE
ANCHORAGE, ALASKA
99504

January 31 1973

The Committee on Resources
c/o Joe McGill, chairman
House of Representatives
Juneau, Alaska 99801

Dear Joe:

The next issue of ALASKA INDUSTRY includes the article attached. It is in proof form. The subject matter bears directly but not exclusively on SB 39 and the matter of limited entry into the Alaska fisheries.

I am sending your committee this advance copy for the dual purpose of informing you of the views expressed in it and also to invite comments for future publication.

There are several points directly concerned with "limited entry" that I did not press in the attached article because of current space requirements but I intend to treat on them in future writings. Like:

ö More consideration should be given to simultaneously arranging entry limitation in other (than salmon) species harvestings. Has consideration been directed toward the possible encouragement of utilizing potentially valuable stocks through conditions that might be imposed with limited entry? An incentive, for example, such as "Get into a new pollock fishing deal and you'll get extra consideration in permission for salmon fishing?"

* As long as fish are common property and there is a need to restrict their being harvested (for social and/or biological reasons) can a "right" (as different from "privilege") to harvest be handed out, especially if it resembles a "property right" of enduring characteristics? Isn't a ban still against this in the Constitution? Also, how consistent is it to regard commercial fishing as a "right" whereas using the public roads for vehicular traffic is a "privilege" as distinct from a "right" in Alaska law?

* Is it entirely reasonable to be concerned exclusively with the harvesting sector of fisheries enterprizes without, as a minimum, taking cognizance of effects it is certain to exert in the processor-marketer sector which will require at least regulatory attention?

* As a totally practical political consideration ("political" in this sense not intended to reflect "party" partisanship exclusively) will it be wise to restrict membership on the Entry Commission as narrowly as proposed? It's my conviction that this will be really asking for future troubles, considering especially that radical changes are in process in all fisheries affairs as well as in all natural resource (publicly-owned) utilizations.

Sincerely,

John Wiese

FISHERIES 2-2-2-2-

It is fundamental that competent state authority enunciate this over-all policy which means either a legislative enactment or a statement from the administration with legislative acquienscence.

One feature in Governor William Egan's entry limiting proposal presently before the state Legislature (Senate Bill 39) adds a special urgency for a policy declaration. That feature concerns the proposed functions of a projected Alaska Commercial Fisheries Entry Commission.

It would be endowed with powers of exceptional magnitude. Their exercise would effect the economic well-being of literally thousands and the flow of literally tens of millions of dollars annually.

The guidelines for the commission's operations are so broad and, in some places, subject to differing interpretations that they imply a practical delegation of policy-making powers. The proposed legislation describes its intended function as "regulatory and quasi-judicial," but there would also have to be substantial "quasi-legislating" or policy-making by the commission as an initial step to "regulating" or to "quasi-adjudicating" in order to obtain an effective limitation of entry into fisheries.

Even if this is a politically acceptable situation it still leaves opportunity for a challenge of its legal validity. An adequate policy statement could remedy this.

An instance of the vagueness of SB 39's policy intentions concerns its prescribed "standard" (as set forth in Section 16.43.160) "to sustain a professional fishery."

Definition of this term, which is not contained in SB 39, will require a hefty measure of policy-making, especially considering that variants will obviously be needed in order to fit the vastly differing fishing regions of Alaska and the several "species" fisheries of the state.

Consider this:

SB 39 is to apply exclusively in salmon fishing. Problems in other harvesting enterprises — king crab, herring shrimp and maybe halibut if international controls do not intervene — could receive entry-limiting attention in subsequent legislation but this isn't man-

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FISHERIES 1-1-1-

By JOHN WIESE

THE STATE of Alaska's objectives relating to its fisheries management are obscure.

Or, if they are clear to any governing element, they have not been adequately communicated so that they are intelligible beyond the restricted circle gifted with an appreciation of their intent.

Something that is urgently needed — and needed at this time especially — is an over-all fisheries policy declaration that will effectively clear the air.

Actually, this has been needed for a long time. But, with state lawmakers currently processing a proposal to limit entry into the utilization of Alaska fish and related marine stocks, it has become imperative that some forthright answers be provided as a preliminary to legislative action.

Answers to questions like these are needed in a policy declaration:

- Precisely what goal or goals are intended from utilization of marine fish stocks in the state?
- From the state standpoint, what is meant by or implied in the term "common property" that is associated with fish stocks? (or, in similar words of the state Constitution, "... Fish ... reserved to the people for common use?")
- What are the priorities (or, as the Constitution says, "preferential uses") that govern state management of marine stocks; and by what processes can priorities be changed?
- Are there, or should there be, policy differences between management purposes in different regions of the state? Between the various marine species? Between marine stocks and upland wildlife management?

The policy statement should also deal with programs inherent with policy implementation.

Recently Elmer Rasmuson, sole member of the International North Pacific Fisheries Commission from Alaska, urged that a specific policy position be formulated by the state as it would concern foreign fishing and boundaries off the state's coasts.

Other marine stock utilization issues are also in need of solutions that a policy-declaration could serve. For example: recreationalists' campaigns for "fairer shares" of salmon fishing; conflicts provoked by non-marine resource utilization or by pollution threats, etc.

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Of course, an alternative might be for the "professional" salmon fisherman to take his boat and his status to salmon harvesting on Puget Sound, or on the Columbia River, or on the coasts of Oregon or California when Alaska fishing isn't available. In that case he'd be better off making his headquarters in the more southerly extremity of his annual migration because there'd be improved creature comforts there for himself and his family.

This recital about moving Alaska fishermen Outside isn't an Alaskan goal, obviously. And it isn't very likely to be promoted wittingly by any state agency. Nevertheless the recital serves to demonstrate that the subject of limiting entry into Alaskan fisheries is very much concerned with precise identities of items of state policies. And, if a commission to limit entry is going to function like SB 39 projects, it will either need an intelligible set of guidelines defining state fisheries policy – that is, a fisheries policy declaration in principle as a minimum – or the commission will have to devise law as it proceeds and as its convenience dictates.

Such a procedure will necessitate the commission's assumption of "quasi-legislative" powers as well as the "regulatory and quasi-judicial" authorities assigned to it in SB 39.

The problems that impelled a movement toward limiting entry in Alaska's fisheries come in two categories.

The first group arises from strictly economic situations. They relate to the widespread human urge to "get a piece of the action" and to profit from seemingly abundant but often diminishing stocks of high-valued species like salmon, crabs, scallops, halibut, shrimp.

This attraction is complicated with secondary factors that fringe on the economic but which are actually spin-offs with a cultural coloration. Occurring mostly with salmon harvesting in Alaska, a major instance (but not the only one) are the large numbers of individuals fishing to enjoy a diversion or escape from the confining humdrum of an "eight-to-five" routine of another occupation or sometimes seeking contentment in a living standard that is nowadays regarded as substandard.

The second category of problems

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datory, according to Governor Egan's dissertation that accompanied the bill when it was dropped in the legislative hopper

"Other important fisheries," the message said, "... may require their own limited entry programs."

This and other language in the governor's message and in the text of SB 39 speaks to the concept that the harvesting of each Alaskan fish species constitutes "a fishery." Does this mean that, as a matter of policy, the state regards it as a valid goal that each such activity shall be an independent "fishery" to be treated without co-ordination with other marine harvests? Has the idea of working to attain diversified industry in fisheries as a means of securing broader employment with a wider spread of operating costs for improved stability been abandoned by the state? If so, how does this shift fit with the pattern of many of the state's best fishing communities and with the trend in the processor-marketer segments of fisheries?

Also, might it not be actual retrogression to "promote" a "professional" fishery in salmon because this tends toward fishermen's personal earnings as well as costs recovery for equipment deriving independently and exclusively from short-termed annual salmon availability?

If it is to be a "professional fishery" it must certainly then be one that yields ample returns from these short-lived salmon seasons to meet operating costs on a stabilized basis plus personal earnings sufficient for a year's living expenses, presumably at a "professional" level.

(An annual "professional" income is usually regarded as $14,000-$15,000 a year and up; a recent study of Alaskan fishing returns showed individual returns – not net incomes but gross returns from fish – to have averaged only about $3,300 a year!)

The typical Alaska region's salmon harvesting time lasts for only about six weeks a year. In some localities it exists for as long as four months with marginal-volumed fishing preceeding and following peak intensities in July and early August; but for practical purposes only a very few "professionals" would find periods for profitable fishing for seasons longer than six or eight weeks.

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What is needed is a statement that makes it clear what it is the state intends to derive from its fish resources and from the regulation of the harvests of its resources. It is no longer sufficient for popular or political purposes to take refuge in the broad and lofty terms of the state Constitution; their specifically applied intents and purposes are needed.

The message that accompanied SB 39 to the Legislature attributed the major menace of the excess of salmon harvesters to the fishery being "taken over increasingly by moonlighters, sports-commercial, and part-time hobby fishermen." In this recitation is a direct implication of an onus contained in such less-than-"professional" motivations for fishing, as though the individuals involved are guilty of actions that are immoral or at least socially unsavory.

But, without a specific policy commitment in law against "moonlighting" – and especially considering that state actions constantly invite or induce use of wildlife resources for diversions from other occupations – the tone of this presentation is contradictory.

There should be no question that moon-lighting and hobby-fishing have added serious complexities to the economics as well as the biological management of salmon fisheries. Nor should there be serious doubt about needs for limiting entry.

However, the appropriateness of delegating the making or altering the state policy that frequently is synonymous with law to a three-man commission without ample guidelines is something else. It wants careful examination before it is accepted as fully proper.

Senate Bill 39's purposes are recited as "to promote the economic health ... of commercial fishing" and "the conservation and sustained yield management of Alaska's fishery resources," as well as "to prevent economic distress among fishermen." The terms are from portions of the state Constitution.

Other parts of that document dictate that "it is the policy of the state to encourage ... the development ... of its resources by making them available for maximum use consistent with the public interest...

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bolstering a drive for limited entry is really political in the sense that economic and related complexities of fishing have generated excessive difficulties for a bureauracy charged with regulating the harvests of publicly-owned resources, or, "common" property." It does not simplify this obligation that the dominating principle for this assignment has been accepted, as a matter of priority, as having been "sustained yield" in a rigid formula that disregarded human foibles.

The efforts of government conservationists to regulate the harvesting activities of constantly increasing fishermen types and also trying to maintain their equilibrium in spite of parochial pressures that are often vicious and erupt with accelerating frequency is now regarded as no longer feasible. The traditional "management tools" like restricting harvesting to smaller boats, shorter nets, catch quotas and other efficienty-curtailing devices have not been enough to get the job done.

Remedial alternatives in the Alaska salmon scene concentrate on eiher the view that "there are too many fishermen for the salmon" or the view that "there are not enough salmon for all would-be fishermen," depending on what partisan element is doing the analyzing.

The "not-enough salmon" enthusiasts urge remedy by embarking on programs they hope will make more salmon. The others call for limited entry which means activating one scheme or another for discriminating between actual or potential fishermen. And some elements advocate a mixture of the two.

However, there is an almost total lack of co-ordination between various proposals which is the obvious product of the absence of an over-all fisheries policy in the state.

It is really not quite true that Alaska has no fisheries policy. There has been a "de facto" policy that is based on tradition, on fragmented legal pronouncements, and too often on partisan political convenience. Even this "de facto" policy has never been intelligently set forth in necessary definitive terms and, besides being obscure, it is constantly being "interpreted" in conflicting and contradictory ways.

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This entry-limiting will be the function of its proposed Entry Commission. The bill described the mechanics for commission workings and how the agency will be established in rather elaborate details, including the requirement that the three commissioners shall have qualifications like, one a commercial fisherman (or ex-fisherman) from Alaska, one a "fisheries management specialist" (presumably a Fish & Game staffer), and one an "attorney licensed to practice in Alaska." More legal expertise is assured with provision that the Alaska attorney general shall be legal counsel for the tribunal.

Powers of the Entry Commission would be the establishment of maximum fishing gear volumes for the various regions of Alaska, the establishment of fishing gear permit qualifications for individuals, permit issuance including collection of annual fees of $50 for each permit, arrangements for interim permits and for transfers as well as prescribing regulations and procedures for administration of commission functions.

One section of SB 39 prescribes that the commission shall set fishing gear volumes of effort so that 1) the "income to fishermen . . . is adequate . . . to sustain a professional fishery;" 2) the volume of gear in use does not pose "a substantial risk of impairing sustained yield; 3) there is enough gear in operation "to fully harvest . . . the fishery resources;" and, 4) so that the volume of fishing gear "is reasonable and consistent with purposes" of SB 39.

Provision is also included in the bill for commission to cut or to raise fishing efforts in case of changes in fish stocks, or if market conditions warrant, or if Fish and Game Board regulations induce altered over-all volumes of effort. The bill expresses the idea that if permit holders are required to surrender their fishing "rights" they should be compensated for the losses.

Holders of permanent permits are recognized as having "a personal right" in their status as exclusive fishermen – or, as one of the cadre of fishermen with exclusive status within prescribed areas – and also "a permanent right of renewal."

Employe fishermen would be a different status because they are not required to hold permits.

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"The Legislature shall provide for the utilization, development and conservation . . . for the maximum benefit of its people. . .

". . . fish . . . are reserved to the people for common use.

"Fish . . . belonging to the state shall be utilized, developed and maintained on the sustained yield principle subject to preferences among beneficial uses. . .

"No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the state. This section does not restrict the power of the state to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aqua-culture in the state of Alaska."

Also applicable to resource management is, "Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation." And there are other "equal rights" and "due process" parts that also bear on doctrines the effect fisheries policy.

When statehood was accorded to Alaska by Congress there was a proviso that forbade the transfer of management controls from federal to state authorities until assurances were obtained that legislation "has made adequate provision for the administration, management, and conservation of resources in the broad national interest." This might be construed to be a virtual amendment to the state Constitution, especially since it was accepted as a condition of statehood by a referendum of Alaska voters.

What all of these things, plus an added body of national and international law, obviously do is provide constraints on actions by Alaska in its fisheries policy notions, including on notions advanced as proposals by individuals. But they do not provide an answer to state or individual goals as such. Generally they spell out what must not be permitted but they do not help much with determining what will be done.

SB 39 sets forth that it will be "stabilizing the levels of participation" of fishermen. In other words it will limit entry into fisheries, starting with salmon harvesting.

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• Arrangements for transferring permits through the commission are also included in the proposal. There is, however, a requirement that permit holders must be working fishermen who are active in operating the gear they have been permitted. This should provide a ban against accumulation of permits that might perpetuate fishing rights into property rights or their equivalent in massive amounts.

HOW)EVER' HOW–

SB 39's Section 16.43.200 sets up what guidelines there are for the Entry Commission's discriminating between permit applicants responsibilities. The commission is to frame its own regulations for this function "for each administrative area and for each type of gear."

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Such regulations are to define "reasonable priority classifications . . . based on a reasonable balance of . . . 1) degree of economic dependence upon the fishery. 2) extent of past participation in the fishery, and 3) present ability and intent to participate actively in the fishery."

"REASO)NABLE "REA–

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"Priority classification . . . means the allocation of potential or actual permit applicants into reasonable groupings of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the statuatory standards of preference."

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More questions are raised by provisions like this (and others in SB 39) than are answered. They emphasize the need for a realistic declaration of Alaska fisheries policy from the state's position. It is needed as a minimal prelude for enacting the substance of SB 39 into statuatory law, and it is needed just about everywhere else in the Alaska fisheries resource management scene.

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# M E M O R A N D U M

TO: Representative Joseph E. McGill
Chairman, House Resources Committee

FROM: Frank Flavin, Attorney for South Naknek

SUBJECT: House Bill No126

Attached find proposed amendments to the Governor's limitation of entry into the fisheries plan. These proposed amendments reflect the desire by many fishermen for more specificity in the commission's powers and duties as well as more fishermen input.

The amendments further seek to remove potential economic coersion over indebted fishermen who hold permits by tightening transfer provisions in the bill. Without some amendment the current bill would lead to an eventual migration of permits from indebted fishermen to those fishermen with great personal wealth or strong corporate backing.

Finally, the amendments proposed seek to establish the basis for an "apprenticeship pool" which could provide a crew member or "second son" a chance to eventually gain a permit. This amendment (sec. 260) avoids prior legal problems with this type of plan by putting it in State control and adding training aspects. The addition of this plan could conceivably constitutionally strengthen the original bill by extending the basis for the original granting of permits into the future. Abandoning such criteria and allowing free transfer makes the initial utilization of participation and dependency criteria suspect.

A more detailed memorandum will be forthcoming.

Sec. 16.43.050 QUALIFICATIONS Commission members shall have been commercial fishermen in Alaska.

Sec. 16.43.200 ENTRY PERMIT QUALIFICATIONS
(a) Following the establishment of the maximum number units of gear pursuant to sec. 160 of this chapter, the commission shall adopt regulations for entry permits for each administrative area and for each type of gear. The regulations shall define six priority classifications, with reasonable subclassifications, of similarly situated potential applicants based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including, but not limited to, considerations of: percentage of income derived from the fishery, alternative occupations held and additional sources of income available, character of alternative occupations, and investment in vessels, gear, equipment and property.

(2) Extent of past participation in the fishery to determine the length, degree, and character of participation in the fishery including subsistence activities.

(b) The commission shall classify applicants on a gear to gear basis within the administrative area and rank each applicant within one of the following six priority classifications based upon the character of the applicant's involvement in the fishery:

(1) Career Fisherman-The fishery constitutes the primary subsistence and/or income source, excluding public assistance income.

(2) Career Fisherman-The fishery constitutes a necessary and substantial subsistence and/or income source.

(3) Alternative Occupation-The fishery provides a substantial income supplement.

(4) Alternative Occupation-The fishery provides a minor or incidental income.

(5) Hobby or Sport-Commercial-The fishery provides an incidental income

(6) Mere License Holder-Essentially no participation in the fishery.

Sec. 16.43.220 ISSUANCE OF ENTRY PERMITS

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(b) The commission shall issue entry permits, for an administrative area and a type of gear, first to all qualified applicants in the highest priority classification, and then to all qualified applicants in each descending priority classification, until the number of entry permits issued equals the maximum number of units of gear established pursuant to secs. 160-170 of this chapter for the administrative area and the type of gear. Except that no applicant falling within the first two priority classifications set out in sec.200 (b) shall be denied a permit and no applicant falling within the third priority classification shall be denied a permit unless there is a prior determination by the commission, the Commissioner of Fish and Game, and the Board of Fish and Game that biological and economic factors justify denial of permits in these classifications. No permit shall be issued an applicant unless he has the present ability and intent to participate actively in the fishery.

Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMIT

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(c) Each entry permit is issued for an initial term of one year, and confers upon the permittee a permanent right of renewal. Failure to renew an entry permit annually does not result in the loss of the right to renew the permit upon payment of all accrued annual fees, except that failure to renew an entry permit for a period two years from the date of last renewal shall result in a forfeiture of the entry permit except as waived by the commission on an area basis, or in the case of an individual for good cause shown.

(d) The commission shall establish terms and conditions upon which entry permits may survive the death of the permittee.

(d) An entry permit may not be pledged or hypothecated and is not subject to attachment, distraint, or sale on execution of judgment.

Sec. 16.43.250-260 ALTERNATIVE I.

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY. Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

Sec. 16.43.250-260. ALTERNATIVE II

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that :

(1) The holder of an entry permit may apply to the commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee. The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, gear, equipment, and property or lease right pursuant to sec.260 of this chapter.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY.
(a) Following the issuance of entry permits pursuant to sec.220 the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (e) of this chapter, these permits may be allocated within the highest priority classification by lottery.

Sec. 16.43.250-260 ALTERNATIVE III

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are non-transferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to sec. 260 of this chapter.

(b) When otherwise consistent with thepurposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260 APPLICANT POOL.
(a) Following the issuance of entry permits pursuant to sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, those permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment

and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consumated unless the highest bid price exceeds the fair marked value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for sales pursuant to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispensed to the transferor.

# M E M O R A N D U M

TO: Representative Joseph E. McGill
Chairman, House Resources Committee

FROM: Frank Flavin, Attorney for South Naknek

SUBJECT: House Bill No126

Attached find proposed amendments to the Governor's limitation of entry into the fisheries plan. These proposed amendments reflect the desire by many fishermen for more specificity in the commission's powers and duties as well as more fishermen input.

The amendments further seek to remove potential economic coersion over indebted fishermen who hold permits by tightening transfer provisions in the bill. Without some amendment the current bill would lead to an eventual migration of permits from indebted fishermen to those fishermen with great personal wealth or strong corporate backing.

Finally, the amendments proposed seek to establish the basis for an "apprenticeship pool" which could provide a crew member or "second son" a chance to eventually gain a permit. This amendment (sec. 260) avoids prior legal problems with this type of plan by putting it in State control and adding training aspects. The addition of this plan could conceivably constitutionally strengthen the original bill by extending the basis for the original granting of permits into the future. Abandoning such criteria and allowing free transfer makes the initial utilization of participation and dependency criteria suspect.

A more detailed memorandum will be forthcoming.

Sec. 16.43.050 QUALIFICATIONS Commission members shall have been commercial fishermen in Alaska.

Sec. 16.43.200 ENTRY PERMIT QUALIFICATIONS
(a) Following the establishment of the maximum number units of gear pursuant to sec. 160 of this chapter, the commission shall adopt regulations for entry permits for each administrative area and for each type of gear. The regulations shall define six priority classifications, with reasonable subclassifications, of similarly situated potential applicants based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including, but not limited to, considerations of: percentage of income derived from the fishery, alternative occupations held and additional sources of income available, character of alternative occupations, and investment in vessels, gear, equipment and property.

(2) Extent of past participation in the fishery to determine the length, degree, and character of participation in the fishery including subsistence activities.

(b) The commission shall classify applicants on a gear to gear basis within the administrative area and rank each applicant within one of the following six priority classifications based upon the character of the applicant's involvement in the fishery:

(1) Career Fishermen-The fishery constitutes the primary subsistence and/or income source, excluding public assistance income.

(2) Career Fishermen-The fishery constitutes a necessary and substantial subsistence and/or income source.

(3) Alternative Occupation-The fishery provides a substantial income supplement.

(4) Alternative Occupation-The fishery provides a minor or incidental income.

(5) Hobby or Sport-Commercial-The fishery provides an incidental income

(6) Mere License Holder-Essentially no participation in the fishery.

Sec. 16.43.220 ISSUANCE OF ENTRY PERMITS

...

...

...

(b) The commission shall issue entry permits, for an administrative area and a type of gear, first to all qualified applicants in the highest priority classification, and then to all qualified applicants in each descending priority classification, until the number of entry permits issued equals the maximum number of units of gear established pursuant to secs. 160-170 of this chapter for the administrative area and the type of gear. Except that no applicant falling within the first two priority classifications set out in sec.200 (b) shall be denied a permit and no applicant falling within the third priority classification shall be denied a permit unless there is a prior determination by the commission, the Commissioner of Fish and Game, and the Board of Fish and Game that biological and economic factors justify denial of permits in these classifications. No permit shall be issued an applicant unless he has the present ability and intent to participate actively in the fishery.

Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMIT

...
...
...

(c) Each entry permit is issued for an initial term of one year, and confers upon the permittee a permanent right of renewal. Failure to renew an entry permit annually does not result in the loss of the right to renew the permit upon payment of all accrued annual fees, except that failure to renew an entry permit for a period two years from the date of last renewal shall result in a forfeiture of the entry permit except as waived by the commission on an area basis, or in the case of an individual for good cause shown.

(d) The commission shall establish terms and conditions upon which entry permits may survive the death of the permittee.

(d) An entry permit may not be pledged or hypothecated and is not subject to attachment, distraint, or sale on execution of judgment.

Sec. 16.43.250-260 ALTERNATIVE I.

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY. Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

Sec. 16.43.250-260. ALTERNATIVE II

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that :

(1) The holder of an entry permit may apply to the commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee. The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, gear, equipment, and property or lease right pursuant to sec.260 of this chapter.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY.
(a) Following the issuance of entry permits pursuant to sec.220 the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

Sec. 16.43.250-260 ALTERNATIVE III

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are non-transferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to sec. 260 of this chapter.

(b) When otherwise consistent with thepurposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260 APPLICANT POOL.
(a) Following the issuance of entry permits pursuant to sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment

and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consumated unless the highest bid price exceeds the fair marked value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for sales pursuant to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispensed to the transferor.

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 126 & CS

Title: Limited Entry

Requested by: Legislative Finance Date: 3/8/73

Return Date Requested: 3/15/73

Agency: Department of Law Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected: $762,930

A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | | 500.0 | | | | |
| 200 | TRAVEL | | 50.0 | | | | |
| 300 | CONTRACTUAL | | 183.0 | | | | |
| 400 | COMMODITIES | | 10.0 | | | | |
| 500 | EQUIPMENT | | 20.0 | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| | TOTAL | | 763.0 | | | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | / | 24/8 | / | / | / | / |
| MAN MONTHS (P./T.) | / | 288/48 | / | / | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Please see attached sheet

IV. ATTACHMENTS

Attachment A: Organization and Staffing Chart

Attachment B: Relationship of HB 71 to HB 126 and Judiciary CSHB 126

V. DATE: March 12, 1973 PREPARED BY: Allan B. Adasiak

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

## III. ANALYSIS HB 126 AND CS

A. Assumptions:

The cost of the limited entry program will be paid for from entry permit revenues, which will go into the general fund. Interim entry permits must be issued by January 1, 1974. The appropriation for the commission will be an advance against anticipated revenues to the general fund.

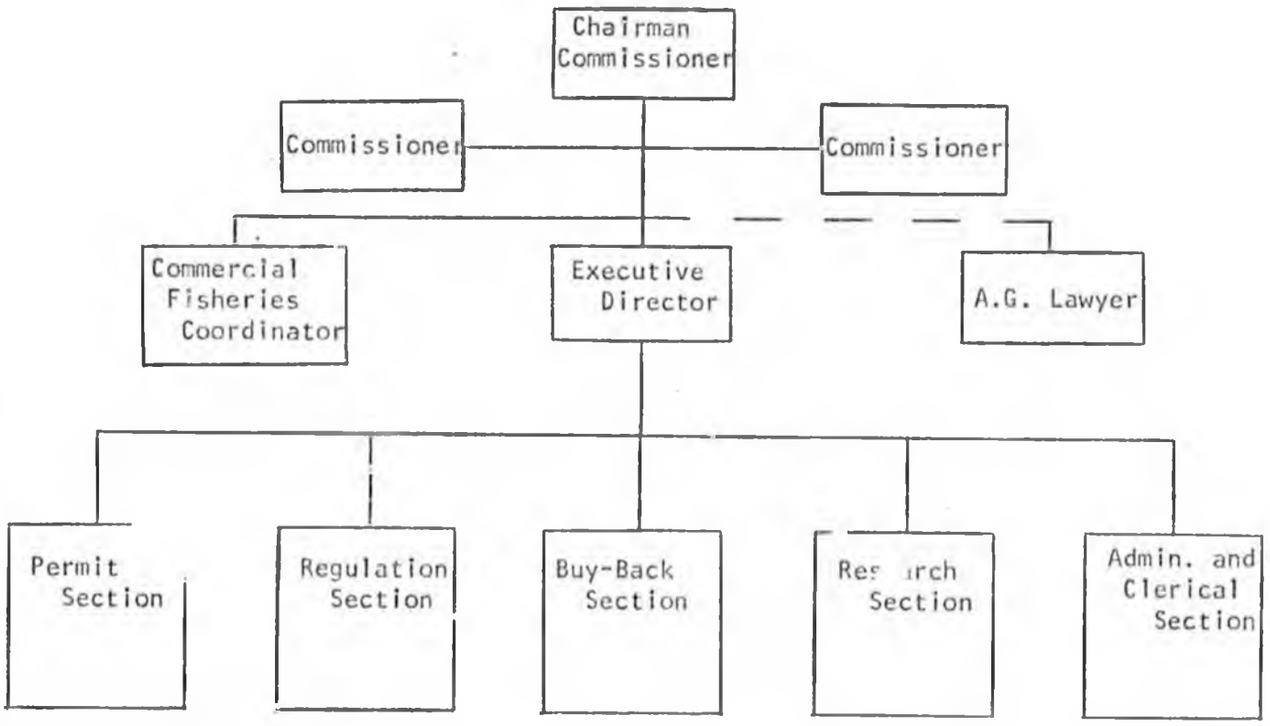
B. Program Summary:

The Alaska Commercial Fisheries Entry Commission is a new body that will implement a new and complex program limiting and stabilizing the amount of gear in the State's commercial fisheries. This program, accomplished through the issuance of entry permits, will benefit Alaska's fisheries resources and alleviate the economic distress of her fishermen.

PERSONNEL SERVICES

| Permanent Employees | Range | Salary |
|---|---|---|
| 3 Commissioners | 28-B (28,404) | 85,212 |
| 1 Executive Director | 27 | 27,372 |
| 1 Administrative Officer I | 17 | 14,112 |
| 1 Permit Officer | 16 | 13,104 |
| 1 Secretary II | 11 | 9,072 |
| 1 Secretary I | 10 | 8,424 |
| 1 Clerk Typist III | 9 | 7,824 |
| 1 Commercial Fisheries Coor. | 26 | 26,388 |
| 2 Chief Hearing Examiners | 25 (25,428) | 50,856 |
| 1 Buy-Back Manager | 27 | 27,372 |
| 1 Secretary | 10 | 8,424 |
| 1 Research Analyst IV | 21-A | 18,948 |
| 1 Programmer IV | 19 | 16,344 |
| 1 Research Analyst II | 16 | 13,104 |
| 1 Statistical Clerk II | 9 | 7,824 |
| 1 Accountant II | 14 | 11,316 |
| 2 Clerk Typist III | 9 (7,824) | 15,648 |
| 1 Clerk IV | 9 | 7,824 |
| 1 Secretary III | 12 | 9,768 |
| | Sub-total | 388,704 |
| | Benefits - 20% | 77,740 |
| | Personnel Svc. Sub-total | 466,444 |
| Temporary Employees | | |
| 8 Clerk Typist III | 9 (6 months each) | 31,296 |
| | Benefits - 7% | 2,190 |
| | | 33,486 |
| TOTAL PERSONNEL SERVICES | | 499,930 |
| TRAVEL | | 40,000 |
| CONTRACTUAL SERVICES | | |
| Phone | | 25,000 |
| Postage | | 24,000 |
| Printing | | 15,000 |
| Rent | | 24,000 |
| Moving Expenses | | 10,000 |
| Rental of Equipment | | 15,000 |
| Computer | | 25,000 |
| Professional Services | | 45,000 |
| TOTAL CONTRACTUAL SERVICES | | 183,000 |
| Commodities | | 10,000 |
| Equipment | | 20,000 |
| | TOTAL | 762,930 |

ATTACHMENT A: ORGANIZATION AND STAFFING CHART
HB 126 and CS




Permit Section

Permit Officer
Accountant
File Clerk
Clerk Typist
Clerk Typist

Regulation Section

Chief Hearing Examiner
Chief Hearing Examiner

Buy-Back Section

Buy-Back Manager

Research Section

Research Director
(Research Analyst IV)
Research Analyst II
Programmer
Statistical Technician
Statistical Clerk

Administrative and Clerical Section

Administrative Officer
Secretary III
Secretary II
Secretary
Secretary
Clerk Typist
Temporary Clerk Typists - 8

ATTACHMENT B

RELATIONSHIP OF COSTS FOR HB 126 AND JUDICIARY CSHB 126
TO GOVERNOR'S PROGRAM AS FUNDED IN HB 71

HB 71 appropriates $350,000 to fund SB 39, creating an Alaska Commercial Fisheries Entry Commission. It also appropriates $50,000 to continue the work of the Limited Entry Study Group, created last year under Ch 186, SLA 72, which researched and developed the Governor's limited entry program for Alaska's fisheries. HB 126 as introduced by the Resources Committee added two members to the three-man commission called for in SB 39. That addition would require $70,704 in salaries and benefits. HB 126 as passed out by the House Resources and Judiciary committees dropped the number of commissioners back to three.

The governor's program deals only with salmon at the outset and would have the limited entry study group recommend to the legislature additional species that should be included under limited entry, concentrating on a study of the crab, herring and shrimp fisheries. The Judiciary committee substitute immediately includes all species under limited entry, eliminating the need for the study group, but raising the cost of implementing limited entry, since gear for all species is included, not just salmon. Because of this change and expansion, the Judiciary CSHB 126 would require an appropriation of an estimated $762,930.

Under either bill, many of the equipment costs such as desks and calculators are one time expenditures needed to establish the commission. Similarly, professional services contains certain one-time costs such as a systems analyst to design the kind of information system most useful to the commission. Since the limited entry program will be breaking new ground in the United States, it is difficult to foresee with complete accuracy all that may be encountered during the first years of its operation. The considerations in this fiscal note represent the best efforts of the Limited Entry Study Group to anticipate the tasks and difficulties ahead.

Initially under the Judiciary committee's bill the commission's work will be to set up procedures for issuing interim entry permits, then to determine maximum gear levels for each type of gear and each area of the state. All species would be dealt with. It would then, area by area, and for each type of gear within an area, draft and hold hearings on the specific regulations that will be used to decide who qualifies for an entry permit. Application forms would have to be prepared, and after final regulations are adopted applications would have to be evaluated and permanent permits issued. In certain areas, interim entry permits will have to be re-issued annually until the procedures for issuing permanent permits can be completed. Once entry permits are issued for a type

of gear in an area, the commission would have to establish the optimum gear levels for that type of permit, and then if appropriate establish regulations and implement a buy-back fund.

Under the governor's bill the commission's immediate job would be to deal only with salmon, and the order of events would be somewhat different. Interim permits would still be issued. Then, however, optimum gear levels would be determined by area and type of gear and regulations established through local hearings to determine detailed qualifications for an entry permit. After the regulations are set up, applications for permanent entry permits would be issued, received and evaluated and permanent permits would be issued.

Under either the governor's program or the Judiciary committee substitute, interim entry permits must be issued by January 1, 1974. Under the governor's program, the commission could be expected to issue permanent entry permits first in those areas and salmon fisheries currently under the greatest pressure, so that the level of gear would be stabilized. Other fisheries could continue to operate under interim entry permits. Perhaps through an error in drafting, the judiciary committee substitute would require the commission to receive applications for all permanent entry permits within one year, creating a huge, if not impossible, task, which if carried out would considerably shorten the period in which interim permits were issued. The committee may wish to consider amending that provision, which is the last sentence in 16.43.210(a).

The Governor anticipated that, conservatively, interim entry permits issued for salmon gear by January 1, 1974 would put at least $490,000 into the general fund, considering that only those 9,800 persons licensed for salmon gear in 1972 would apply. Actually the figure is expected to be at least $740,000. This income to the general fund would at least offset the $400,000 appropriation sought for the work of the limited entry commission and for the continued work of the limited entry study group.

Under the Judiciary committee substitute, interim entry permits for all types of gear would have to be issued by January 1, 1974. Allowing for the judiciary committee option permitting poverty income people to elect to receive an entry permit that is non-transferable for five years and has an annual fee of only $5, interim entry permit income is still conservatively expected to be $700,000. In fact, permit revenue will more than offset the $762,930 entailed in implementing the Judiciary committee substitue effectively.

The above figures are based on approximately 9,800 gear licenses fished in 1972 under the governor's bill limiting entry to the salmon fishery, and approximately 14,000 gear licenses fished in 1972 for all fisheries, under the Judiciary committee bill. Annual turnover in gear licenses has been approximately 3,000 people a year for the past few years, and many people who did not fish in 1972 can be counted on to apply for interim entry permits.

Preliminary estimates of the actual number of people who will get interim entry permits are at least 14,800 for salmon gear

and 21,000 for all types of gear. This would mean approximately $740,000 under SB 39 or $1,050,000 under the House Judiciary Committee Substitute.

Precise information on the number of people eligible for the special $5 annual entry permit option in the judiciary committee substitute cannot be developed on short notice. However, a rough estimate from the Department of Health and Social Services is that a maximum of 800 individuals might qualify. In the unlikely event that even double that number qualify for and choose the $5 permit option, the result would not drop interim permit income below a level where it could fund limited entry commission operations.

In the interest of each reference between various state and federal agencies, the committee may wish to consider changing the characterization of the poverty guidelines that appears on line 12, page 11 of the Judiciary committee substitute. The Department of Health and Social Services says that it and most other agencies use the Office of Economic Opportunity poverty guidelines. The department said they are the same as the Federal Social Security Administration guidelines, and a language substitution might be in order. Those guidelines are as follows:

SOCIAL SECURITY ADMINISTRATION POVERTY GUIDELINE

25% adjustment for Alaska

| | Family Size |
|---|---|
| $2,625 | 1 |
| 3,425 | 2 |
| 4,325 | 3 |
| 5,250 | 4 |
| 6,175 | 5 |
| 6,950 | 6 |
| 7,750 | 7 |

The governor's program would bring salmon fishery participation from current levels to optimum levels in one step, without providing compensation for those eliminated from the fishery. The judiciary committee substitute would create a voluntary buy-back program for entry permits, vessels, and gear, funded by assessments of up to 7 per cent of the gross value of the total annual catch attributable to a holder's entry permit. Buy-back would be from levels established in the bill to optimum levels set by the commission. Separate buy-back programs would be established for each type of gear within each of the administrative areas set up by the limited entry commission. It appears unlikely that any buy-back fund will be in operation in 1973, although planning to develop buy-back mechanisms should be started.

Because of the desire to "fish while it lasts", a noticeable gap can be expected between the revenues from interim entry permits and those from permanent entry permits. At the same time, the work of the commission concerning each area and type of gear for which

permanent permits are issued will lessen once the work involved in issuing the permits is completed. This indicates a trend toward diminishing the size and scope of the commission's activities, so that it would require less money annually after the first burdensome years of its operation. However, the administration of buy-back programs under the judiciary committee substitute will become more and more prominent as permanent entry permits are issued and buy-back programs set up for different areas.

V. DATE: March 12, 1973 PREPARED BY: Allan B. Adachi

LIMITED*ENTRY --Fisheries Box 1047 Juneau, Alaska

This is an explanation for the attached page of qualifications for limited entry in Alaskan fisheries.

1. Any person not fished once in past 3 years could legaly and ethically be considered out of the fisheries.

2. Provides that no person can automatically land a wind-fall on this license immediately without future participation and full intent.

3.No one out of the fishery would afford to come back into the fishery simply to have only the possibility of gaining a $1000 sale value on a license as they would have invest and give up what activity they are presently in.

4. At least a man stuck with a boat has opportunity to let a license go with a boat to get his boat sold.

5. Party buying boat may not want to fish and buy the license so seller could sell to tax office the license to be voided. Taxes levied according to time he fished which proved his intent and participation.

6. Fisherman working part time to up grade his equipment and not fishing a full fishing season can better his lot but would not credit that season for a yearly tax reduction basis.

7. To tempt the man with little investment who does not have an upgraded vessel and no intent to upgrade would logicaly most like to sell out because the ratio of selling out is closer ratio to his investment. In other words a man with a junk boat worth a couple thousand dollors would most likely sell his license for $5000 and get out of the way than a person producing with a $25,000 investment. No one is forced out effecting his life style.

8. This should prevent any law suits and expense of same as this is a democratic justifiable solution and methods ethical.

9. This allows re-entry on an assessed value. No one is forced in or out of the fishery.

10. Tax reduction is based on the fishery he fishes only and area.

11. No Ghost licenses allowed in as must have fished once in past three years and no incentive for him to come back in but allows him to if he fully intends to make this his way of life and had took up other employment to better able himself to upgrade his equipment recently in a declined fishery

12. Limited-entry in the fisheries evidently is necessary and this being a democracy seems evident that this is a fair justifiable solution.

Ray Mathews

Limited Gear Entry

Qualifications: Any one who fished a gear and licensed having done so once in past three years. Based on gear licensed and designated area. Gear licensed in particular area assessed. Example follows @ $10000 assessed

1. Seller fishes 1 year. sell to tax office for $2000.
   Buyer of one year license must pay tax office $9000 (seller could expect to get $1000.) If seller is stuck with a boat he may sell to private buyer to get his boat sold. If he can sell boat without license he can sell to tax office the license for $8000. Boat buyer may not want to buy license.
   (A) No person can retain a license unless he fishes 1 year out of 3.
(B) Participation tax rates based on no other employment on any open day year
2. Seller fishes 2 years. Can sell to tax office for $3000.
   Buyer of 2 year license must pay tax office $8000 (Seller could expect to get $2000 from an individual buyer

3. Seller fishes 3 years. Can sell to tax office for $4000.
   Buyer of 3 year license must pay tax office $7000 (sell could expect to get $3000 from an individual buyer.
4. Seller fishes 4 year. Can sell to tax office for $5000.
   Buyer of 4 year license must pay tax office $6000 (seller could expect to get $4000 from individual buyer
5. Tax office has standing offer to buy all licenses fished 4 or more yrs in future for $5,000. All new entries pay more than Tax office offer to buy out. $5000 is incentive to buy-out fisherman to optimum level.

(Note: anyone who quits fishing to work gets no tax rate reduction that year
The above allows re-entry, gives a fisherman opportunity to sell his boat with a license without getting stuck with a boat or to sell his boat seperately. The longer he fishes gives proof of intent. No ghost licenses person as person must have fished. Those fished and invested with full intent have opportunity to remain. Incentive is induced here for marginal fisherman to sell out.

Cost to reduce the fleet on gear licensed as above now follows.
To reduce the fleet 10 percent: 9 fisherman would have to pay $5000 total.
1 fisherman would have to pay $555.55 each
or 1 fisherman would have to pay $27.77 per year for 20 years plus interest on money borrowed from State or other source.

To reduce the fleet 50 percent a fisherman would have to pay 5 times the above cost. On 20 yr payments it would run 5 times $27.77 equals $138.85 per year plus interest on borrowed money from State or other source.

To increase the incentive to $10,000 offer to buy out and buy out half the fleet it would cost each fisherman $277.70 per year for 20 yrs.
Now it's obvious if half the fleet was out of the way and taking no fish a fisherman could make more than $277.70 plus interest above his present level of income.

Gentlemen: We do not need nor desire to force any fisherman whom has fished once in past three years out of a life style he has learned to like.
It should be worth even more to rid the fisheries of those who do not prove to be proffessional fisherman. Every fisherman should have a chance to prove himself and intent fairly.

Apprenticeship: A program to credit buy-in tax reduction in degrees of participation based weeks per annum and per annum.

Note: Person may have other income if it does not affect his participation and if it does simply, no tax rate reduction. Ray Mathews

EH


# FISH COMMISSION

## RESEARCH HEADQUARTERS

ROUTE 2, BOX 31A • • • CLACKAMAS, OREGON • • • 97015

TOM McCALL
GOVERNOR

COMMISSIONERS
EDW. G. HUFFSCHMIDT, Chairman
McKEE A. SMITH, Vice Chairman
JOSEPH I. EOFF, Member

ROBERT W. SCHONING
State Fisheries Director


AIR MAIL

January 3, 1972

Mr. E. J. Huizer, Deputy Commissioner
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99801

Dear Ed:

Your letter to Gene concerning private chum hatcheries in Oregon was forwarded to me. I am rapidly becoming our "chum" man, through no particular effort on my part!

I have enclosed (1) a copy of Chapter 203, 1971 Oregon laws. This is the new law that allows private chum hatcheries in Oregon; (2) policies and procedures developed by our agency to handle applications; and (3) a copy of our application form.

We have received seven applications (each with $100 fee) to date and have issued one permit. The second application received will be reviewed next month and I expect a permit will be granted.

Also enclosed is a copy of the one permit we have issued. It gives you some idea of what is involved and how we responded.

I will be seeing you in Sacramento in January if you attend the PMFC meeting called by Dr. Harville. If you have any questions, we can talk them over at this time.

Sincerely,

Wallace F. Hublou
Director of Research

cc: Kruse

# Abstention Line Strangling Bristol Bay Fishery

## *Japan Takes Vast Numbers Of Native Salmon West Of It*

By Richard H. Philips
Pacific Editor

SEATTLE, WASH. — Alaska Governor William Egan is making headlines this winter with his proposal to dam off certain Alaska streams and convert the rich Bristol Bay salmon runs into runs of land-locked kokanee which never leave the fresh water, and thus are not vulnerable to Japanese high-seas fishing.

The Governor's proposal is labeled as impossible by most scientists and biologists, who point out that kokanee are not likely to survive in commercial quantities if the rivers are dammed, even if the dams themselves were practical.

Restraining Bristol Bay salmon from their migratory paths is not a new idea with the Governor, however, as he proposed six or seven years ago to close the mouth of Bristol Bay for the same purpose. The proposal is also not without political merit in Alaska, where residents have been powerless to prevent the Japanese mothership fleets from taking an average of 20% of the Bristol Bay catch west of the abstention line.

It is not likely that the Governor's proposals will solve the problem of Alaskan fishermen, or of the entire U.S. salmon industry operating on Bristol Bay fish. The problem was brought about by a lack of knowledge concerning the Bristol Bay salmon runs. In 1953, when the International Convention for the High Seas Fisheries of the North Pacific Ocean was brought into force, the Japanese agreed to abstain from fishing for salmon east of 175 degrees W. longitude. At the time, scientists from the United States believed that salmon spawned in U.S. waters did not migrate west of the abstention line. Unfortunately, they were wrong, and as the accompanying charts show, Bristol Bay salmon do venture far west of 175 degrees W. longitude.

The Japanese are reluctant to abandon their high-seas mothership fishery in Bristol Bay salmon areas since, in good years, the catch of U.S. salmon can amount to almost 7 million fish, as it did in 1965.

On the other hand, the abstention line does protect most other U.S. salmon runs and all Canadian salmon runs, so the North American nations are unwilling to jeopardize that protection by threatening the treaty.

So the matter stands. Since 1956, the Japanese high-seas mothership fleet has taken an average of 19.6% of the total Bristol Bay catch, with the percentages ranging from a high of 49.2% in 1957 to a low of 3.9% in 1964. If the immature salmon taken by the Japanese fleet the year before their return to Bristol Bay are added to these figures, it reveals that the high-seas fleets take an average of 22.1% of the Bristol Bay catch. In fact, the Japanese high-seas fleet caught more salmon from the 1957 run than did U.S. fishermen: 7,326,000 compared to 6,660,000. Of the Japanese catch, which amounted to 52.4% of the total 883,000 were caught as immature fish in 1956 before they had an opportunity to reach their full weight and return the maximum amount to the fishermen.

Even in 1972, when the U.S. fishing effort in Bristol Bay was curtailed to a matter of hours, the Japanese fleet fished on the runs without restriction, and took 18.5% of the total catch, or 593,000 fish. In 1971 the Japanese took 585,000 immature fish from the 1972 run to bring their catch of salmon returning to Bristol Bay in the failure year of 1972 to 1,181,000 fish, or 31.1% of the total catch.

**R.A. FREDIN . . .**
**the scientist who gathered the information and drew the charts accompanying this story on Bristol Bay salmon is Director of Fisheries Data and Management Systems, Northwest Fisheries Center, National Marine Fisheries Service in Seattle.**

### RESENT JAPANESE

Bristol Bay fishermen sacrifice their fishing time, and hence their catch, to allow enough fish to spawn, and they resent the fact that the Japanese fleets, whom they feel have no claim to the fish, are under no such restrictions.

The U.S. industry also resents what they consider light punishment for those Japanese fishing vessels who violate the abstention line and fish illegally. The four Japanese vessels caught last summer fishing near Kodiak — almost 1,000 miles east of the abstention line — each received a 100 day suspension of fishing privileges, to run from April 30 to Aug. 7, 1973. Thus, they will not be allowed to fish for salmon, but apparently will be permitted to fish for any other species.

At the recent INPFC meeting held in Vancouver, B.C., the Japanese refused to restrict their fishing operations in areas where Bristol Bay fish are vulnerable next year, despite warnings that the 1973 run may be one of the smallest in history, and that the maximum number of fish must be available in the Bay to assure an adequate escapement. Preliminary reports indicate that the Japanese have already taken at least 50,000 fish from that fragile run.

It is in this atmosphere that Governor Egan has made his proposals, and as extreme as they are, he has found much support among his constituents.

There may be other solutions, however. Japan, like every other industrialized nation, has been experiencing a rapid inflation, and the impact of that inflation is being felt by the motherships fleets. Factory ships are an expensive luxury, and the cost of operating those ships remains fairly constant during periods of good and bad catches. Small catches in 1972 and the prospect of a small run of Bristol Bay reds in 1973 may discourage the high-seas fleet from fishing on the North American runs, and may also prompt the Japanese to reduce the total size of their salmon fleets.

The trend may lead to the eventual dissolution of the Japanese high-seas salmon fleet, but even the most optimistic observers admit that such a dissolution is far in the future.

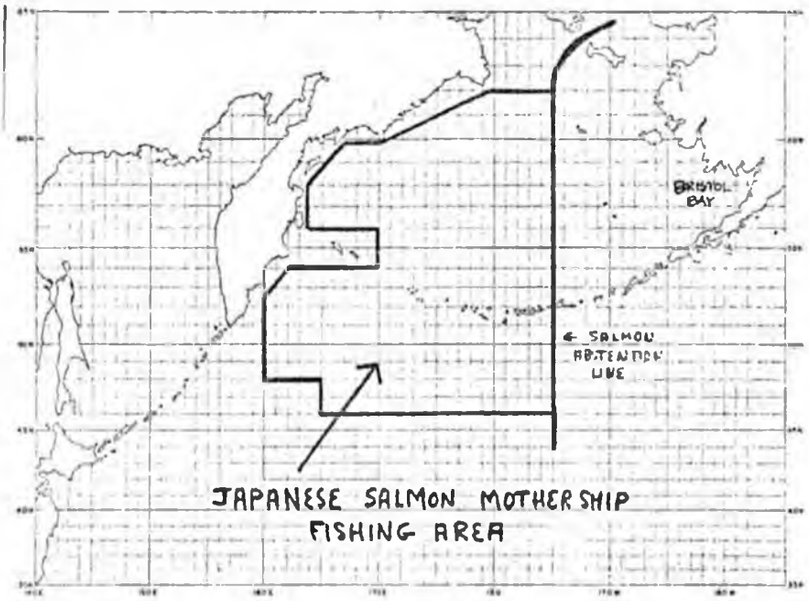
Perhaps as insurance against the time when their high-seas fleets are forced by economics to abandon fishing for salmon, Japanese fishing and processing firms have been quietly buying into U.S. salmon canning companies. This assures them a portion of the North American production, but it also puts them in direct competition with their own high-seas fleets.

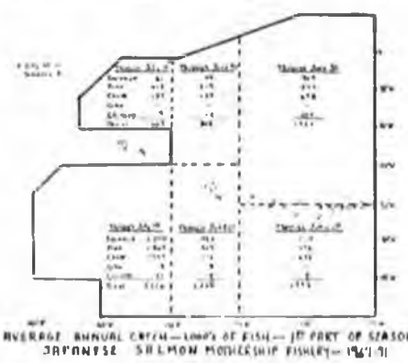
Economic and political considerations of the Bristol Bay situation are only half the problem. The other half involves management of the resource to assure that it provides as many fish as possible to the fishermen while leaving enough to spawn and perpetuate the run. Fisheries management is difficult under ideal conditions, and when the management agency, in this case the Alaska Dept. of Fish and Game, must compensate for an unknown quantity of fish, taken randomly from any of 10 or 11 river systems over a two-year period, the task becomes overwhelming.

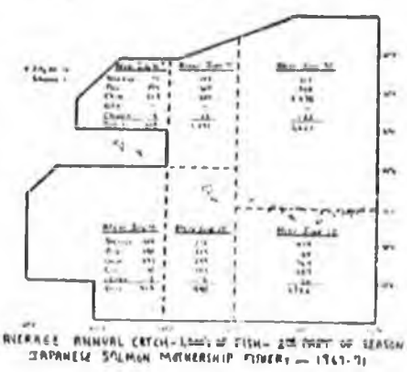
### RIVER MOUTHS

North American fishermen operate at river mouths generally on a single race of fish, so that the run to any given spawning area can be controlled simply by regulating the fishery. When the salmon are caught on the high-seas, however, all races are intermingled, and selective fishing to protect weak runs and crop strong runs is not possible. Thus, it is conceivable that due to high seas fishing, a race of salmon could return in numbers too small to maintain the run at commercial levels, and it would be destroyed as a viable fishery for 20 or 30 years (four to six cycles, assuming a five-year cycle).

Thus the Japanese high-seas fishing fleet is a threat not only to the livelihood of Alaskans who fish Bristol Bay, but perhaps to the very existence of the salmon as commercially exploitable resources.





AVERAGE ANNUAL CATCH — [illegible] OF FISH — 1ST PART OF SEASON
JAPANESE SALMON MOTHERSHIP FISHERY — 1961-71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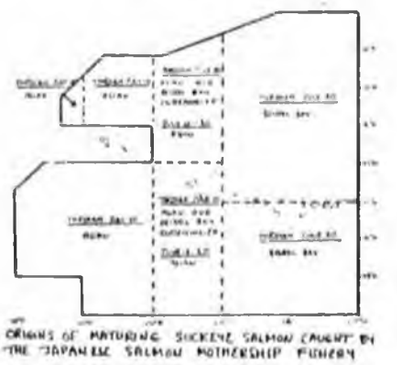
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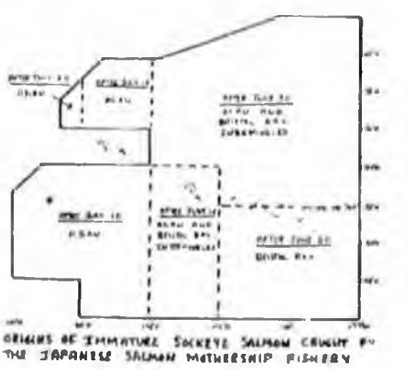
ORIGINS OF IMMATURE SOCKEYE SALMON CAUGHT BY THE JAPANESE SALMON MOTHERSHIP FISHERY

CHARTS BY R.A. FREDIN

## Atlantis

(Continued from page 16-A)

will allow her to make a quicker turn around, although it may sacrifice some carrying capacity.

The vessel will fish with a Northern Line No. 312 hydraulic seine winch and her hauling, corkline and powerblock-hoist winches are also Northern Line. Gearmatic winches will be used for topping both the main boom and the hauling boom, as well as for the vang and choker winches.

Her Marco powerblock is the 48" series.

Atlantis' electronic package is the standard tunaboat group. She has two Kelvin Hughes radars, two Furuno depth sounders (one a fish finder), a Raytheon single sideband radio and an emergency set, two Intech VHF radios and a Courier citizen's band radio.

# h. Line Strangling Bristol Bay Fishery

## *ast Numbers on West Of It*

I. Philips
ditor

ka Governor William Egan is ith his proposal to dam off nvert the rich Bristol Bay ocked kokanee which never re not vulnerable to Japanese

**R.A. FREDIN . . .**
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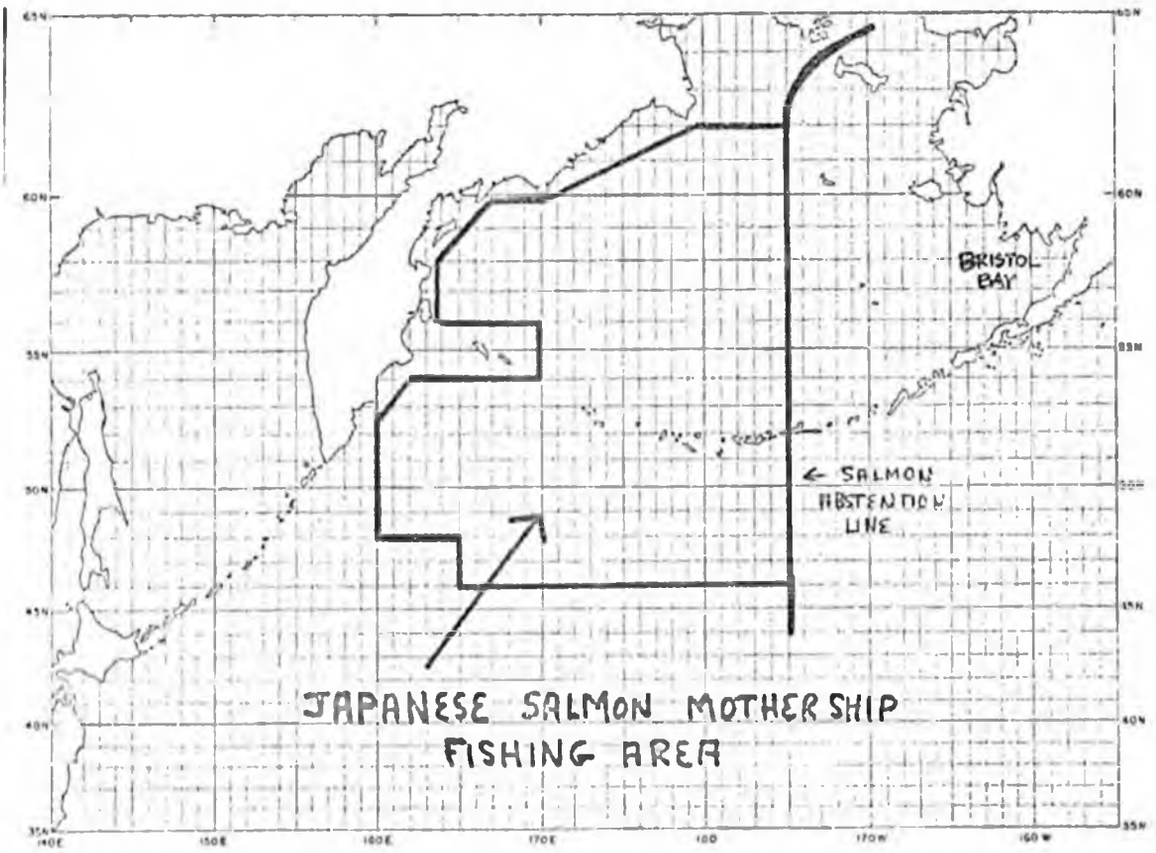


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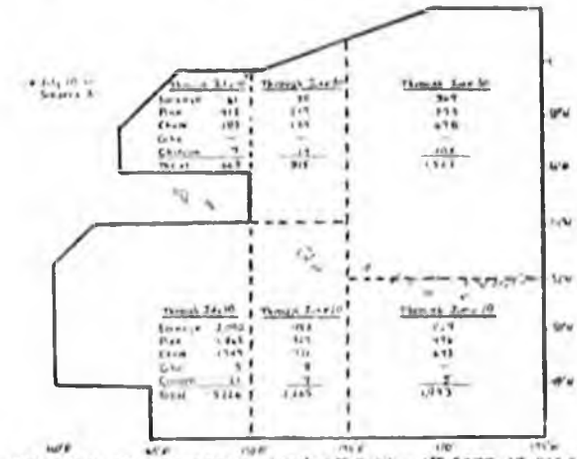
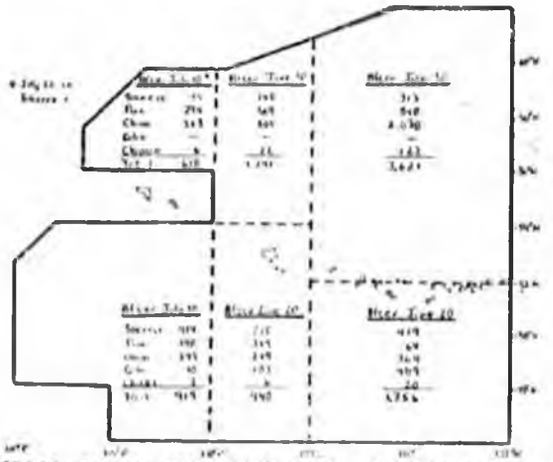
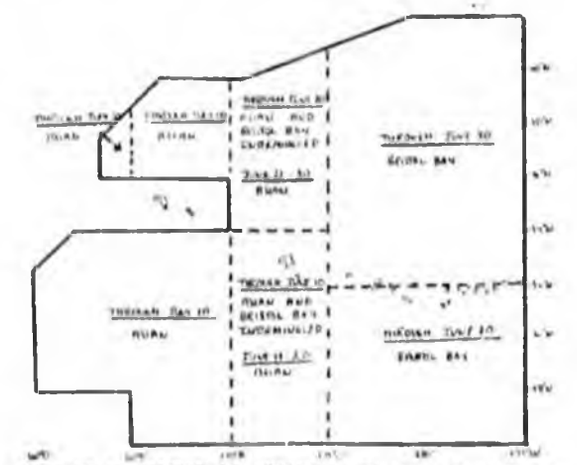


AVERAGE ANNUAL CATCH — 1,000's OF FISH — 1ST PART OF SEASON JAPANESE SALMON MOTHERSHIP FISHERY — 1967-71



AVERAGE ANNUAL CATCH - 1,000's OF FISH - 2ND PART OF SEASON JAPANESE SALMON MOTHERSHIP FISHERY — 1967-71



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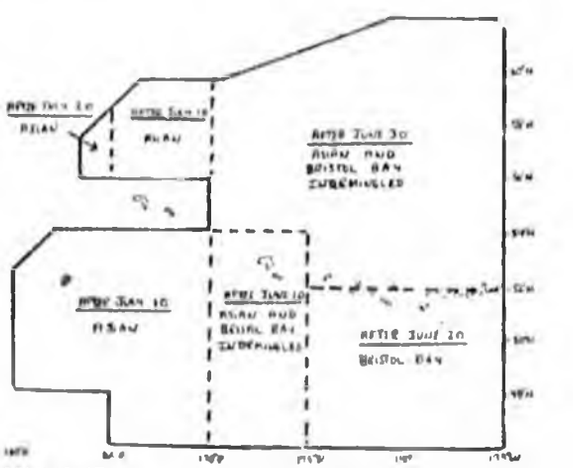

ORIGINS OF IMMATURE SOCKEYE SALMON CAUGHT BY THE JAPANESE SALMON MOTHERSHIP FISHERY

CHARTS BY R.A. FREDIN

Japanese high-seas salmon fleet, but even the most optimistic

river systems over a two-year period, the task becomes

FISHERIES 2-2-2-

It is fundamental that competent state authority enunciate this over-all policy which means either a legislative enactment or a statement from the administration with legislative acquiescence.

One feature in Governor William Egan's entry limiting proposal presently before the state Legislature (Senate Bill 39) adds a special urgency for a policy declaration. That feature concerns the proposed functions of a projected Alaska Commercial Fisheries Entry Commission.

It would be endowed with powers of exceptional magnitude. Their exercise would effect the economic well-being of literally thousands and the flow of literally tens of millions of dollars annually.

The guidelines for the commission's operations are so broad and, in some places, subject to differing interpretations that they imply a practical delegation of policy-making powers. The proposed legislation describes its intended function as "regulatory and quasi-judicial," but there would also have to be substantial "quasi-legislating" or policy-making by the commission as an initial step to "regulating" or to "quasi-adjudicating" in order to obtain an effective limitation of entry into fisheries.

Even if this is a politically acceptable situation it still leaves opportunity for a challenge of its legal validity. An adequate policy statement could remedy this.

An instance of the vagueness of SB 39's policy intentions concerns its prescribed "standard" (as set forth in Section 16.43.160) "to sustain a professional fishery."

Definition of this term, which is not contained in SB 39, will require a hefty measure of policy-making, especially considering that variants will obviously be needed in order to fit the vastly differing fishing regions of Alaska and the several "species" fisheries of the state.

Consider this:

SB 39 is to apply exclusively in salmon fishing. Problems in other harvesting enterprises — king crab, herring shrimp and maybe halibut if international controls do not intervene — could receive entry-limiting attention in subsequent legislation but this isn't man-

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FISHERIES 1-1-1-

By JOHN WIESE

THE STATE of Alaska's objectives relating to its fisheries management are obscure.

Or, if they are clear to any governing element, they have not been adequately communicated so that they are intelligible beyond the restricted circle gifted with an appreciation of their intent.

Something that is urgently needed – and needed at this time especially – is an over-all fisheries policy declaration that will effectively clear the air.

Actually, this has been needed for a long time. But, with state lawmakers currently processing a proposal to limit entry into the utilization of Alaska fish and related marine stocks, it has become imperative that some forthright answers be provided as a preliminary to legislative action.

Answers to questions like these are needed in a policy declaration:

- Precisely what goal or goals are intended from utilization of marine fish stocks in the state?
- From the state standpoint, what is meant by or implied in the term "common property" that is associated with fish stocks? (or, in similar words of the state Constitution, "... Fish ... reserved to the people for common use?")
- What are the priorities (or, as the Constitution says, "preferential uses") that govern state management of marine stocks; and by what processes can priorities be changed?
- Are there, or should there be, policy differences between management purposes in different regions of the state? Between the various marine species? Between marine stocks and upland wildlife management?

The policy statement should also deal with programs inherent with policy implementation.

Recently Elmer Rasmuson, sole member of the International North Pacific Fisheries Commission from Alaska, urged that a specific policy position be formulated by the state as it would concern foreign fishing and boundaries off the state's coasts.

Other marine stock utilization issues are also in need of solutions that a policy-declaration could serve. For example: recreationalists' campaigns for "fairer shares" of salmon fishing; conflicts provoked by non-marine resource utilization or by pollution threats, etc.

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"' ' ' FISH ' ' ' RESERV)E

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EXA)MPLE: EX–

CONFLI)CTS CON–

Of course, an alternative might be for the "professional" salmon fisherman to take his boat and his status to salmon harvesting on Puget Sound, or on the Columbia River, or on the coasts of Oregon or California when Alaska fishing isn't available. In that case he'd be better off making his headquarters in the more southerly extremity of his annual migration because there'd be improved creature comforts there for himself and his family.

This recital about moving Alaska fishermen Outside isn't an Alaskan goal, obviously. And it isn't very likely to be promoted wittingly by any state agency. Nevertheless the recital serves to demonstrate that the subject of limiting entry into Alaskan fisheries is very much concerned with precise identities of items of state policies. And, if a commission to limit entry is going to function like SB 39 projects, it will either need an intelligible set of guidelines defining state fisheries policy – that is, a fisheries policy declaration in principle as a minimum – or the commission will have to devise law as it proceeds and as its convenience dictates.

Such a procedure will necessitate the commission's assumption of "quasi-legislative" powers as well as the "regulatory and quasi-judicial" authorities assigned to it in SB 39.

The problems that impelled a movement toward limiting entry in Alaska's fisheries come in two categories.

The first group arises from strictly economic situations. They relate to the widespread human urge to "get a piece of the action" and to profit from seemingly abundant but often diminishing stocks of high-valued species like salmon, crabs, scallops, halibut, shrimp.

This attraction is complicated with secondary factors that fringe on the economic but which are actually spin-offs with a cultural coloration. Occurring mostly with salmon harvesting in Alaska, a major instance (but not the only one) are the large numbers of individuals fishing to enjoy a diversion or escape from the confining humdrum of an "eight-to-five" routine of another occupation or sometimes seeking contentment in a living standard that is nowadays regarded as substandard.

The second category of problems

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datory, according to Governor Egan's dissertation that accompanied the bill when it was dropped in the legislative hopper.

"Other important fisheries," the message said, "... may require their own limited entry programs."

This and other language in the governor's message and in the text of SB 39 speaks to the concept that the harvesting of each Alaskan fish species constitutes "a fishery." Does this mean that, as a matter of policy, the state regards it as a valid goal that each such activity shall be an independent "fishery" to be treated without co-ordination with other marine harvests? Has the idea of working to attain diversified industry in fisheries as a means of securing broader employment with a wider spread of operating costs for improved stability been abandoned by the state? If so, how does this shift fit with the pattern of many of the state's best fishing communities and with the trend in the processor-marketer segments of fisheries?

Also, might it not be actual retrogression to "promote" a "professional" fishery in salmon because this tends toward fishermen's personal earnings as well as costs recovery for equipment deriving independently and exclusively from short-termed annual salmon availability?

If it is to be a "professional fishery" it must certainly then be one that yields ample returns from these short-lived salmon seasons to meet operating costs on a stabilized basis plus personal earnings sufficient for a year's living expenses, presumably at a "professional" level.

(An annual "professional" income is usually regarded as $14,000-$15,000 a year and up; a recent study of Alaskan fishing returns showed individual returns – not net incomes but gross returns from fish – to have averaged only about $3,300 a year!)

The typical Alaska region's salmon harvesting time lasts for only about six weeks a year. In some localities it exists for as long as four months with marginal-volumed fishing preceeding and following peak intensities in July and early August; but for practical purposes only a very few "professionals" would find periods for profitable fishing for seasons longer than six or eight weeks.

MES)SAGE MES–

GOVER)NOR'S GOV–

HARVESTIN)G HARVEST–
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FISHERIE)S¾

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EARNI)NGS EARN–
EXPENS)ES' EX–

RETURN)S RE–

MARGINA)L–VOLUMED M

What is needed is a statement that makes it clear what it is the state intends to derive from its fish resources and from the regulation of the harvests of its resources. It is no longer sufficient for popular or political purposes to take refuge in the broad and lofty terms of the state Constitution; their specifically applied intents and purposes are needed.

The message that accompanied SB 39 to the Legislature attributed the major menace of the excess of salmon harvesters to the fishery being "taken over increasingly by moonlighters, sports-commercial, and part-time hobby fishermen." In this recitation is a direct implication of an onus contained in such less-than-"professional" motivations for fishing, as though the individuals involved are guilty of actions that are immoral or at least socially unsavory.

But, without a specific policy commitment in law against "moonlighting" — and especially considering that state actions constantly invite or induce use of wildlife resources for diversions from other occupations — the tone of this presentation is contradictory.

There should be no question that moon-lighting and hobby-fishing have added serious complexities to the economics as well as the biological management of salmon fisheries. Nor should there be serious doubt about needs for limiting entry.

However, the appropriateness of delegating the making or altering the state policy that frequently is synonymous with law to a three-man commission without ample gudelines is something else. It wants careful examination before it is accepted as t 'ly proper.

Senate Bill 39's purposes are recited as "to promote the economic health . . . of commercial fishing" and "the conservation and sustained yield management of Alaska's fishery resources," as well as "to prevent economic distress among fishermen." The terms are from portions of the state Constitution.

Other parts of that document dictate that "it is the policy of the state to encourage . . . the development . . . of its resources by making them available for maximum use consistent with the public interest . . .



bolstering a drive for limited entry is really political in the sense that economic and related complexities of fishing have generated excessive difficulties for a bureaucracy charged with regulating the harvests of publicly-owned resources, or, "common" property." It does not simplify this obligation that the dominating principle for this assignment has been accepted, as a matter of priority, as having been "sustained yield" in a rigid formula that disregarded human foibles.

The efforts of government conservationists to regulate the harvesting activities of constantly increasing fishermen types and also trying to maintain their equilibrium in spite of parochial pressures that are often vicious and erupt with accelerating frequency is now regarded as no longer feasible. The traditional "management tools" like restricting harvesting to smaller boats, shorter nets, catch quotas and other efficienty-curtailing devices have not been enough to get the job done.

Remedial alternatives in the Alaska salmon scene concentrate on either the view that "there are too many fishermen for the salmon" or the view that "there are not enough salmon for all would-be fishermen," depending on what partisan element is doing the analyzing.

The "not-enough salmon" enthusiasts urge remedy by embarking on programs they hope will make more salmon. The others call for limited entry which means activating one scheme or another for discriminating between actual or potential fishermen. And some elements advocate a mixture of the two.

However, there is an almost total lack of co-ordination between various proposals which is the obvious product of the absence of an over-all fisheries policy in the state.

It is really not quite true that Alaska has no fisheries policy. There has been a "de facto" policy that is based on tradition, on fragmented legal pronouncements, and too often on partisan political convenience. Even this "de facto" policy has never been in' gently set forth in necessary defini... terms and, besides being obscure, it is constantly being "interpreted" in conflicting and contradictory ways.

FISHERIES 8-8-8-8-8

This entry-limiting will be the function of its proposed Entry Commission. The bill described the mechanics for commission workings and how the agency will be established in rather elaborate details, including the requirement that the three commissioners shall have qualifications like, one a commercial fisherman (or ex-fisherman) from Alaska, one a "fisheries management specialist" (presumably a Fish & Game staffer), and one an "attorney licensed to practice in Alaska." More legal expertise is assured with provision that the Alaska attorney general shall be legal counsel for the tribunal.

Powers of the Entry Commission would be the establishment of maximum fishing gear volumes for the various regions of Alaska, the establishment of fishing gear permit qualifications for individuals, permit issuance including collection of annual fees of $50 for each permit, arrangements for interim permits and for transfers as well as prescribing regulations and procedures for administration of commission functions.

One section of SB 39 prescribes that the commission shall set fishing gear volumes of effort so that 1) the "income to fishermen . . . is adequate . . . to sustain a professional fishery;" 2) the volume of gear in use does not pose "a substantial risk of impairing sustained yield; 3) there is enough gear in operation "to fully harvest . . . the fishery resources;" and, 4) so that the volume of fishing gear "is reasonable and consistent with purposes" of SB 39.

Provision is also included in the bill for commission to cut or to raise fishing efforts in case of changes in fish stocks, or if market conditions warrant, or if Fish and Game Board regulations induce altered over-all volumes of effort. The bill expresses the idea that if permit holders are required to surrender their fishing "rights" they should be compensated for the losses.

Holders of permanent permits are recognized as having "a personal right" in their status as exclusive fishermen – or, as one of the cadre of fishermen with exclusive status within prescribed areas – and also "a permanent right of renewal."

Employe fishermen would be a different status because they are not required to hold permits.

FUNCTI)ON F

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FISHERIES 7-7-77-7-

"The Legislature shall provide for the utilization, development and conservation . . . for the maximum benefit of its people. . .

". . . fish . . . are reserved to the people for common use.

"Fish . . . belonging to the state shall be utilized, developed and maintained on the sustained yield principle subject to preferences among beneficial uses. . .

"No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the state. This section does not restrict the power of the state to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aqua-culture in the state of Alaska."

Also applicable to resource management is, "Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation." And there are other "equal rights" and "due process" parts that also bear on doctrines the effect fisheries policy.

When statehood was accorded to Alaska by Congress there was a proviso that forbade the transfer of management controls from federal to state authorities until assurances were obtained that legislation "has made adequate provision for the administration, management, and conservation of resources in the broad national interest." This might be construed to be a virtual amendment to the state Constitution, especially since it was accepted as a condition of statehood by a referendum of Alaska voters.

What all of these things, plus an added body of national and international law, obviously do is provide constraints on actions by Alaska in its fisheries policy notions, including on notions advanced as proposals by individuals. But they do not provide an answer to state or individual goals as such. Generally they spell out what must not be permitted but they do not help much with determining what will be done.

SB 39 sets forth that it will be "stabilizing the levels of participation" of fishermen. In other words it will limit entry into fisheries, starting with salmon harvesting.

CONSERVATI)ON ''' FOR CO

PEO)PLE

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GOVERNI)NG GOVERN–
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MANAGEMEN)T MANAGE–

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ACCEPTE)D

INTERNATION)AL INTERNA–

INDIVI)DUALS' IN–

Arrangements for transferring permits through the commission are also included in the proposal. There is, however, a requirement that permit holders must be working fishermen who are active in operating the gear they have been permitted. This should provide a ban against accumulation of permits that might perpetuate fishing rights into property rights or their equivalent in massive amounts.

SB 39's Section 16.43.200 sets up what guidelines there are for the Entry Commission's discriminating between permit applicants responsibilities. The commission is to frame its own regulations for this function "for each administrative area and for each type of gear."

Such regulations are to define "reasonable priority classifications . . . based on a reasonable balance of . . . 1) degree of economic dependence upon the fishery, 2) extent of past participation in the fishery, and 3) present ability and intent to participate actively in the fishery."

"Priority classification . . . means the allocation of potential or actual permit applicants into reasonable groupings of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the statuatory standards of preference."

More questions are raised by provisions like this (and others in SB 39) than are answered. They emphasize the need for a realistic declaration of Alaska fisheries policy from the state's position. It is needed as a minimal prelude for enacting the substance of SB 39 into statuatory law, and it is needed just about everywhere else in the Alaska fisheries resource management scene.

HOW)EVER' HOW–

REGULATI)ONS REGULA–
ADMINI)STRATIVE AD–

"REASO)NABLE "REA–

FISHE)RY' FISH–

ACC)ORDING AC–

PREFE)RENCE"' PREF–

PROVISI)ONS PRO–

POSITIO)N' POSI–

John Wiese
2140 SUNRISE DRIVE
ANCHORAGE, ALASKA
99504

January 31 1973

The Committee on Resources
c/o Joe McGill, chairman
House of Representatives
Juneau, Alaska 99801

Dear Joe:

The next issue of ALASKA INDUSTRY includes the article attached. It is in proof form. The subject matter bears directly but not exclusively on SB 39 and the matter of limited entry into the Alaska fisheries.

I am sending your committee this advance copy for the dual purpose of informing you of the views expressed in it and also to invite comments for future publication.

There are several points directly concerned with "limited entry" that I did not press in the attached article because of current space requirements but I intend to treat on them in future writings. Like:

* More consideration should be given to simultaneously arranging entry limitation in other (than salmon) species harvestings. Has consideration been directed toward the possible encouragement of utilizing potentially valuable stocks through conditions that might be imposed with limited entry? An incentive, for example, such as "Get into a new pollock fishing deal and you'll get extra consideration in permission for salmon fishing?"

* As long as fish are common property and there is a need to restrict their being harvested (for social and/or biological reasons) can a "right" (as different from "privilege") to harvest be handed out, especially if it resembles a "property right" of enduring characteristics? Isn't a ban still against this in the Constitution? Also, how consistent is it to regard commercial fishing as a "right" whereas using the public roads for vehicular traffic is a "privilege" as distinct from a "right" in Alaska law?

* Is it entirely reasonable to be concerned exclusively with the harvesting sector of fisheries enterprizes without, as a minimum, taking cognizance of effects it is certain to exert in the processor-marketer sector which will require at least regulatory attention?

* As a totally practical political consideration ("political" in this sense not intended to reflect "party" partisanship exclusively) will it be wise to restrict membership on the Entry Commission as narrowly as proposed? It's my conviction that this will be really asking for future troubles, considering especially that radical changes are in process in all fisheries affairs as well as in all natural resource (publicly-owned) utilizations.

Sincerely,

John Wiese

H-5 (15)

Director .....
Asst. Dir. .....
Field Sup. .....
H. D. Sup. .....
JUN 2 1971



the provisions of the contract shall be awarded to one of the parties, the prevailing party, whether he is the party specified in the contract or not, at trial or on appeal, shall be entitled to reasonable attorney fees in addition to costs and necessary disbursements.

(2) Attorney fees provided for in a contract described in subsection (1) of this section shall not be subject to waiver by the parties to any such contract which is entered into after the effective date of this Act. Any provision in such a contract which provides for a waiver of attorney fees is void.

(3) As used in this section "prevailing party" means the party in whose favor final judgment or decree is rendered.

(4) As used in this section "contract" includes any instrument or document evidencing a debt.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

## CHAPTER 203

### AN ACT [HB 1328]

Relating to privately operated chum salmon hatcheries.

**Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) The commission may issue a permit, subject to such restrictions and regulations as the commission deems desirable, to any person to construct and operate a chum salmon hatchery.

(2) The application for a permit to construct and operate a chum salmon hatchery shall include an application fee of $100.

SECTION 2. (1) Prior to issuance of any permit by the commission, a public hearing shall be held. Notice of the hearing shall be published at least once and at least 10 days prior to the hearing in a newspaper of general circulation in each of the counties in which the hearing is to be held, or if no such newspaper is published in that county or counties, then such a newspaper in an adjoining county.

(2) The hearing shall be conducted by either the commission or a representative designated by the commission.

(3) The commission shall notify the State Game Commission prior to any public hearing and shall obtain their recommendation on the proposed private hatchery.

SECTION 3. No permit shall be issued:

(1) Which may tend to deplete any natural run of anadromous fish or any population of resident game fish.

(2) Which may result in waste or deterioration of fish.

(3) If the proposed operation is to be located on the same stream or river or tributary thereof on which a state or federal fish culture facility is established or is planned to be established.

(4) If the proposed operation is not consistent with sound resource management and is not in close proximity to the ocean.

(5) If the commission determines the applicant does not have the financial capability to successfully construct and operate the hatchery or may not properly conduct the operation authorized under the permit.

SECTION 4. All fish released under this 1971 Act during the time they are in the wild will be the property of the state and may be taken under angling or commercial fishing laws of this state until they return to the private hatchery.

SECTION 5. Any permit granted by the commission pursuant to this 1971 Act shall contain at least the following conditions:

(1) All propagated fish released into state waters shall as far as the commission determines practical be marked.

(2) Prior to release into state waters, the fish must be subject to examination by a qualified fish pathologist approved by the commission to determine that they are not diseased or infected with any disease which in the opinion of the commission may be detrimental to the state fishery resources. Cost of such examination shall be paid by the permittee. No fish shall be released without written approval from the commission. The commission may require diseased fish to be destroyed. The commission shall not suffer civil or criminal liability for any fish destroyed under this section.

(3) The permittee may be authorized by the commission to divert all fish returning to the stream to an inspection area, the location of such area to be approved by the commission, to examine all fish for the purpose of identifying propagated fish.

(4) Notwithstanding the provisions of ORS chapters 509 and 511, the permittee shall have the right to take for commercial purposes, only those fish the commission determines were propagated by the permittee, and the commission's decision is final.

(5) It shall be unlawful for the permittee to conduct any activity not authorized by the permit or fail to conduct activities required by the permit without approval of the commission.

(6) The permittee shall pay all reasonable costs incurred by the commission as a result of the operation of the private hatchery.

SECTION 6. (1) If the commission finds that the operation described in the permit is not in the best public interest, it may alter the conditions of the permit to mitigate such adverse effects or may cause an orderly termination of the operation under the permit. Proceedings to cause such alteration or termination shall be conducted in accordance with ORS chapter 183. An orderly termination shall not exceed a four-year period and shall culminate in the revocation of the permit in its entirety. During this period the permittee may continue to examine and take specified propagated chum salmon according to the provisions of the permit but may not release additional fish.

(2) If the commission finds the operation has caused deterioration of natural run of anadromous fish or any population of resident game fish in the waters covered by the permit, it may require the permittee to return the fish populations to the same condition that existed prior to issuance of the permit. The State Game Commission may require the permittee to return the resident game fish population to the same condition that existed prior to issuance of the permit. If the permittee fails to take appropriate action, the Fish Commission of the State of Oregon or the State Game Commission may take such action and the permittee shall bear any cost incurred by either commission.



SECTION 7. The commission, after first assuring all natural and artificial fish production needs of this state have been met, including the needs of all federal and other state fish culture facilities located on the Columbia River and its tributaries, may provide at a reasonable fee chum salmon fish or the sexual products therefrom to any person granted a permit by the commission pursuant to this 1971 Act.

SECTION 8. The provisions of ORS chapter 508 shall apply to the taking and sale of chum salmon artificially reared under any permit granted by the commission pursuant to this 1971 Act.

SECTION 9. Nothing in this 1971 Act is intended to give the permittee any equity in any of the waters or fish of the state.

SECTION 10. Nothing in this 1971 Act shall imply an intent to permit commercial fishing in any rivers south of the mouth of the Columbia River except as provided in subsection (4) of section 5 of this Act.

SECTION 11. All moneys received by the commission under this 1971 Act except those under section 8 of this Act shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of costs of administration incurred by the commission in carrying out the provisions of this 1971 Act, that portion of the balance of the moneys in this suspense account as of the end of each fiscal year shall be deposited to the General Fund for general governmental purposes.

Approved by the Governor May 19, 1971.
Filed in the office of Secretary of State May 19, 1971.

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## CHAPTER 204

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AN ACT [SB 345]

Relating to workmen's compensation benefits; amending ORS 656.210; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

Section 1. ORS 656.210 is amended to read:

656.210. (1) When the total disability is only temporary, the workman shall receive during the period of that total disability compensation equal

# POLICIES AND PROCEDURES PERTAINING TO THE OPERATION OF PRIVATE CHUM SALMON HATCHERIES IN OREGON

Fish Commission of Oregon
September 1971

The following policies and procedures have been adopted by the Fish Commission under the authority of Chapter 203, 1971 Oregon Laws, pertaining to private chum salmon hatcheries. The policies apply to all permit holders and will be amended or changed as the Commission deems desirable to protect the resource or to uphold the best public interest.

## General

1. Permits are not transferable. If a permit holder sells his hatchery the new owner must apply for a new permit.

2. The private hatchery operator is responsible for obtaining his own eggs. Source of the eggs must first be approved by the Fish Commission.

3. Eggs at the state hatchery on Whiskey Creek, tributary to Netarts Bay, may be available for purchase by permit holders. We expect a few eggs to be available in 1972 and perhaps up to 3 million in 1973.

4. Eggs, and the resulting alevins, sold to permittees by the state shall not be resold.

5. Under no conditions are eggs and fish to be transferred in any way to waters other than specified in the permit.

6. Surplus chum salmon gametes from fish returning to private hatcheries may be made available to the state and/or authorized operators of other private hatcheries in Oregon. Eggs transported to other locations shall be treated as specified by the Fish Commission pathologist to prevent disease transmission.

7. Pathology examinations shall be conducted by Fish Commission pathologists.

## Purchase of Eggs from Netarts Hatchery

1. Priority among permit holders to purchase eggs from the state shall be according to date application was filed with the Commission (first come - first served). In the case of persons expressing interest before the law was in effect, priority shall be according to date of written interest as filed with the Commission.

2. Term of priority for purchasing eggs will generally be 3 consecutive years. The Commission will make exceptions as it deems desirable.

3. Up to one (1) million eggs will be sold to the first permit holder before selling any to the holder next on the list; and so on down the list. If permit holders do not wish to buy the entire 1 million eggs reserved for them, the state may sell the remainder to the permit holder next in line as part of his 1 million egg quota. If eggs are still available after each permit holder has had a chance to buy 1 million eggs, the procedure will be repeated until all available eggs have been sold.

4. The charge for eggs from Netarts Hatchery shall be $5.00 per female spawned. The basis for this is $2.00 per thousand eggs and an average of 2,500 eggs per female. The eggs will not be counted.

5. Only "green" (newly spawned) eggs will be made available at Netarts Hatchery. Buyers must be willing and prepared to take small lots (10,000 or more) of eggs on a daily basis.

Services Charges

In compliance with Section 5 (2) and (6) of Chapter 203, 1971 Oregon Laws, permit holders shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of private chum salmon hatcheries. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.

2. Pathologist services for examining fish prior to release.

3. Costs resulting from problems requiring Commission action; i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which requires investigation and revision of the permit.

4. An overhead charge of 15% will be assessed against direct costs to cover administrative costs.

The amount charged will be the actual wages (including other personnel expenses), travel expenses, and required supplies. Permit holders will generally be informed of necessary service charges before such services are rendered.

# PRIVATE CHUM HATCHERY APPLICATION

Fish Commission of Oregon
307 State Office Building
1400 S.W. 5th Avenue
Portland, Oregon 97201

Name _____
Last Middle Initial First

Address _____ _____ _____
Street or Box No. City Zip

Phone _____ _____
Office Home

Business (Give name and nature) _____

_____

Location of Proposed Hatchery

Stream name _____

Tributary of (Name of major stream or bay) _____

County _____

Description of Property (Legal description, landmarks, miles from stream mouth)

_____

_____

_____

_____

_____

Owner of Property _____

If leased, duration of lease _____

Proposed Methods (Describe what you plan to do and how you are going to do it.)

Proposed Stock Source

Previous Experience in Fisheries Related Work

What do you expect to do with returning adults? (Describe any agreements you have with fish buyers or other industry representatives.)

Financial Statement

Condition at close of business _____, 19____

## ASSETS

| | | Amount |
|---|---|---|
| 1. | Cash: On hand $_____ In Bank $_____ Elsewhere $_____ | |
| 2. | Notes receivable: Due within 90 days | |
| | Due after 90 days | |
| | Past due | |
| 3. | Accounts receivable | |
| 4. | Deposits for bids or other guarantees: Recoverable within 90 days | |
| | Recoverable after 90 days | |
| 5. | Interest accrued on loans, securities, etc. | |
| 6. | Real Estate: Used for business purposes | |
| | Not used for business purposes | |
| 7. | Stocks and bonds: Listed--present market value | |
| | Unlisted--present value | |
| 8. | Materials in stock | |
| 9. | Equipment, book value | |
| 10. | Furniture and fixtures, book value | |
| 11. | Other assets | |
| | Total Assets* | |

## LIABILITIES

| | | |
|---|---|---|
| 1. | Notes payable: To banks regular | |
| | To banks for certified checks | |
| | To others | |
| 2. | Accounts payable: Not past due | |
| | Past due | |
| 3. | Real estate encumbrances | |
| 4. | Other liabilities | |
| 5. | Reserves | |
| 6. | Capital stock paid up: Common | |
| | Preferred | |
| 7. | Surplus (net worth) | |
| | Total Liabilities* | |

* The amounts shown as "Total Assets" and "Total Liabilities" must be identical.

I declare that I have examined this application, including the financial statement, and to the best of my knowledge and belief it is true, correct, and complete.

(Signature of Applicant) _____

XC - Engineering, Warnick, McGie
12/9/71 mic

December 1, 1971

PRIVATE CHUM SALMON HATCHERY PERMIT

In accordance with the provisions of Chapter 203, Oregon Laws 1971, Keta Corporation, an Oregon corporation, is authorized to construct and operate a chum salmon hatchery on Sand and Jewell Creeks, Tributaries of Sand Lake, in Tillamook County.

The following restrictions shall apply to the construction and operation of the Keta Corporation's private chum salmon hatchery:

1. All of the provisions of Chapter 203, 1971 Oregon laws shall apply.
2. The permit shall be contingent upon getting an approved water right for withdrawing water from Jewell Creek to operate the hatchery.
3. The design of the fish rack and trap, as well as location shall be approved by the commission before the rack and trap are installed.
4. The rack must be attended and the fish trap emptied daily during the entire period the rack and trap are operated. Attention must be given to operation of the facility to prevent theft of fish, to adjust for changing water conditions, and to otherwise prevent damage to fish which might be blocked or trapped.

5. All species of fish caught in the trap, other than chum salmon, shall be placed upstream as promptly and carefully as possible.

6. For three years starting in 1971 chum salmon from the Sand Creek system shall be allowed to be used for hatchery stock as per the following directions:

   a. The first 25 female and 25 male chum salmon which appear at the rack(s) shall be placed upstream.

   b. The next 50 female and 50 male chum salmon may be spawned.

   c. The next 50 female and 50 male chum salmon are to be released upstream for natural spawning.

   d. The next 50 female and 50 male chum salmon may be spawned. This is all the fish that can be spawned and will provide an estimated 250,000 eggs.

   e. If any more chum are trapped they shall also be placed upstream for natural spawning.

   f. During the three years natural stocks are being utilized as hatchery brood stock the fish rack(s) shall be opened on December 1 and no more fish of that run trapped after that date.

7. All carcasses of chum salmon spawned from native stock in 1971, 1972, and 1973 shall be delivered promptly to the Fish Commission for state disposal.

8. A record shall be maintained for the commission of the species, number, and date fish are placed above the trap and of the number of fish which die in the trap or are spawned.

9. One dollar per thousand shall be paid to the State of Oregon for eggs collected from native fish spawned from the Sand Creek system in 1971, 1972, and 1973. To avoid the necessity of counting eggs, a charge of $2.50 per female will be imposed (calculated by estimating that, on the average, each female will have 2,500 eggs).

The amount charged will be the actual wages (including other personnel expenses), travel expenses, and required supplies. The permit holder will generally be informed of necessary service charges before such services are rendered.

Adopted and signed this first day of December, 1971.

FISH COMMISSION OF OREGON

CHAIRMAN

VICE-CHAIRMAN

COMMISSIONER

10. Beginning in 1974 all chum salmon returning to the Sand Creek rack in excess of the greatest number of chum handled during 1971, 1972, and 1973 will be considered as fish produced by the hatchery and may be killed and disposed of by the Kota Corporation.

11. Beginning in 1974 the greatest number of chum salmon that were handled at the Sand Creek rack in 1971, 1972, and 1973 shall be placed above the rack before any fish are claimed and killed by the Kota Corporation.

12. The above restrictions will be reviewed annually by the Fish Commission and desired modifications will be made after consultation with the permittee.

SERVICE CHARGES

In compliance with Subsections(2) and (C) of Section 5 of Chapter 203, 1971 Oregon Laws, the permit holder shall be charged for "reasonable costs" for services incurred by the Fish Commission as a result of the operation of this private chum salmon hatchery. The following services are anticipated; others may arise of an unforeseen or emergency nature.

1. Biologist services for inspecting fish racks and fish sorting devices and procedures.
2. Pathologist services for examining fish prior to release.
3. Costs resulting from problems requiring commission action, i.e., the hatchery operation causes a deterioration of the natural run of anadromous or resident populations which require investigation and revision of the permit.
4. An overhead charge of 15 percent will be assessed against direct costs to cover administrative costs.

CSHB 126

# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE RESOURCES

Joe McGill, Chairman

Hartig, Vice-Chairman
Wilson
Laktonen
J. Miller
Eliason
Randolph
Huber
Naughton
Gardiner
Parker
Guy
Degnan

Bob Christensen
Administrative Ass't.

Diann L. Nelson
Staff Assistant

HOUSE RESOURCES COMMITTEE REPORT

on

CSHB 126

CSHB 126 retains the basic structure and objectives of HB 126, but would require the limited entry commission to utilize a voluntary buy-back program in order to reach optimum levels of gear in the various commercial fisheries. The commission would still proceed area by area and would deal independently with each type of gear. However, instead of making an initial reduction to the optimum number of units of gear, the commission would issue entry permits at the present level of fishing effort and reduce the amount of gear to optimum levels through a voluntary buy-back program. In those fisheries where the present level of gear is acceptable, no buy-back program would be required.

The only exception to this freeze at the present level of effort would be three specifically enumerated distressed fisheries, where an initial reduction to 75 per cent of present gear levels would be permitted. The distressed fisheries enumerated in CSHB 126 are the Bristol Bay drift net and set net fishery, the Cook Inlet drift net and set net fishery, and the Prince William Sound drift net fishery.

The buy-back program would be self-financing. It would be funded by assessments on the holders of entry permits based on a percentage of the value of their annual catch. Separate buy-back funds would be administered for each area and type of gear as required and assessments would be made only on catch values attributable to the entry permit for the given area and type of gear.

The Commission would adopt regulations providing for the purchase of entry permits, and vessels and gear as necessary, until the number of units of gear was reduced to optimum levels. Once the optimum gear level was reached, the buy-back program would terminate for that area and type of gear.

CSHB 126 also makes special provision for establishing the initial number of entry permits in the troll fishery. Rather than issue permits at the present level as with other types of gear, anyone who has licensed and fished troll gear at least one out of the last three years would receive an entry permit for troll gear at the outset of the program. After entry permits have been issued for the troll fishery, it would come back under the general program and be reduced to optimum levels through a voluntary buy-back program. An amendment to the definitions also makes it clear that the commission is to treat power troll gear and hand troll gear separately for the purpose of issuing entry permits.

A new section was added providing for the emergency transfer of entry permits. This will allow the temporary transfer of a permit when sickness, injury, or other unavoidable circumstance temporarily makes it impossible for a holder to fish his gear.

During deliberations on HB 126 the possible problems resulting from the transfer and sale of entry permits were considered at some length. Concern was expressed that the free transferability of entry permits might result in a pattern of economic coercion against fishermen holding permits. Fear was expressed that the general lack of adequate financing for fishermen, particularly in some areas of the state, might make it possible for those providing financing to indirectly control entry permits to some degree.

Certain safeguards against the abuse of the transfer provisions were contained in HB 126 and have been retained in the committee substitute. Entry permits cannot be held by corporations, and can only be fished by the holder. Entry permits cannot be pledged as security for loans or taken pursuant to judgement. To these protections, CSHB 126 has added a special protection for low-income fishermen. When a fishermen whose family income is below federal poverty guidelines receives an entry permit, he may avoid the $50 annual fee for five years by electing to take his entry permit subject to a five-year prohibition on transfer.

These special fee provisions should help low-income fishermen in two ways. First, it will remove the opportunity for economic coercion aimed at taking their entry permits away from them. Second, it will remove the direct economic burden of the $50 annual fee.

One more major amendment was included in CSHB 126. HB 126 applied only to the salmon fishery. The committee substitute would allow the commission to designate the specific fishery resources to be subject to limited entry. This would enable the commission to extend limited entry to other fisheries such as the crab and shrimp fisheries without additional legislation.

In addition to the major changes discussed here, CSHB 126 contains several clarifying and consolidating amendments which should improve the basic approach and procedures set forth in the initial bill.

Joe McGill, Chairman
House Resources Committee

SB 39

# ECONOMIC AND ADMINISTRATIVE ASPECTS OF SENATE BILL NO. 39

- Dr. George W. Rogers -

The purpose of this memorandum is to present the Special Senate Fisheries Committee with a very preliminary and tentative analysis of some of the more important economic and administrative implications of the most recent (March 22, 1972) version of the Committee Substitute for Senate Bill No. 39 regulating entry into Alaska commercial fisheries. The narrative analysis presents a general impression of the technical and administrative tasks which the Alaska Commercial Fisheries Entry Commission will deal with in implementing the provisions of this bill, and the statistical analysis and tables provide very general guidelines for this Committee in evaluating the probable magnitude of the employment, income and other measureable impacts.

At the outset the limitations of the report should be clearly understood. This is in no way a substitute for the sort of detailed studies and evaluations needed, but is a quick survey of only a selection of the most basic provisions utilizing readily available data or estimates. It represents the part-time effort of one person for approximately four and a half days (March 21 through 25). Time did not permit consideration of alternative approaches and data or consultation with others.

Even during this brief period the bill underwent continuous revision requiring basic changes in my interpretations. (The substitution of the word "optimum" for "maximum" is one obvious example.) For this reason any references to the bill in the text are identified in parentheses so the reader may check for further changes. In short, this is a preliminary reconnaissance and any statements or conclusions are subject to future revision based upon further consideration or action by the Committee in drafting the bill.

Not all aspects of the bill have been covered. The administrative and economic analysis is general and applies only to the general process of the Committee in establishing specifications for entry permits (definition of area, gear, species), determining the optimum number of permits to be issued in each fishery, classification of applicants for permits and estimating the financing and administration of the buy-back program. Time did not permit consideration of a number of important qualifying provisions in the bill, an exploration of economic implications of transferability, or a comparative evaluation of other bills and proposals.

Only two sources of data were drawn upon: the Governor's Study Group on Limited Entry, A Limited Entry Program for Alaska's Fisheries (referred to below as the Governor's study) and Institute of Social, Economic and Government Research, A Study

of the Socio-Economic Impact of Changes in the Harvesting Labor Force in the Alaska Salmon Fishery (December 1972) prepared for the National Marine Fisheries Service (referred to below as the ISEGR study). More recent statistical data is available, but would require several weeks of clerical work to extract, compile, and analyze and these two sources are considered to be recent enough (1970 and 1971) for present purposes. Where critical data was not available in these sources, proxy data was used (e.g. the use of actual harvest data for allowable harvest data) or estimates were made. An adequate data base would yield somewhat different results, but in my judgement (which could also be in error) the general conclusions arrived at would not differ significantly. The most the Committee should expect from this quick survey are "ballpark" estimates which are far from adequate for implementing any programs, but which are useful in defining the broad nature and probable magnitude of impacts from these programs and getting their implications into perspective.

Basis for Establishing Entry Permits -- Fisheries, Administrative Areas, Gear

The purposes to be served by the proposed Alaska Commercial Fisheries Entry Commission are promotion of the "economic welfare of fisheries of the state, the overall efficiency of the harvest, and the sustained yield management of the fishery resource" by means of "regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination and without unreasonably and seriously curtailing economic opportunities." (Section 10)

The device to be used in promoting these purposes is an entry permit which is characterized as a "use privilege which may be modified or revoked by the legislature without compensation" and is to be treated as a form of "intangible personal property" by the holder (Sect. 230 (e)(f))

After January 1, 1974, no person (including partnerships and corporations) may operate gear in the commercial taking of a fishery resource without an entry permit (or interim-use permit) issued by the Commission. Each permit represents a unit of gear (not a fisherman) and is limited to the use of a specific type of gear in a given fishery and administrative area (Sect. 180).

It is purposed that all commercial fisheries in the State are to

bs subject to this regulation, but for purposes of this analysis the species considered are limited to salmon. These fisheries not only appear to be the most seriously threatened and are the most important commercially, but the greatest amount of relevant data are available for them in the two studies referred to above. Time did not permit generation of additional data for consideration of other fisheries.

Administrative areas are to be established by the Commission which are suited to the regulatory purposes of the act and "reasonably compatible" with geographic areas used in the regulations of the Board of Fish and Game (Sect. 150). For present purposes, the regions established in the ISEGR study and used in Part 3 of the Governor's study are taken as the administrative areas (Figure 1). These are combinations of salmon net regulation areas and management areas into geographic areas which in the judgement of the investigators represented identifiable local economic areas. The Commission may establish a different set of areas, of course, but these do meet the requirements of the act in providing the framework for relating the resource management areas (reflecting the resource sustained yield concerns) to the larger socio-economic areas of first impact (reflecting the welfare and economic concerns).

Type and unit of gear are defined in regulations of the Board of Fish and Game (Sect. 340, (5), (8) (9), but this analysis will

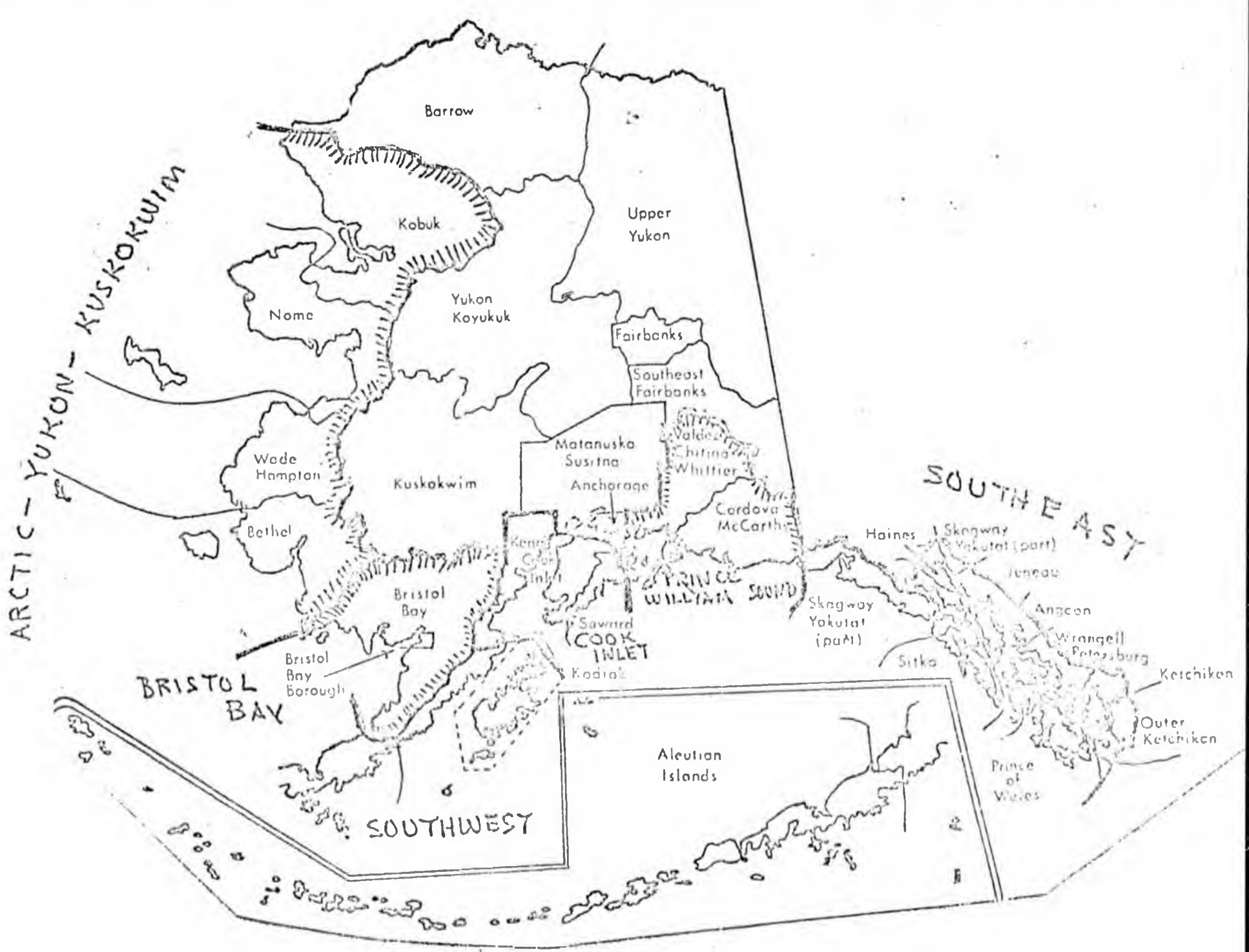


FIGURE 1 -- SUBAREA REGIONS AND 1970 CENSUS DIVISIONS

be limited only to salmon purse seines, drift gill nets, set gill nets, power troll gear and hand troll gear. The numerical and catch importance of other gear (such as beach seines, traps and fish wheels) are such that they can be ignored for the present.

Some indication of the differences in the nature of the salmon fisheries in each area is given by the relative composition of the harvesting labor force by type of gear fished (Table 1) and of the area economies by the industrial composition of their total work force (Table 2).

TABLE 1

RELATIVE SALMON FISHERMEN EMPLOYED BY ADMINISTRATIVE AREA OR TYPE OF GEAR, JULY 1970

| Administrative Area | Purse Seine | Drift Gillnet | Set Gillnet | Troll | Other * |
|---|---|---|---|---|---|
| | (Percentage of Total Fishermen) | | | | |
| Southeastern | 60.3 | 10.9 | 3.4 | 25.2 | 0.2 |
| Prince William Sound | 77.8 | 19.8 | 2.1 | 0.3 | - |
| Cook Inlet | 13.0 | 65.0 | 22.0 | - | - |
| Southwest | 84.5 | 4.2 | 10.8 | - | 0.5 |
| Bristol Bay | - | 71.2 | 28.8 | - | - |
| Arctic-Yukon-Kuskokwim | - | 36.4 | 62.7 | - | 0.9 |

* Beach seines, traps, fish wheels

Source: ISEGR Study, Volume 1, page 31

TABLE 2

INDUSTRIAL COMPOSITION OF ADMINISTRATIVE AREAS

TOTAL EMPLOYED WORKFORCE, CALENDAR YEAR 1970

| Administrative Area | Commercial Fishing (All Species) | Other Commodity Producing Industries (a | Government (b | Distributive Industries (c | Unclassified and Other (d |
|---|---|---|---|---|---|
| | (Percent of Total Employment (e) | | | | |
| Southeastern | 4.9 | 20.7 | 37.5 | 30.0 | 6.9 |
| Prince William Sound | 11.4 | 16.6 | 37.0 | 23.2 | 11.8 |
| Cook Inlet | 5.0 | 31.6 | 20.4 | 28.4 | 14.6 |
| Southwestern | 9.5 | 14.3 | 61.0 | 12.2 | 3.0 |
| Bristol Bay | 20.5 | 30.9 | 34.5 | 9.2 | 4.9 |
| Arctic-Yukon-Kuskokwim | 3.9 | 10.4 | 54.0 | 28.3 | 3.4 |

a) Food processing (primarily fish), other manufacturing, mining, construction, agriculture

b) Includes members of the armed forces

c) Transportation, communications, utilities, trade, services, etc.

d) Self-employed and non-paid family workers, other than fishing and agriculture

e) Based on twelve-month averages for year

Source: ISEGR Study, Volume 1, page 28

Determining the Number of Entry Permits

The optimum number of entry permits for each type of gear within each fishery and administrative area are to be determined annually by the Commission in accordance with three standards reflecting the efficiency, economic welfare, and management purposes of the act (Sect. 160 and 170). The very recent substitution of the word "optimum" (i.e. best or most favorable) for "maximum" (i.e., the greatest number possible) in this section and elsewhere is a significant amendment. Because the three standards are related to different purposes, the number of units of gear calculated will differ, the "best" (not highest) result being the "optimum" to be used as a basis of issuing permits. The determination of "best" goes beyond simple arithmetic exercises to which this analysis is limited.

(1) The first standard is that the number of units of gear be sufficient to maintain a "financially healthy fishery" and "result in a reasonable average rate of economic return" to participating fishermen. "Fishery" is defined in terms of species, type of gear, and area (e.g., the Bristol Bay salmon drift gill net fishery). There is some ambiguity, however, as to the meaning of "participating fishermen." As used in the ISEGR Study and in parts of the Governor's study this would mean all persons engaged or employed

in the harvesting of fish (i.e., gear operators, crew members, net handlers, etc.) and in annual catch and production reports of the Department of Fish and Game it means all persons holding commercial fishing licenses. There is a suggestion in the third standard (Sect. 160 (a) (3)) that this meaning is intended, but the overwhelming impression elsewhere is that "participaing fishermen" is limited to the vessel or gear operator, or the holder of the gear entry permit. For the present analysis, the last meaning (gear or vessel operator) is accepted for the first two standards and the first meaning (all persons employed) for the third standard. It should be noted that the conclusions arrived at, however, would be significantly different if the broader definition were used in all standards.

"Financially healthy fishery" is defined as one in which the participating operators are financially able to maintain and improve their gear and vessels and are free from economic pressure to violate laws and regulations. The first element of this definition can be established by the Commission on the basis of surveys of participants (or a sample of participants) in each fishery to determine the actual cost of maintaining and replacing their vessels and gear

and their judgement as to how much more would be required to afford a margin to cover the risk of experimentation with new and possibly more efficient gear. The resistance to the temptation to violate law and regulation would be a function of the total economic well-being of the participants in the subject fishery. A basis for this can be provided by the Department of Revenue in the form of a compilation for each fishery of pertinent data extracted from state income tax filings made by all persons holding entry permits or gear licenses.

It is assumed that the reference to a "reasonable average rate of economic return" (emphasis added) means the adjustment up or down in the average actual net income received by all gear operators in each fishery required to equal a combination of a reasonable rate of return on investment in vessel and gear (as determined by the current commercial interest rate or similar measure) and a reasonable return for labor expended (as determined by current wage rates in comparable employments). The Commission will be exercising an element of subjective judgement in its determination of what is "reasonable", but once the appropriate interest and wage rates are selected the remaining calculation can be made from data compiled

to meet the other standards in this section.

It will require several months of intensive work by the Commission staff to generate the necessary data for the initial application of this standard to the determination of the optimum number of permits. This brief analysis, therefore, makes no attempt to approximate this. The general observation can be made, however, that in almost any conceivable case, it would tend to reduce the number of entry permits below that arrived at by application of either of the remaining standards. In the absence of these further qualifications, the logical and final outcome of the exclusive application of this "financially healthy" standard would be the creation in each fishery of a relatively small elite group of well-equipped, efficient gear operators who consistently enjoyed good to excellent levels of income.

The economic return aspects of the standard strongly imply that the benefits of the economic efficiency aspects of the second standard are to be shared among the surviving fishermen and not be passed on as a cost reduction to the processors. This would justify the presence of this standard in the act.

(2) The second standard is that the number of units of gear be sufficient to "fully harvest the [five year] average allowable commercial take of the fishery resource in an orderly, efficient manner based upon sound management techniques." According to the definitions section of the act (Sect. 340 (1)), "allowable take" is determined by the regulations of the Board of Fish and Game and the emergency regulations of the Commissioner of the Department of Fish and Game. By definition it can be assumed that these regulations meet the requirement of "sound management techniques," unless it is intended that the Commission have a review and veto power, which is unlikely.

The Commission is left with responsibility for determining whether the number of units of gear is such as to provide the full average annual allowable harvest of the "fishery resource" in an "orderly, efficient manner." Provision is also made for the issuance of temporary entry permits to harvest peak runs exceeding the five-year average (Sect. 228). This interpretation is made on the assumption that "peak run" refers to the high run of a fishery cycle, not the seasonal peak of the annual run.

Several critical matters of definition are present here.

The allowable harvest is related not to the "fishery" (which is determined by the resource, gear, and area) but to the "fishery resource" (which is determined only by the resource and area and has nothing to do with the form in which the harvest is accomplished). It would appear from the present language of this subsection therefore, that the Commission has the power not only to limit numbers of units of gear but also to shift the harvest from less efficient types of gear to more efficient. It is possible in some areas, therefore, that the number of entry permits in one salmon fishery might be decreased while the number in another would be increased in the interest of increasing the overall efficiency in the harvest of the "fishery resource."

The Commission will have to establish its own definition and measures of "efficiency" in accordance with the nature of each fishery resource and available data. In their study of the Bristol Bay red salmon drift gill net fishery from 1934 to 1959, for example, Crutchfield and Pontecorvo (1969) defined efficiency in terms of catch per fathom of gear licensed and calculated the amount of unnecessary gear in each season by comparing the total number of fathoms actually licensed (their proxy for the amount used) each year with the number of fathoms required to harvest the same catch if the

fishery were operating at its optimum efficiency (in this case the average catch per fathom achieved in the 1942 and 1943 seasons). On the basis of statistics available in the ISEGR Study, the present analysis will define and measure efficiency for each fishery for the period 1966 to 1970 in terms of the average weekly number of vessels or units of gear fishing in the high month of the season and the total catch. The Commission would use a different time period in order to arrive at a better base for determining optimum efficiency (their period should be longer and more current than my data permits) and should use weekly or daily data in order to assure setting the optimum number at a level sufficient to harvest the seasonal peak of each run.

In making the approximate calculations in this analysis, time did not permit a compilation of all of the Board's regulations and the Commissioner's emergency regulations for each fishery resource over the last five years. Instead the actual narvest for the five years 1966 to 1970 is taken as a proxy for this data. These figures will differ from those which the Commission may compile, of course, because different time periods and data are used. If there is indeed general overcapacity in all fisheries, however, it can be assumed that the actual

harvest is a reasonable approximation to the original allowable harvest as amended during the season by the Commissioner.

Table 3 summarizes the results of the analysis of the five-year period, 1966 to 1970, in terms of units of gear registered, fished, and the calculated number needed to accomplish the average annual harvest at the maximum level of efficiency (fish caught per unit of gear) achieved during the period. The difference between gear registered and gear fished is a general measure of non-participation. The difference between the number of different units of gear fished during the total season and the number active during the week of highest landings is one rough measure of the excess gear engaged in each season (i.e., theoretically it should have been possible to accomplish the same harvest with only the number of units required to harvest the peak run). The difference between the number of units fished during the year (the second column of the table) and the units needed at levels of maximum efficiency (the fourth column) is intended as an indication of excess gear in terms of numbers of units used and efficiency of their use. This is the calculation made by Crutchfield and Pontecorvo in measuring the dissipation of economic rent or potential economic

TABLE 3

Gear Registered, Fished and Needed, ~~Average~~ Five Year Average Salmon Harvest By Fishery, 1966-1970

| Fishery (Gear & Admin. Area) | Annual Average, 1966-1970 | | | Units of Gear Needed at Maximum Efficiency |
|---|---|---|---|---|
| | Units of Gear Registered | Units of Gear Fished | | |
| | | During Year | During High Week | |
| **Southeastern** | | | | |
| Purse Seine | 440 | 407 | 368 | 228 |
| Drift gill net | 403 | 329 | 283 | 194 |
| Set gill net | 175 | 130 | 114 | 90 |
| Troll | 2,123 | 1,766 | 794 | 659 |
| **Prince William Sound** | | | | |
| Purse Seine | 201 | 183 | 123 | 127 [a] ~~60~~ |
| Drift gill net | 493 | 400 | 364 | 287 |
| Set gill net | 30 | 13 | 11 | 11 |
| Troll | 17 | 5 | 3 | 2 |
| **Cook Inlet** | | | | |
| Purse Seine | 78 | 71 | 39 | 31 |
| Drift gill net | 619 | 568 | 412 | 234 |
| Set gill net | 683 | 545 | 320 | 197 |
| **Southwest** | | | | |
| Purse Seine | 496 | 440 | 328 | 244 |
| Drift gill net | 123 | 112 | 88 | 73 ~~57~~ |
| Set gill net | 309 | 190 | 144 | 109 |
| **Bristol Bay** | | | | |
| Drift gill net | 1,811 | n.a. | 1,625 | 771 |
| Set gill net | 899 | n.a. | 529 | 336 |
| **Arctic - Yukon - Kuskokwim** | | | | |
| Drift gill net | 572 | 518 | 379 | 302 |
| Set gill net | 664 | 580 | 358 | 226 |

[a] 1969 ~~error~~ not considered. Possible error in data.

n.a. = data not available.

SOURCE: Appendix Tables 1 and 2. ISEGR study Vol. 2, Appendix E.

yield in the Bristol Bay drift net fishery and has been used by other economists in demonstrating the degree of inefficiency present in any free entry fishery.

Although such exercises have been effective in making the general case for limiting entry, their use as a means of implementing such programs can be dangerous because their concept of "efficiency" is unrealistic in practice. Appendix Table 2 of this brief, for example, indicates the efficiency of purse seines in the Southeast area ranged from 63,600 fish per unit in 1966 to 15,900 in 1967 and in the Southwest area from 54,300 fish per unit in 1970 to 8,500 in 1967. Clearly what all of the theoretical models have overlooked is that efficiency is a function not only of the fishermen and gear engaged in the harvest, but the availability of fish (i.e., the year of the harvest in the long-run salmon cycle for each race), sea and weather and other factors beyond human control. The present bill does attempt to take this into account, however, by providing for issuance of additional temporary entry permits to harvest peak runs (Sect. 228) and annual Commission review (Sect. 170). Also when effective control of entry into fisheries is established, the Board and Commissioner will be able to depart from

past impositions of inefficiency upon harvesting as a means of conservation and maintain the maximum allowable commercial take with fewer units of gear.

(3) The third standard would set the optimum number of permits at a level "sufficient to avoid serious curtailment of economic opportunities available to all persons, resident or nonresident, considering other economic opportunities reasonably available to them." (Emphasis added). As already noted above, the application of this standard goes beyond the gear owner or operator (the holder of the entry permit) to include all persons employed in fishery harvesting. The Commission will have to determine for each fishery the total employment generated by commercial fish harvesting, the relative importance of this employment in the total economy (including non-fishing activities) of each administrative area, the general economic health and alternative employment situation in each area (trends in development, unemployment rates, etc.), relative re-employability of displaced worker (through training, relocation, etc.) and the role of fisheries employment in maintenance of different Alaskan life styles (subsistence living, homesteading, pleasure boatings, etc.).

The ISEGR Study was intended to provide a basis for

estimating the employment impact of gear limitations and its social and public program implications. The analytical discussion and extensive statistical data base provided in this study are recommended to this Committee as a reference source.

Table 4 summarizes a very limited selection of social and economic data for each of the administrative areas for the year 1970 to suggest the variation in economic opportunity conditions. The Commission will develop other and more current measures beyond these and will have to arrive at a basis for determining in each area the level at which a contemplated cut-back in units of operating gear will result in decrease in numbers of jobs sufficient to constitute "serious curtailment of economic opportunities." Clearly such determinations are beyond the scope of this analysis, but adjustment in the estimated optimum numbers has been made in the case of Bristol Bay and the Arctic-Yukon-Kuskokwim areas to assure continued participation of those resident fishermen who indicated that fishing was their sole or primary cash employment (source of data in ISEGR Study). These are the areas with the most limited alternative employment opportunities and the least mobile population and workforces in the state.

TABLE 4

SELECTED SOCIAL - ECONOMIC CHARACTERISTICS OF ADMINISTRATIVE AREA POPULATION - 1970

| | Southeast | Prince William Sound | Cook Inlet | Southwest | Bristol Bay | Arctic-Yukon-Kuskokwim |
|---|---|---|---|---|---|---|
| Median income, all families with income | $13,601 | $12,167 | $12,766 | $10,253 | $ 7,284 | $ 5,398 |
| Percent families with income less than 125% national poverty level (a | 10.0% | 14.5% | 10.0% | 13.5% | 39.0% | 54.8% |
| Median years of school completed | | | | | | |
| Males | 12.3 | 12.2 | 12.3 | 12.3 | 9.7 | 6.0 |
| Females | 12.4 | 12.3 | 12.5 | 12.1 | 7.3 | 5.6 |
| Weeks worked in 1969: Percentage males 16 years and over (b | | | | | | |
| 50 - 52 weeks | 52.2% | 39.4% | 50.0% | 63.4% | 39.1% | 23.9% |
| 27 - 49 weeks | 22.7% | 25.8% | 24.5% | 20.6% | 15.7% | 13.4% |
| 26 weeks or less | 16.3% | 23.4% | 16.6% | 11.9% | 37.2% | 47.3% |
| Did Not Work | 8.8% | 11.3% | 8.9% | 4.1% | 8.0% | 15.4% |
| Fisheries employment as Percentage Total of Civilian Employment | | | | | | |
| Annual Average | 5.1% | 11.7% | 5.1% | 17.7% | 25.3% | 4.4% |
| Month of July | 13.7% | 25.1% | 20.3% | 30.5% | 40.4% | 16.2% |

(a National poverty line for all families = $3,388.

(b Includes members of armed forces

Source: ISEGR Study, Volume 2, Appendix B

For purposes of this brief, hypothetical optimum numbers of entry permits have been calculated for each salmon fishery giving some consideration to each of the three standards in Section 160 of the bill. This was a modification of the calculated units of gear needed at maximum efficiency in Table 3. The first standard (achieving a financially healthy fishery) was reflected in adjusting the numbers in each fishery to bring the average dollar earnings per unit of gear to the highest level for each gear and the third standard (economic opportunity) was reflected in a contrary adjustment. Table 5 compares the actual number of units fished and the average earnings per unit for each fishery in 1971 with what the results would have been if these hypothetical optimum limits were in effect. Because the Arctic-Yukon-Kuskokwim fisheries are still in the early stages of development with some potential for further commercial harvest increases and because of the virtual absence in the area of any significant alternative economic opportunities for many of the residents, no reduction of numbers below those actually fishing was made. In the case of Bristol Bay the optimum was set considerably above the level optimizing "efficiency" because of a heavier weighting of the third standard. Other adjustments from the "efficiency" levels were minor.

One expected effect of the application of these hypothetical optimum to the 1971 harvest is demonstrated in Table 5. The result would have been a general increase in the average earnings

TABLE 5

AVERAGE EARNINGS PER UNIT SALMON GEAR, 1971

Actual and Optimum Number Fishing

| FISHERY (Gear and Administrative Area) | Number of Units Registered | Actual Number of Units Fished | Average Earnings per Unit Fished | Hypothetical Optimum Number of Units | Average Earnings per Unit |
|---|---|---|---|---|---|
| Southeastern | | | | | |
| Purse Seine | 358 | 306 | $23,564 | 230 | $ 31,350 |
| Drift Gillnet | 475 | 347 | 7,401 | 200 | 12,841 |
| Set Gillnet | 175 | 114 | 3,447 | 100 | 3,705 |
| Troll | 2,356 | 1,662 | 2,292 | 660 | 5,772 |
| Prince William Sound | | | | | |
| Purse Seine | 266 | 251 | 20,652 | 130 | 39,874 |
| Drift Gillnet | 14 | -- No set net areas open in 1971 -- | | | |
| Troll | 41 | 7 | 2,466 | 2 | 8,630 |
| Cook Inlet | | | | | |
| Purse Seine | 81 | 49 | 8,582 | 35 | 12,015 |
| Drift Gillnet | 710 | 463 | 2,355 | 235 | 4,641 |
| Set Gillnet | 731 | 436 | 1,748 | 200 | 3,811 |
| Southwest | | | | | |
| Purse Seine | 583 | 534 | 15,880 | 250 | 33,919 |
| Drift Gillnet | 169 | 139 | 9,251 | 100 | 12,859 |
| Set Gillnet | 318 | 155 | 3,655 | 150 | 3,777 |
| Bristol Bay | | | | | |
| Drift Gillnet | 1,865 | 1,710 | 8,513 | 1,150 | 12,659 |
| Set Gillnet | 846 | 421 | 3,746 | 400 | 3,943 |
| Arctic - Yukon - Kuskokwim | | | | | |
| Drift Gillnet | 796 | 709 | 632 | 709 | 632 |
| Set Gillnet | 883 | 783 | 1,194 | 783 | 1,194 |

of the surviving units and some equalization of earnings for similar gear in different areas after making allowances for physical and technical gear differences. It should be immediately noted that this sort of calculation needs further analysis and interpretation in the light of the actual distribution of earnings among fishermen. The tables in the Governor's study showing the distribution of catch among units of gear in each fishery in 1971 clearly illustrates this. The southeastern salmon troll fishery catch of 7,091,000 pounds by 1,620 vessels fishing, for example, yields an average catch of 4,377,500 pounds per vessel. The distribution by numbers of vessels, however, indicates that 82.7% of all the vessels fishing made catches of less than the average for the total fishery. The elimination of 60% of the units fishing from the least productive units would make only 2.4% of the total catch or value available for redistribution among the surviving units

The second obvious effect of the application of these hypothetical optimum would have been a substantial elimination of numbers of operators from most fisheries. How to select the individuals to be eliminated would be the Commission's most difficult task.

Issuance of Entry Permits -- The Elimination Task Magnitude

Following establishment of the optimum number of entry permits for each fishery, the Commission must deal with the task of selection of those to receive permits from among qualified applicants, that is persons who are presently able and intend to participate actively in the fishery (Sect. 340 (7)) and are not ineligible by reason of violations of the act, making false statements, or being convicted of violation of a state tax law or regulation (Sect. 320). Table 6 applies these initial qualifications to the 1971 gear data. It is assumed that the number of persons who would be qualified by virtue of ability and intention would equal those who actually fished during the year. The number of persons who would be disqualified by virtue of violation of fisheries and tax laws and regulation has been very crudely estimated by applying to the 1971 units fished the percentage of 1969 operators earning $5,000 or more who apparently did not file state income tax statements. This is not much more than an informal guess.

These calculations undoubtedly overstate the number of units of gear which might be eliminated by reason of failing to qualify as applicants. Failure to participate in one season does not automatically disqualify an applicant, for example, and violation of tax laws requires that the person be convicted of such violation. They do indicate, however, that the number of

TABLE 6

ESTIMATED QUALIFIED APPLICANTS FOR ENTRY PERMITS, 1971

And Numbers to Be Selected for Elimination

| FISHERY (Gear and Administrative Area | Units of Gear Registered | Units Not Fishing | Units Violating tax laws, etc. | Estimated Qualified Applicants | Optimum No. of Permits | Number of Applicants to be eliminated | Percent of Applicants to be eliminated | Percent of Reg. Gear to be eliminated |
|---|---|---|---|---|---|---|---|---|
| Southeastern | | | | | | | | |
| Purse seine | 358 | (52) | (60) | 246 | 230 | 16 | 6.5 | 35.8 |
| Drift Gillnet | 475 | (128) | (50) | 297 | 200 | 97 | 32.7 | 57.9 |
| Set Gillnet | 175 | (61) | (20) | 94 | 100 | - | - | 42.9 |
| Troll | 2,356 | (694) | (200) | 1,462 | 660 | 802 | 54.9 | 72.0 |
| Prince William Sound | | | | | | | | |
| Purse Seine | 266 | (15) | (75) | 176 | 130 | 46 | 26.1 | 51.1 |
| Drift Gillnet | 652 | (101) | (100) | 451 | 290 | 161 | 35.1 | 55.5 |
| Set Gillnet | 14 | (14) | - | - | - | - | - | - |
| Troll | 41 | (34) | - | 7 | 2 | 5 | - | 82.9 |
| Cook Inlet | | | | | | | | |
| Purse Seine | 81 | (32) | (10) | 39 | 35 | 4 | 21.0 | 56.8 |
| Drift Gillnet | 710 | (247) | (90) | 373 | 235 | 138 | 37.0 | 66.9 |
| Set Gillnet | 731 | (295) | (80) | 356 | 200 | 156 | 43.8 | 72.6 |
| Southwest | | | | | | | | |
| Purse Seine | 583 | (49) | (100) | 434 | 250 | 184 | 42.4 | 57.1 |
| Drift Gillnet | 169 | (30) | (20) | 119 | 100 | 19 | 16.0 | 40.8 |
| Set Gillnet | 318 | (163) | (25) | 130 | 150 | - | - | 52.8 |
| Bristol Bay | | | | | | | | |
| Drift Gillnet | 1,865 | (155) | (200) | 1,510 | 1,150 | 360 | 25.8 | 38.3 |
| Set Gillnet | 846 | (425) | (100) | 321 | 400 | - | - | 52.7 |
| Arctic - Yukon - Kuskokwim | | | | | | | | |
| Drift Gillnet | 796 | (87) | (10) | 700 | 709 | - | - | 10.9 |
| Set Gillnet | 883 | (100) | (10) | 773 | 783 | - | - | 11.3 |
| TOTAL STATE | 11,278 | (2,682) | (1,150) | 7,488 | 5,624 | 1,988* | 26.5 | 50.1 |
| PERCENT | 100.0 | (23.8) | (10.2) | 66.4 | 49.9 | 17.6 | | |

* Total not adjusted to deduct gear deficits in six fisheries

SOURCE: Governor's Study, pages 109 through 115
ISEGR Study, Volume 2, Appendix F

qualified applicants will be significantly influenced by the strictness of interpretation of the qualification provisions of the bill. In the 1971 exercise summarized in Table 6, the state-wide task of selecting applicants to be eliminated is 26.5% of the total estimated qualified applicants as compared with the need to eliminate 50% of holders of gear registration. The probable number of applicants who could successfully challenge the Commission's disqualifications suggest that the selection task would range from 30 percent to 50 percent of the finally qualified applicants in all fisheries. The range variation between fisheries, however, is considerably greater.

The selection from the qualified applicants is to be made on the basis of a classification of the applicants in each fishery into five categories of decreasing severity of hardship imposed by elimination (Sect. 200). This is to be done by the use of three sets of standards: (1) the extent to which the fishery constitutes an income source to the applicant and the extent of active participation, (2) the extent to which alternative livelihoods are realistically available to the applicant, presently or following re-training, and (3) the extent of the applicant's investment in vessels and gear. The standards will have to be especially designed for each fishery in terms of the "facts of life" in each, and each applicant will have to be treated individually in terms of his "facts of life" (his age, work experience, education, number of dependents, etc.). The process

can be stated as a matrix relating the five hardship severity categories to the three sets of classification standards, somewhat as follows (the third column under classification standards not presented below consist of five ranges of investment values relating to hardship categories):

CLASSIFICATION STANDARDS FOR

GEAR LICENSE HOLDERS

| Hardship Severity Categories | Participation and Relative Importance of Fishing Income | Alternative Employment Availability |
|---|---|---|
| 1. Extreme, continuation essential. | 1. Consistent in this fishery. Primary source of income. | 1. Little or none. |
| 2. Substantial, continuation strongly needed. | 2. Consistent in fishing (this fishery and others). Primary income source. | 2. Available with relocation from area and training. |
| 3. Some, continuation desirable but not strongly needed. | 3. Regular, part-time. Substantial supplemental income source. | 3. Available with training. |
| 4. Mild, continuation mildly desirable, but not needed. | 4. Irregular. Variable, minor income source. | 4. Available with relocation. |
| 5. None, continuation optional. | 5. Little or none. | 5. Immediately re-employable. |

The ISEGR Study contains considerable data which could be used in an analysis of the estimated number of persons with these general economic and social characteristics, but time did not permit this and the result would be based upon group data rather

than individual data and could be misleading. It is sufficient to note the nature of the task and to indicate that some weighting will have to be devised for each of the three set of standards. In actual cases with real people, the scoring set will not necessarily be at the same level within each set.

Financing Aspects of the Limited Entry Program

The bill provides that an annual fee of $50.00 shall be collected from every holder of an entry permit (including temporary and interim permits), except that an applicant with a net family income falling within the Federal Social Security Administration poverty guidelines may elect to receive an entry permit subject to a five-year prohibition on transfer at a maximum annual fee of $5.00. The ISEGR Study of income received in 1969 by vessel operators from all sources of employment and income in Alaska indicates that the applicants falling within this special poverty provision could be significant. In the Bristol Bay fishery, for example, 47% of the resident vessel operators earned annual incomes in 1969 from all sources of less than $3,000. Other members of the families of these fishing vessel operators undoubtedly earned other income brining the family income levels up somewhat, but this does suggest that almost half those engaged in this fishery are below or close to the national poverty guidelines. Taking the 1970 census family income data for total population for each of the administrative areas as an indicator of the percentage of applicants who would be eligible for the reduced fee, the estimated revenue from fees collected on the basis of the 1971 calculations above, would be as follows:

| | | | |
|---|---|---|---|
| Southeast area | 1,100 permits @ | $50.00 | $ 55,000 |
| | 90 permits @ | 5.00 | 450 |
| Prince William Sound Area | 378 permits @ | 50.00 | 18,900 |
| | 44 permits @ | 5.00 | 220 |
| Cook Inlet Area | 435 permits @ | 50.00 | 21,750 |
| | 35 permits @ | 5.00 | 175 |
| Southwest Area | 465 permits @ | 50.00 | 23,250 |
| | 35 permits @ | 5.00 | 175 |
| Bristol Bay Area | 1,090 permits @ | 50.00 | 54,500 |
| | 460 permits @ | 5.00 | 2,300 |
| Arctic - Yukon - Kuskokwim area | 792 permits @ | 50.00 | 39,600 |
| | 700 permits @ | 5.00 | 3,500 |
| Total State Fee Collections | | | $219,820 |

Within two years of the effective date of the act, the Commission is required to compensate any qualified applicant denied a permit for the "direct economic resulting from loss of value of the applicant's vessel and gear." This is to be based upon the fair

market value of the vessel and gear (Sect. 225). Under the 1971 calculations above, Table 7 indicates the number and type of gear to be eliminated in each fishery. The assignment of a dollar value to this figure is not possible at this time because of the great variation in actual value of gear which is a function of its type, condition, age, income-producing potential and a host of other factors. A 1968 survey of investment in gear and vessels in the Cook Inlet fishery gave the average values summarized in Table 7. The average value of set net sites (including gear) was given as $15,998. Applied to the Cook Inlet fishery hypothetical limited entry program for 1971, these figures yield the following cost of compensation to eliminated gear:

| | Units Eliminated | Total Value |
|---|---|---|
| Seines | 4 | $ 39,072 |
| Drift | 138 | 1,815,390 |
| Set | 156 | 2,495,688 |
| Total | 298 | $4,350.150 |

It should be noted that this is the value which the fishermen interviewed gave and may not reflect what an objective appraiser would give as the "fair market value". Also these figures are now six years old and the boats included in the sample have been further depreciated in value or replaced by newer vessels.

Another pertinent scrap of information is the reported average

TABLE 7

AVERAGE VALUE OF BOATS AND GEAR, COOK INLET

SALMON FISHERY, 1968

| Type of Gear | Average Value of Boat | Average Value of Gear | Total Average Value |
|---|---|---|---|
| Resident Drift Net | $ 11,087 | $ 1,451 | $ 12,538 |
| Non-Resident Drift Net | 12,657 | 1,722 | 14,379 |
| All Drift Net(a | 11,613 | 1,542 | 13,155 |
| Seine - hand (b | 7,868 | 1,900 | 9,768 |
| All gear | 11,156 | 1,585 | 12,741 |

(a Average boat 32.6 feet long, 156 horsepower, top speed 11.5 knots

(b Average boat 28.7 feet long, 112 horsepower, top speed 9.0 knots

SOURCE: L. B. Flagg, "An Economic Survey of the Cook Inlet Salmon Fishery," Informational Leaflet 145, June 1970, Alaska Department of Fish and Game

1970 value of vessels in the British Columbia salmon fleet of $14,967 (Department of Fisheries and Forestry, June 19, 1970). This is comparable to the Cook Inlet 1968 data after making allowances for general price inflation. Using these two bits of information it would appear that the value of the approximately two thousand units of gear to be eliminated under the hypothetical 1971 case used in this brief could be as high as thirty million dollars. Assuming that the Commission might recover half this amount through resale, the net cost of compensation to gear eliminated could be about fifteen million dollars, give or take a rew million.

The economic feasibility of the Commission administering a compensation program of this magnitude can be gauged by reference to the seven percent tax proposed on gross value of catch to finance the buy-back program under the voluntary reduction provisions (Sect. 290,295). On the basis of the 1971 value of salmon catch to fishermen, this tax would have yielded approximately 3.6 million dollars. At this rate, it would take approximately four years to accumulate sufficient funds from a catch value tax to finance the initial reduction program.

APPENDIX TABLE 1.

Salmon Gear Registered and Fished 1966-1970

| Fishery (Gear, Admin. Area) | 1966 | 1967 | 1968 | 1969 | 1970 | Five Year Avg. |
|---|---|---|---|---|---|---|
| **Southeastern** | | | | | | |
| Purse seine | | | | | | |
| - Registered | 447 | 428 | 498 | 405 | 422 | 440 |
| - Fished during year | 419 | 403 | 470 | 339 | 405 | 407 |
| - Fished, high week | 357 | 324 | 463 | 311 | 386 | 368 |
| Drift gill net | | | | | | |
| - Registered | 302 | 370 | 527 | 395 | 420 | 403 |
| - Fished during year | 285 | 320 | 402 | 297 | 339 | 329 |
| - Fished, high week | 253 | 267 | 359 | 252 | 285 | 283 |
| Set gill net | | | | | | |
| - Registered | 157 | 178 | 184 | 182 | 173 | 175 |
| - Fished, during year | 131 | 144 | 139 | 130 | 106 | 130 |
| - Fished, high week | 114 | 118 | 119 | 119 | 101 | 114 |
| Troll | | | | | | |
| - Registered, power | 749 | 691 | 737 | 908 | 950 | 807 |
| - Registered, hand | 1.166 | 1.156 | 1.317 | 1.365 | 1.578 | 1.316 |
| total | 1.915 | 1.847 | 2.054 | 2.273 | 2.528 | 2.123 |
| - Fished during year | 1.769 | 1.598 | 1.772 | 1.795 | 1.895 | 1.766 |
| - Fished, high week | 764 | 663 | 919 | 836 | 787 | 794 |
| **Prince William Sound** | | | | | | |
| Purse seine | | | | | | |
| - Registered | 194 | 189 | 192 | 213 | 219 | 201 |
| - Fished during year | 181 | 164 | 175 | 193 | 204 | 183 |
| - Fished, high week | 117 | 108 | 124 | 123 | 145 | 123 |
| Drift gill net | | | | | | |
| - Registered | 447 | 485 | 463 | 507 | 563 | 493 |
| - Fished during year | 348 | 394 | 389 | 406 | 462 | 400 |
| - Fished, high week | 340 | 390 | 346 | 358 | 386 | 364 |
| Set gill net | | | | | | |
| - Registered | 47 | 11 | 12 | 42 | 38 | 30 |
| - Fished during year | 19 | 0 | 0 | 22 | 23 | 13 |
| - Fished, high week | 16 | 0 | 0 | 22 | 16 | 11 |
| Troll | | | | | | |
| - Registered | 12 | 13 | 11 | 23 | 25 | 17 |
| - Fished during year | 5 | 5 | 3 | 3 | 8 | 5 |
| - Fished, high week | 1 | 5 | 3 | 3 | 1 | 3 |

APPENDIX TABLE 1 (Continued)

Salmon Gear Registered and Fished, 1966-1970

| Fishery | 1966 | 1967 | 1968 | 1969 | 1970 | Five year Avg. |
|---|---|---|---|---|---|---|
| **Cook Inlet** | | | | | | |
| Purse seine | | | | | | |
| - Registered | 77 | 58 | 91 | 75 | 89 | 78 |
| - Fished during year | 75 | 54 | 88 | 58 | 80 | 71 |
| - Fished, high week | 38 | 28 | 50 | 32 | 47 | 39 |
| Drift gill net | | | | | | |
| - Registered | 504 | 536 | 611 | 687 | 757 | 619 |
| - Fished during year | 489 | 521 | 599 | 608 | 625 | 568 |
| - Fished, high week | 307 | 375 | 430 | 476 | 470 | 412 |
| Set gill net | | | | | | |
| - Registered | 628 | 604 | 681 | 728 | 772 | 683 |
| - Fished during year | 616 | 491 | 632 | 462 | 522 | 545 |
| - Fished, high week | 351 | 290 | 353 | 288 | 218 | 320 |
| **Southwest** | | | | | | |
| Purse seine | | | | | | |
| - Registered | 488 | 449 | 512 | 484 | 549 | 496 |
| - Fished during year | 472 | 299 | 459 | 443 | 528 | 440 |
| - Fished, high week | 385 | 198 | 319 | 372 | 361 | 328 |
| Drift gill net | | | | | | |
| - Registered | 78 | 115 | 125 | 127 | 172 | 123 |
| - Fished during year | 61 | 110 | 110 | 122 | 158 | 112 |
| - Fished, high week | 37 | 77 | 103 | 103 | 122 | 88 |
| Set gill net | | | | | | |
| - Registered | 291 | 275 | 307 | 318 | 356 | 309 |
| - Fished during year | 191 | 191 | 188 | 199 | 181 | 190 |
| - Fished, high week | 150 | 102 | 136 | 178 | 151 | 144 |
| **Bristol Bay** (data not available for number fishing during year) | | | | | | |
| Drift gill net | | | | | | |
| - Registered | 1,865 | 1,699 | 1,684 | 1,928 | 1,881 | 1,81 |
| - Fished, high week | 1,715 | 1,555 | 1,441 | 1,724 | 1,688 | 1,62 |
| Set gill net | | | | | | |
| - Registered | 965 | 830 | 839 | 970 | 890 | 89 |
| - Fished, high week | 549 | 439 | 493 | 628 | 538 | 52 |

APPENDIX TABLE 1 (continued)

Salmon Gear Registered and Fished, 1966-1970

| Fishery | 1966 | 1967 | 1968 | 1969 | 1970 | Five Year Avg. |
|---|---|---|---|---|---|---|
| **Arctic-Yukon-Kuskokwim** | | | | | | |
| Drift gillnet | | | | | | |
| -Registered | 383 | 488 | 598 | 693 | 700 | 572 |
| -Fished during year | 338 | 430 | 542 | 628 | 651 | 518 |
| -Fished, high week | 204 | 284 | 476 | 463 | 466 | 379 |
| Set gillnet | | | | | | |
| -Registered | 645 | 557 | 621 | 714 | 776 | 664 |
| -Fished during year | 575 | 492 | 550 | 670 | 613 | 580 |
| -Fished, high week | 278 | 348 | 385 | 393 | 386 | 358 |

SOURCE: Gear registered or fished during year = Governor's study, pp. 69-72.
Gear fished during high week = ISEGR study, Vol. 2, Appendix C, D.

APPENDIX TABLE 2

Efficiency of Salmon Gear, 1966-1970

| Fishery (Gear and Administrative Area) | 1966 | 1967 | 1968 | 1969 | 1970 |
|---|---|---|---|---|---|
| | (Thousands of fish per unit of gear fished in high week) | | | | |
| **Southeastern** | | | | | |
| Purse seine | 63.6 | 15.9 | 59.0 | 16.4 | 31.5 |
| Drift gill net | 7.1 | 3.3 | 4.0 | 4.0 | 6.2 |
| Set gill net | 2.5 ~~0.2~~ | 2.0 | 1.7 | 2.0 | 1.6 |
| Troll | 1.1 | 1.2 | 1.3 | 0.9 | 0.8 |
| **Prince William Sound** | | | | | |
| Purse seine | 26.9 | 26.7 | 26.3 | 42.7 [La] | 20.9 |
| Drift gill net | 3.7 | 2.1 | 2.9 | 2.6 | 3.8 |
| Set gill net | 3.8 | 0 | 0 | 3.9 | 3.8 |
| Troll | 3.5 | 5.4 | 2.0 | 1.6 | 2.1 |
| **Cook Inlet** | | | | | |
| Purse Seine | 13.1 | 16.2 | 13.3 ~~5.4~~ | 8.4 | 17.3 |
| Drift gill net | 7.2 | 3.2 | 6.3 | 1.6 | 3.4 |
| Set gill net | 7.3 | 2.6 | 6.7 ~~17.4~~ | 1.7 | 3.2 |
| **Southwest** | | | | | |
| Purse seine | 33.9 | 8.5 | 45.3 | 45.8 | 54.3 |
| Drift gill net | 16.1 | 5.4 | 5.9 | 10.8 | 11.3 |
| Set gill net | 6.7 | 2.4 | 8.3 | 4.7 | 7.4 |
| **Bristol Bay** | | | | | |
| Drift gill net | 6.4 | 2.9 | 3.3 | 3.7 | 12.2 |
| Set gill net | 2.5 | 1.1 | 1.1 | 1.3 | 2.8 |
| **Arctic-Yukon-Kuskokwim** | | | | | |
| Drift gill net | 0.4 | 0.5 | 0.7 | 0.6 | 0.7 |
| Set gill net | 1.0 | 0.7 | 0.8 | 1.3 | 1.8 |

[La] May be result of errors in data.

SOURCE: Appendix Table 1. Salmon catch from Governor's study, pp. 324-333.

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Sec. 16.43.010 PURPOSES AND FINDINGS OF FACT. (a) It is the purpose of this chapter to promote the conservation and the sustained [and improved] yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination and without unreasonably and seriously curtailing economic opportunities available to the people of this state and elsewhere.

(b) The legislature finds that commercial fishing for certain fishery resources has reached levels of participation, on both a statewide and an area basis, that have impaired or threaten to impair the economic welfare of the fisheries of the state, the overall efficiency of the harvest, and the sustained [and improved] yield management of the fishery resource.

Sec. 16.43.120 GENERAL POWERS. (a) The commission [shall have power to] may perform all duties imposed upon it and [to] carry out all functions given to it under this chapter. The commission [shall] may also [have the power to do] do all things necessary or appropriate to the exercise of [such] its basic power, whether or not specifically designated in this chapter.

(b) The commission [shall have the power to] shall adopt regulations, not inconsistent with law, necessary or appropriate in the exercise of its powers under (a) of this section.

Sec. 16.43.145 FISHERY RESOURCE DESIGNATION. The commission shall designate, in view of the purposes of this chapter and [of] the findings of fact in section 010 of this chapter, the specific fishery resources [to which sections .150 and following of this chapter shall be subject.] subject to this chapter. The commission may thereafter [and from time to time similarly] , as required, designate other fishery resources [to come under those sections of] that are subject to this chapter.

Sec. 16.43.160 DETERMINATION OF [DESIRED] MAXIMUM[; STANDARDS] NUMBER OF ENTRY PERMITS. The [desired] maximum number of entry permits[, one such maximum] for each type of gear within each administrative area, shall be established by the commission based upon the following standards:

(1) the number of units of gear sufficient to maintain a financially healthy fishery, that will result in a reasonable average rate of economic return to the fishermen participating in that fishery;[sufficient to maintain a financially healthy fishery;]

(2) the average number of units of gear necessary to fully harvest the allowable commercial take of the fishery resource during the four years prior to the effective date of this Act [all years in] in an orderly, efficient manner based upon sound management techniques; however, this level may be changed temporarily when, in the determination of the commission, peak runs necessitate the change;

(3) the number of entry permits sufficient to avoid serious curtailment of the economic opportunities available to all persons, [whether] resident [of this state or elsewhere] or nonresident, considering other economic opportunities reasonably available to them.

Sec. 16.43.170 [PROMULGATION;] ANNUAL REVIEW OF ENTRY PERMIT MAXIMUMS. [(a) Each determination made by the commission pursuant to section 160 of this cha; ~r shall be immediately promulgated.]

[(b)] (a) Using the standards [of] established under [section] sec. 160 of this chapter, the commission shall annually review [the previous] its determination [and re-promulgate the number so reviewed or as changed after such reconsideration, changing only if long-term change portends or is perceived in the application of any one or more of those standards.] and may change the determination as appropriate.

Sec. 16.43.180 [PERMIT REQUIRED;] ELIGIBLE HOLDERS FOR PERMITS.

(a) After January 1, 1974 no person may operate gear engaged in the commercial taking of a fishery resource designated under section 145 of this chapter without a currently renewed entry permit, temporary or permanent, issued by the commission. A crewman or other person assisting the holder of [such] an entry permit in the operation of a unit of gear need not [himself] personally hold an entry permit.

(b) A person may hold more than one entry permit issued [pursuant to] under this chapter [only] for any one or more of the following purposes:

(1) fishing more than one type of gear;

(2) fishing in more than one administrative area;

(3) fishing for species for which separate entry perm. are issued.

(c) A partnership may apply for and beneficially hold an entry permit, or more than one entry permit under [subsection (b) hereof] (b) of this section, if in a writing submitted to the commission and signed by all partners, one of the partners is designated as the principal operator. [Such person] The principal operator shall be considered the applicant for and the holder of the entry permit for all purposes of this chapter.

Sec. 16.43.180 (continued)

(d) A corporation may apply for and beneficially hold an entry permit, or more than one entry permit under [subsection] (b) [hereof] of this section, if there is one person who beneficially owns and is entitled to vote 50% or more of the voting stock of that corporation and if in a writing submitted to the commission and signed by and on behalf of the corporation by its president and secretary, that person is designated as the principal operator. [Such person shall be] The principal operator is considered the applicant for and the holder of the entry permit for all purposes of this chapter.

Sec. 16.43.190 INTERIM-USE PERMITS. Pending the initial issue of entry permits for a particular fishery [pursuant to] under section 220 of this chapter, the commission shall issue interim-use permits for that fishery to all qualified applicants who are presently able and who presently intend to participate actively [therein] in the fishery. The commission shall adopt regulations specifying the dates and places of application, the standards for determining the qualification of applicants [as herein specified] and their qualification upon [such] renewal, the renewal dates, the fees to be charged for [such] the application or for [such] the permit, the procedures to be followed in renewal [thereof] of the permit including the time, place and fees incident [thereto] to its renewal , and for any other purpose incident to the administration of the interim-use period for that fishery. [All such] Interim-use permits for [any particular] a specific fishery [shall] expire [upon] when replaced by initial issue of entry permits for that fishery under sec.[tion] 220 of this chapter, [except as may be] unless extended [pursuant to] under sec.[tion] 225(b) of this chapter.

Sec. 16.43.200 [ENTRY PERMITS;] STANDARDS FOR INITIAL ISSUE OF ENTRY PERMITS. (a) Following the establishment of the [desired] maximum number of entry permits for a particular fishery [pursuant to] under sec.[tion] 160 of this chapter, the commission shall adopt regulations for the selection from among qualified applicants who are presently able and who presently intend to participate actively in the fishery those who would suffer hardship [should] if they [be] are excluded from the fishery by the imposition of the limited entry system prescribed by this chapter, using the following standards:

(1) the extent to which this fishery constitutes an income source to the applicant, in decreasing order of importance as follows:

(A) consistent participation in this fishery as a gear license holder has provided the primary income source during all or substancially all of [the three years] at least two of three years immediately prior to January 1, 1973;

(B) consistent participation in this fishery as a gear license holder, together with participation in other fisheries, has constituted the primary income source during all or substancially all of [the three] at least two of three years immediately prior to January 1, 1973;

(C) participation in this fishery as a gear license holder has provided a substantial income supplement to income from sources other than fishing during all or substancially all of [the three] at least two of three years immediately prior to January 1, 1973;

16.43.200 (continued)

(D) irregular participation in this fishery as a gear license holder [over] during all or substancially all of [the three] at least two of three years immediately prior to January 1, 1973 has provided a variable minor income source;

(E) little or no participation in this fishery as a gear license holder;

(2) the extent to which alternative livelihoods are realistically available to the applicant, either presently or following a realistically available and reasonable course of training;

(3) the extent of the applicant's investment in vessel and gear.

(b) The regulations shall establish five categories of decreasing severity of hardship for grouping similarly situated applicants, based upon application of the foregoing standards, as follows:

(1) extreme hardship making continuance [is] essential;

(2) hardship making continuance [is] strongly needed;

(3) some hardship making continuance [is] desirable but not strongly needed;

(4) minor or slight hardship making continuance [is] mildly desirable but not needed;

(5) no hardship.

(c) The commission may adopt regulations establishing sub-classifications of the priority classifications in (b) of this section when it considers it necessary [in] for the application of the standards stated in (a) of this section in order to produce

16.43.200 (continued)

groups of applicants similarly situated for each administrative area and each type of gear.

(d) The commission [may] shall adopt regulations for [obtaining information upon which to make a determination] determining whether [the] an applicant is presently able and presently intends to participate actively in the fishery.

Sec. 16.43.210 [ENTRY PERMITS;] PROCEDURE FOR APPLICATION FOR INITIAL ISSUE OF ENTRY PERMITS. (a) The commission shall establish the opening and closing dates, and the places and form of application for initial issue of entry permits for each type of gear and each administrative area. The commission may, as part of the application form, [or as attachments thereto,] require the submission of evidence relevant to the applicant's qualification and to the determination of the appropriate priority classification to which his application should be assigned under [the] regulations adopted [pursuant to] under sec.[tion] 200 of this chapter.

(b) The commission may require that [certain] a portion of the evidence [to be] submitted by the applicant be verified by him or by others. When an applicant is unable to submit any or all of the verified evidence required, he may request and obtain an administrative adjudication of his application according to the procedures established in sections 130- 140 of this chapter. At the hearing he may present alternative evidence of his qualifications or of hardship pertinent to the determination of the priority classification to which his application should be assigned.

Sec. 16.43.220 [ENTRY PERMITS;] INITIAL ISSUE OF ENTRY PERMITS.

(a) After the closing date for applications established by the commission under section 210 of this chapter, the commission shall assign the application of each qualified applicant to the appropriate priority classification as determined under section 200 of this chapter based upon the evidence established [pursuant to] under section 210 of this chapter and promptly notify each applicant by mail or posting at the applicant's place of application whether he has been found qualified and, if so, the priority classification to which his application has been assigned.

(b) The commission shall issue entry permits, for each administrative area and each type of gear, to all qualified applicants in the three highest [and next-highest] priority classifications, whether or not the total number of permits [so] issued exceeds the [desired] maximum number of entry permits established [pursuant to] under section 160 of this chapter for each administrative area and each type of gear. If for any administrative area and any type of gear the total number of permits [so] issued does not exceed the [desired] maximum number of entry permits established pursuant to section 160 of this chapter, the commission shall [also] issue entry permits to persons successively in the next-lower priority classification or classifications until the total number of entry permits issued equals the [desired] maximum number established for the particular area and the particular type of gear.

16.43.220 (continued)

(c) If, within the lowest priority classification of qualified applicants to which [some] entry permits are to be issued, there are more applicants than there are entry permits to be issued, the allocation of entry permits within that priority classification shall be by lot.

(d) If, at the time entry permits are issued, some applicants are [still] in the process of appealing the finding of an administrative adjudication [pursuant to] under sec. 210 of this chapter, a sufficient number of entry permits shall be reserved out of the permits to be issued, to protect the rights of those applicants who are appealing, assuming all the appeals will be resolved in favor of the applicants. In the event that all appeals are not resolved in favor of the applicants, the remaining entry permits shall be allocated to the next most qualified applicants as[provided in (a), (b) and (c) of] appropriate under the procedure specified in this section.

Sec. 16.43.225 [DENIAL OF INITIAL ISSUE;] RIGHT TO COMPENSATION [IN CERTAIN CASES] FOR DENIAL OF INITIAL ENTRY PERMIT ISSUE.

(a) If an entry permit is denied to a qualified applicant whose application is assigned to priority classification [(3)] (4) as established in section 200 (b) (3) of this chapter, [full and] reasonable compensation [must] shall be made to the applicant [based upon the economic value of an initial entry permit for the area and type of gear for which his application was denied, and including compensation for direct economic loss resulting from a drop in the marked value of the applicant's vessel and gear which is attributable to regulation under this chapter.] for direct economic loss resulting from loss of value for the applicant's vessel and gear.

(b) [Until full compensation is made by the commission, any applicant entitled to compensation under (a) of this section shall be permitted to continue fishing under an interim-use permit.] Compensation shall be made under (a) of this section within two years from the effective date of this Act.

Sec. 16.43.227 [ENTRY PERMITS;] SUBSEQUENT ISSUE OF ENTRY PERMITS.

(a) For [any] a given administrative area and type of gear, [therein] after initial issue of entry permits and for as long [thereafter] as the number of entry permits outstanding exceeds the [desired] maximum number in that administrative area and for that type of gear, the commission shall, upon each annual renewal of outstanding entry permits, also issue new entry permits to qualified applicants upon a ratio of one new entry permit for every [two] ten entry permits that have been retired or forfeited under sections 290 and 320 of this chapter since the last previous annual renewal date.

(b) If, at the time of annual renewal, the number of outstanding entry permits is fewer than the desired maximum number for the particular administrative area and type of gear, the commission shall issue new entry permits to qualified applicants [up to] until the desired maximum number is reached.

(c) New entry permits shall be issued first to those applicants who have submitted a notice of intended surrender under section 300 of this chapter. If there[be] are more [such] applicants who have submitted a notice of intended surrender than there are new permits to be issued, applicants shall be issued permits in order of their respective date of filing [such] the notice of intended surrender. If, after issuing permits to all applicants who have submitted [such] the notice, additional permits

16.43.227 (continued)

are to be issued to other applicants but there are more [such] applicants than there are new permits to be issued, the new permits shall be allocated among [such] <u>those</u> applicants [by lot.] <u>in order of their respective application.</u>

Sec. 16.43.229 [ENTRY PERMITS;] PRICE UPON NEW ISSUE OF ENTRY PERMITS. The applicant to whom a new entry permit is to be issued [pursuant to] under section 227 (c) of this chapter shall, [prior to the receipt of the] as a condition of receiving the permit, pay to the commission [for the use of the state] the fair market value of the permit as determined under section 310 of this chapter.

Sec. 16.43.230 TERMS AND CONDITIONS OF ENTRY PERMIT; ANNUAL RENEWAL. (a) Except as [hereinafter] provided in this subsection, the holder of a currently renewed entry permit must himself be at all time present and actively engaged in the operation of [a unit of] the gear for which the permit [was] is issued. The commission shall adopt regulations for alleviation of hardship caused by illness, incapacity, or death of a permit holder prior to or during a fishing season [whereby] so that another person may be issued a temporary entry permit to operate the gear for the remainder of the season, or in the case of illness or incapacity, for the duration [thereof] of the illness or incapacity if that [be] is shorter than the remainder of the season. [The commission may adopt regulations whereby in extraordinary circumstances the holder of a currently renewed entry permit may act as crewman or other assistant in the operation of gear by another permit holder in order to alleviate hardship upon that other permit holder.]

(b) To the extent that the commissioner of [the Department of] fish and game authorizes it in individual cases [pursuant to (15) of AS 16.05.250] under 16.05.050(11), the holder of an entry permit for any type of gear and for any administrative area may on an experimental basis engage in commercial taking from any fishery resource of the state.

(c) The holder of a currently renewed entry permit must have the permit in his possession at all time when engaged in [the] commercial fishing [taking from] for a fishery resource designated under section 120 of this chapter.

16.43.230 (continu.

(d) Each entry permit is issued for a term of one year and [confers upon the] entitles its holder to a right of renewal as long as he remains qualified. A permit holder may fail for one year to renew the entry permit but upon renewal the year [thereafter] after he shall pay all accrued fees.

(e) Failure to renew an entry permit for a period of two years from the date of last renewal shall result in a forfeiture except as waived by the commission for good cause [shown]. The commission may adopt regulations, consistent with the purpose of this chapter delineating the circumstances constituting [such] good cause and prescribing terms of renewal.

[(f) Transferability, both voluntary and involuntary, of entry permits is governed by the provisions of sections .250-.280 of this chapter. Surrender and retirement of entry permits is governed by section .290 of this chapter. Forfeiture of entry permits is governed by section .320 of this chapter.]

Sec. 16.43.240 ANNUAL FEE. There is an annual fee of $50 for the issuance and annual renewal of entry permits [or temporary entry permits]. However, this may be reduced in the discretion of the commission, when the applicant has a net family income falling within the Federal Social Security Administration poverty guidelines for the year preceeding application. The commission may adopt regulations revising the amount of this annual fee to reflect the costs of administering this chapter [including those incurred under section 290 hereof]. Fees collected under this section shall be paid into the general fund.

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Sec. 16.43.250 [ENTRY PERMITS;] TRANSFER OF ENTRY PERMITS. Entry permits are transferable through and by the commission [pursuant] under sections 260, 270, and 280 of this chapter, and [except as so transferable are not capable of] unless transfered under sec. 260, 270 and 280 of this chapter, may not be voluntarily or involuntarily transfered by any other means [whatsoever], including, [without limitation] but not limited to:

(1) sale of any kind, conditional or absolute;

(2) pledge, mortgage, or other encumbrance of any kind;

(3) lease, rental, or other transfer of rights of user or enjoyment, whether temporary or permanent;

(4) gift of the entire interest or of any part, whether complete or into any form of co-ownership;

(5) succession at or upon death, whether by will, intestacy, or otherwise;

(6) attachment, distraint, execution, or seizure [pursuant to] under any other process of any kind of any court or other body.

[This provision of] Nothing in this section [shall not, however] prevents or [otherwise] restricts forfeiture [brought about by] as a result of the violation of [the] a provision[s] of this chapter [as elsewhere specified herein] or by violation of fish and game laws or regulations [pertaining to or issuing from the Department of Fish and Game] or by violation of any other state law or regulation.

Sec. 16.43.260 [ENTRY PERMITS;] ELIBIBLE TRANSFERORS OF ENTRY PERMITS. (a) The holder of [any] an entry permit whether currently renewed or not may apply for transfer [pursuant to] under section 280 of this chapter. [In addition, if at the time of the death of a permit holder he was eligible] If the holder of an entry permit dies and was eligible to transfer his permit at the time of his death, [and if application be made within one year of the death of such permit holder] his personal representative may [likewise] apply for a transfer, if application for the transfer is made within one year of the death of the permit holder. The personal representaive, unless qualified under sec. 270 of this chapter, may not transfer the permit to himself under this section. The commission may adopt regulations for the determination of [the] other persons entitled [as the holder's successor in interest] to apply as the holder's successor in interest, for ]such] post-death transfers in [the stead of the personal representative if none has been appointed] cases where no personal representive has been appointed. [The term "transferor permit holder" as used in section 280 of this chapter includes all eligible transferors described in this section.]

Sec. 16.43.270 [ENTRY PERMITS;] ELIGIBLE TRANSFEREES FOR ENTRY PERMITS. [Any] A qualified person, including those persons specified in sec. 180(b), (c) and (d) of this chapter, who is presently able and who presently intends to engage actively in [the fishery] a fishery resource subject to this chapter is an eligible transferee.

Sec. 16.43.280 COST [" THE TRANSFEREE; PAYMENT TO THE COMMISSION FOR THE BENEFIT OF THE STATE AND TO THE TRANSFEROR PERMIT HOLDER; ISSUANCE OF NEW PERMIT] AND PROCEDURES FOR TRANSFERS OF ENTRY PERMITS. (a) The transferee shall pay for [such transfer the] the entry permit transfered at fair market value, [thereof,] except that the transferor permit holder may, as a gift to the transferee, waive the payment of [any] a part or all of his share of the transfer price, as provided in [subsections] (b) and (c) [hereof] of this section. In all cases except those in which the transferor permit holder waives the payment of [any] a part or all of his share of the transfer price, the fair market value shall be[determined by and be] equal to the total amount paid to the commission incidnt to the transfer [pursuant to subsection (b) hereof.] under (b) of this section. In [any] a transfer in which the transferor permit holder waives the payment of [any] a part or all of his share of the transfer price the fair market value shall be [as] determined by the commission [pursuant to] under section 310 of this chapter.

(b) The total transfer price [in its entirity] shall be paid to the commission at the time of transfer. After deducting the share for the benefit of the state as determined in [subsection] (c) [hereof] of this section, the balance shall be paid to the transferor permit holder.

(c) In all transfers the share of the transferor permit holder shall be determined as [follows] specified in this subsection and the share for the benefit of the state, retained by

16.43.280 (continued)

the commission at the time of transfer, shall be the [balance] difference between the percentages specified in (1)-(2) of this subsection and 100 per cent.

(1) For the transfer of an initial issue entry permit the share of the transferor permit holder is 100% of the fair market value if the transfer application is submitted within one year of the issue of the permit. If the transfer application is submitted during the next succeeding year, the share of the transferor permit holder is 90%. [if during the next, 80%; then] The share of the transferor permit holder continues to [continuing to] decline by 10% per year thereafter until reaching 10% of the fair market value at the beginning of the tenth year. [then continuing thereafter at] After that time, the share of the transferor permit holder is 10% of the fair market value;

(2) for the transfer of all other entry permits the share of the transferor permit holder is 10% of the fair market value.

(d) After payment to the commission [pursuant to subsection (b) hereof] under (b) of this section, the commission shall issue an entry permit to the transferee. [Such entry permit shall, for all purposes of this chapter, be] After issuance to the transferee, the entry permit is considered to be a new entry permit.

16.43.280 (continued)

(e) The commission shall adopt regulations prescribing procedures to be followed in applying for and effectuating transfer [pursuant to] under this section.

(f) The term, "transferor permit holder", as used in sec. 280 of this chapter includes all transferors described in sec. 280 of this chapter.

Sec. 16.43.290 RETIREMENT OF ENTRY PERMITS. [PRICE PAID BY THE COMMISSION.] (a) The holder of an entry permit whether currently renewed or not may surrender the entry permit to the commission for retirement at any time. In addition, [if at the time of the death or a permit holder he was eligible to surrender his permit, and if surrendered within one year of the death of such permit holder, his] a deceased permit holder's personal representative may [likewise] surrender the permit for retirement if he surrenders it within one year of the death of the permit holder. The commission may adopt regulations for the determination of the person entitled, as the holder's successor in interest, to [effect such] make the post-death surrender [in the stead] instead of the personal representative if none has been appointed.

(b) Upon [such] the surrender [for] of an entry permit for retirement the commission shall pay [the surrenderor] the person who surrenders the permit that portion of its fair market value determined as follows:

(1) for the surrender of an initial issue entry permit and if during the first three years after issue: 100%; if surrendered during the next succeeding three years: 75%; if surrendered during the next succeeding three years: 50%; if surrendered thereafter: 25%;

(2) for the surrender of all other entry permits: 25%.

Sec. 16.43.300 INTERFISHERY CHANGE BY PERMIT HOLDERS. The holder of an entry permit whether currently renewed or not may, by submitting to the commission a notice of intended surrender and retirement of his permit [pursuant to] under section 290 of this chapter, become a preferred applicant for the issuance of a new entry permit with respect to any other fishery or fisheries he may designate in his notice. Such notice, unless renewed, [shall] ceases to be effective one year after its submission. Upon [or coincident with] the issue of a new entry permit [pursuant to such] under this application, the surrender and retirement of the applicant's former entry permit shall [be effectuated pursuant to] occur as prescribed under section 290 of this chapter.

16.43.310 [ENTRY PERMITS;] ESTABLISHMENT OF FAIR MARKET VALUE OF ENTRY PERMITS. The commission shall adopt regulations for determining the fair market value of entry permits for purposes of sections 229, 280 and 290 of this chapter.

Sec. 16.43.320 PENALTIES. (a) A person who violates sec.[tion] 180 of this chapter or a regulation promulgated under this chapter, upon convicton, is guilty of a misdemeanor and [, upon conviction] is punishable by a fine of not more than $5,000 for a first conviction; a fine or not more than $10,000 for a second conviction; and, for a third conviction, a fine of not more than $10,000 and, in addition, shall [suffer forfeiture of any and] forfeit all interim-use permits and entry permits held by him and [permanent loss of] shall permanently lose eligibility for and interim-use permit [and] or for an entry permit, either temporary or permanent.

(b) A person who knowingly makes a false statement as to a material fact in the application for an entry permit, or in the application for a temporary permit under sec.[tion] 230 of this chapter, or, either as a transferor or transferee, in the application for a transfer under sec.[tion] 280 of this chapter, or a person who assists another by knowingly making a false statement as to a material fact or in support of the other person's application for issuance or transfer of an entry permit, either temporary or permanent, upon conviction is guilty of a misdemeanor [and, upon conviction,] and shall [suffer forfeiture of any and] forfeit all interim-use permits and entry permits held by him, either temporary or permanent, and shall [permanent loss of] permanently lose eligibility for an interim-use permit and for an entry permit, either temporary or permanent.

Sec. 16.43.330 APPLICATIONS OF REGULATIONS OF BOARD OF FISH AND GAME. Nothing in this chapter limits the powers of the board of fish and game, including the power to determine legal types of gear, and the power to establish size limitations or other uniform restrictions applying to a certain type of gear. Holders of entry permits issued [pursuant to] under this chapter are subject to all [valid] regulations adopted by the board of fish and game.

Sec. 16.43.340 DEFINITIONS. In this chapter

(1) "allowable commercial take" means the approximate size range of the anticipated commercial harvest of a species under sustained yield management implemented by regulations adoped by the Board of Fish and Game and emergency regulations adopted by the commissioner of fish and game;

(2) "commission" means Alaska Commercial Fisheries Entry Commission;

(3) "financially healthy fishery" means [one] a fishery that returns to the fishermen [therein a] participating in it sufficient income so that: a) they are financially able to keep their vessels and gear in good and safe operation condition; b) they are financially able and encouraged to improve their vessels, gear, and techniques including, [under permission of the Department of Fish and Game if necessary] when permissable experimentation with new vessels, new gear, and new techniques; and c) they are sufficiently free of economic pressure that they can and will operate faithfully within [the letter and spirit of regulations and] laws [respecting] relating to the operation of the fishery.

(4) "fishery" means the fishery resource of a particular administrative area and the commercial taking of fish [therefrom by] from it with a particular type of gear.

(5) "gear" means the specific apparatus used in the commercial harvest of a species, [and includes by way of example] including but not limited to, purse seines, drift gill nets, set gill nets, and troll gear;

16.43.340 (continued)

(6) "priority classification" means the allocation of potential permit applicants into reasonable grouping of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the statutory standards of preference;

(7) "qualifed applicant" means that the person described is presently able and presently intends to participate actively in the fishery and is not ineligible under section 320 of this chapter;

(8) "type of gear" means a customary and identifiable classification of gear including those classifications for which separate regulations are adopted by the Board of Fish and Game and for which separate gear licenses are required by AS 16.05.550-16.15.630;

(9) "unit of gear" means the maximum amount of a specific type of gear which can be fished under a single gear license subject to [all valid] regulations established by the Board of Fish and Game defining the legal requirements for that type of gear;

(10) "vested interest" means a present or fixed interest or right of present or future enjoyment of something of value, the nature of which could considering secs. 010 - 290 of this chapter, reasonably be considered to conflict with the public interest.

* Sec. 2. AS 16.05.050 is amended by adding a new paragraph to to read:

(11) [authorizing any] authorize the holder of a currently [renewed] validated entry permit under chapter [16.43] 43 of this

16.43.340 (continued)

title to engage upon an experimental basis in commercial taking of a fishery resource with vessel, gear, and techniques not presently suitable for or qualifying for licensing under any of the licenses specified in this chapter [setting standards therein for the commissioner to follow in determining which entry permit holders are so to be authorized in pursuance of the objective to develop a better fishery, both biologically and economically; and limiting the issuance of such authorizations to such number and duration that there are no more than ___ entry permit holders so engaged in any one fishing season.] in conformity with standards established by the commission.

* Sec. 3. AS 16.05.250(14) is amended to read:

(14) establishment of the times and dates during which the issuance of fish and game licenses, permits, and registrations and the transfer of permits and registrations between registration areas, game management units or subunits, is allowed. However, this paragraph does not apply to permits issued or transferred under ch. 43 of this title.

* Sec. 4. This Act takes effect on the day after its passage and approval or on the day after it becomes law without approval.

FILE
Limited Entry

UNIVERSITY OF WASHINGTON
SEATTLE, WASHINGTON 98105

March 9, 1973

*School of Law*
*Condon Hall*

Mr. Michael Whitehead
Staff Assistant to Sen. W. I. Palmer
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Dear Mike:

Since our conversation this morning I have been worrying the proposal to modify § .200 to include a reference to the applicant's cost of living as one measure of economic dependence upon the fishery. Contrary to my reaction this morning, I am coming to the conclusion that such inclusion would be quite risky.

My premise is that the only legitimate reason for having a preference for persons previously involved in a fishery is the avoidance of hardship upon them if, by the new system, they should be excluded. The present draft of section .200 lists three measures of that hardship, the economic dependency upon the fishery, the availability of alternate sources of income, and the investment in vessel and gear. These, I believe, are clearly pertinent.

But is there any difference in hardship between two fishermen applicants for each of whom the fishery constitutes the same percentage of his total income, e.g., each is wholly dependent thereon? If for example we look at the two of them and perceive that for one the cost of living is higher because of delivery costs of essential goods and services, as obtains generally in Alaska, does that mean it would be harder on him to be cut out of the fishery than it would for the other person? I am doubtful. Perhaps, however, for two otherwise comparable fishermen who derive only part of their income from the fishery, how hard it would be on each of them to be reduced to those other sources as his sole income would in fact vary depending on how much the remaining income would buy for him. (But, of course, he can move to a place where the cost of living is not so high, and thus the differential in hardship would at least be lessened.)

Even if we assume the accuracy of the observation that in the partial dependency situation the cost-of-living differential is related to hardship, we must recognize the enormous vulnerability that inheres in the stark result: to take the factor into account will surely favor Alaska residents.

It seems to me that the three factors now chosen are, broadly speaking, of a different sort from that suggested by the cost-of-living differential. That

is, they measure directly and singly the existence of hardship; they apply equally well and logically to all applicants in their measure of hardship; and only in one factor, the availability of other livelihoods, d· ·hey measure something that is determined by widely variant factors as ·on move from one applicant to another.

If, different from what is proposed (and, indeed, as seems highly impracticable), we were to make a highly individualized inquiry, covering all facets of each applicant's life, family, etc., in ranking applicants in relative degrees of hardship, we might be justified in considering the cost-of-living differential as one of many detailed factors, even though it would be relevant in only some of the applicant-situations. But, to choose this one and only this one of these somewhat detailed additional possible factors would but support the charge upon which the proposal is most vulnerable -- that both its purpose and its operative effect are to prefer Alaska residents over non-residents.

Reasoning thus, I fear the proposal really brings us back to a point we left some days ago, when we considered and rejected the proposition that permits be issued preferentially to those for whom the fishery would, as in the past, furnish a minimum level of subsistence. As I said then, that proposition flies in the face of a tenet basic to many Supreme Court decisions -- that the people of the country as a whole are one economic unit, and no state may confine economic benefits to certain persons determined either geographically or, indeed, by any means not related to and wholly incidental to the accomplishment of some other objective. Only as a state may promote the overall welfare may it, as incident to that promotion, produce results that happen to benefit some persons, as, for example, the state may benefit those persons who pass the bar examination.

My recommendation is thus not to make the modification, for to do so surely would incur great risk.

Sincerely,

Robert L. Fletcher
Professor of Law

RLF:mc

UNIVERSITY OF WASHINGTON
SEATTLE, WASHINGTON 98105

*School of Law*
*Condon Hall*

March 2, 1973

Mr. Michael Whitehead
Staff Assistant to Sen. W. I. Palmer
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Dear Mike:

On re-reading this morning I discovered two mistakes (I'm sure there are more). I enclose two replacement pages.

Sincerely,

Robert L. Fletcher
Professor of Law

RLF:mc

Enclosure

.270 ENTRY PERMITS; ELIGIBLE TRANSFEREES

Any qualified person who is presently able and who presently intends to engage actively in the fishery is an eligible transferee, including one described in section .180, subsections (b), (c) and (d).

.280 (continued)

of the fair market value if the transfer application is submitted within one year of the issue of the permit; if during the next succeeding year, 90%; if during the next, 80%; then continuing to decline by 10% per year until reaching 10% of the fair market value at the beginning of the tenth year; then continuing thereafter at 10% of the fair market value;

(2) for transfer of all other entry permits, 10% of the fair market value.

(d) After payment to the commission pursuant to subsection (b) hereof, the commission shall issue an entry permit to the transferee. Such entry permit shall, for all purposes of this chapter, be considered a new entry permit.

(e) The commission shall adopt regulations prescribing procedures to be followed in applying for and effectuating transfer pursuant to this section.

,130 ADMINISTRATIVE PRACTICES and HEARING PROCEDURES

(a) The commission shall adopt regulations, consistent with due process of law, which govern practice and procedure and the conduct of all investigations, hearings and proceedings which it holds.

(b) Common law and statutory rules of evidence apply to investigations, hearings and proceedings before the commission, except when the commission determines that their application is not required in order to assure fair treatment of all parties and that the evidence is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

(c) The commission, each commissioner or an employee authorized by the commission may administer oaths, certify to all official acts, and issue subpoenas and other process to compel the attendance of witnesses and the production of testimony, records, papers, accounts and documents in an inquiry, investigation, hearings, or proceeding before the commission in any part of the state. The commission may petition a court of this state to enforce its subpoenas or other process.

Sec. 16.43.140. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. (a) The administrative adjudication procedures of the Administrative Procedure Act (AS 44.62) do not apply to adjudicatory proceedings of the commission except that final administrative determinations by the commission are subject to judicial review as provided in AS 44.62.560 - 44.62.570.

(b) AS 44.62.10 - 44.62.320, 44.62.640 and 44.62.650 apply to regulations adopted by the commission.

Sec. 16.43.150. ADMINISTRATIVE AREAS. (a) The commission shall establish administrative areas suitable for regulating and controlling entry into the commercial fisheries. The commission shall make the administrative areas reasonably compatible with the geographic areas for which specific commercial fishing regulations are written and according to which the legality of types of gear is defined by the Board of Fish and Game.

(b) The commission may modify or change the boundaries of administrative areas when necessary and consistent with the purposes of this chapter.

Sec. 16.43.020. ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION. (a) There is established the Alaska Commercial Fisheries Entry Commission as a regulatory and quasi-judicial agency of the state. The commission consists of three members appointed by the governor and confirmed by the legislature in joint session.

(b) The governor shall designate one member of the commission as chairman of the commission. The member designated shall serve as chairman for a term of two years, and may be designated chairman for successive two-year terms.

Sec. 16.43.030. TERM OF OFFICE; VACANCY. (a) The members of the commission shall be appointed for terms of four years. Initial appointments shall be as follows: one member for two years, one member for three years, and one member for four years. The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 days notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and his findings based on the charges, together with a complete record of the proceedings.

(b) A vacancy on the commission shall be filled by appointment by the governor and the appointment shall be confirmed by the legislature in joint session. A member selected to fill a vacancy shall hold office for the balance of the full term for which his predecessor on the commission was appointed.

(c) A vacancy on the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission.

Sec. 16.43.040. QUORUM. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty or for the exercise of a power of the commission.

Sec. 16.43.050. QUALIFICATIONS. The commission shall consist of three members with a broad range of professional experience, none of whom have a vested or commercial interest in the harvest, production, or management of the commercial fishery resources.

Sec. 16.43.055. COMPENSATION. Members of the commission are in the exempt service and shall receive an initial annual salary at range 28, step B of the state pay plan, subject to merit raises as approved by the governor.

Sec. 16.43.060. LEGAL COUNSEL. The attorney general is the legal counsel for the commission. He shall advise the commission in legal matters arising in the discharge of its duties and represent the commission in suits to which it is a party. However, the commission may retain additional legal counsel as appropriate.

Sec. 16.43.070. EMPLOYMENT AND COMPENSATION OF PERSONNEL. (a) The commission may employ those persons necessary to carry out the purposes of this chapter. Employees of the commission are in the exempt service under AS 39.25.110.

(b) In addition to its staff of regular employees, the commission may contract for and engage the services of consultants, experts and hearing officers as necessary.

CSSB 39

"An Act relating to the regulation of entry into Alaska commercial fisheries and providing for an effective date."

# COMMITTEE REPORT

JUDICIARY
FINANCE

## HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

File
Herring proposal

ELIGIBILITY FOR GEAR LICENSE. (a) A person who held a gear license for any two of the seven years prior to the effective date of this Act is eligible to purchase a gear license for any district. However, he may fish for only one species per district.

(b) After initial eligibility is established under (a) of this section, a person may renew his gear license for each year he pays the appropriate license fee. If the person fails to pay the required license fee before April 15 in any one year the person is prohibited from repurchasing a gear license at any time.

LOTTERY FROM LICENSE POOL. Five per cent of the number of licenses which are forfeited or otherwise released each year shall be available to new applicants for a drawing by lot, under regulations established by the department.

DETERMINATION OF OPTIMUM LEVELS OF GEAR. (a) The department shall determine the optimum levels of gear for each district and each type of gear based on the number of fish harvested over the four-year period immediately preceding the effective date of this Act.

(b) This level may be changed temporarily when, in the determination of the department, peak runs necessitate the change.

LICENSE FEE. For a permit holder whodoes not actively participate in commercial fishing under this chapter, the license fee is $100 for a resident and $300 for a nonresident. A permit holder who actively participates in commercial fishing under this chapter shall pay as a fee an amount equal to one per cent of the gross value of his catch during the last season actively fished.

NOTES

In 1973 anyone would be eligible to buy a license for any district and he may buy as many licenses as he desires. There would be no commission.

As long as the individual pays his license fee each year, then he would be eligible to fish or to purchase a license the next year. Actual fishing of the license would neither be required nor encouraged.

Retain a low license fee so that there would be no undue cost on a parent who wished to license his children for many years until they were able to involve themselves in the fishery. This would (1) keep license revenue up and (2) provide no pressure to actually fish the license in order to make up for the license cost.

When a license was not repurchased in any one year, then eligibility would be lost and the individual would not be able to purchase a license the following year or any future year.

Ten percent of the number of licenses lost in each year would be available to the public under a lottery system. In other words, in each year then if for each hundred licenses that were lost because of non-payment, then ten people would be able to enter the fishery, (From an applicant pool).

Board (and Department?) would estimate the optimum amount of gear for each area and each type of gear based on the number of fish harvested over the last four years.

After optimum level had been reached as indicated above, then the number of new entrants into the fishery each year would be equal to the number of licenses that had not been revalidated. Again, the licenses would be available to the general public, perhaps through an applicant pool, on a lottery basis.

Department would have the authority to issue an increased number of licenses on a temporary basis for peak year runs when necessary (shift from other areas?).

Licenses would be available for purchase any time of the year. However, if an individual expects to actually fish the license, then the license must be purchased prior to April 15th of any given year.

Consider $100 resident fee, $300 non-resident fee if an individual does not actively participate.

Information Points:

Senator Hammond is convinced that utilizing the sliding gear theory as they are in Bristol Bay this year and the Borough's taxing authority can quite effectively decrease the amount of gear over a short period of time to reach desired levels.

Question - If the Borough can accomplish their goal this way, can the State also?

Question - If Bristol Bay Borough can work this out effectively, can the Kenai Peninsula Borough also?

PROPOSED BY THE BRISTOL BAY BOROUGH ASSEMBLY, BOX 557, NAKNEK, ALASKA 99633

For an act entitled: 'An act relating to salmon gill net gear licenses.'

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that uninhibited entry into certain Alaska salmon fishing areas or districts has resulted in massive accumulations of salmon fishing gear with attendant ever increasing difficulty and expense in providing for sound conservation and management of the resource.

(b) The legislature further finds that excessive entry requires increased expenditures by the state to provide for the health and welfare of those most dependent upon fishing for livelihood. Such increased expenditures diminish the amount of revenue which could be used for improved management and rehabilitation of the fisheries.

Section 2. LICENSES FROZEN. The Department of Revenue may not issue a greater number of salmon gill net gear licenses than the greatest number of such gear licenses issued during the previous year for a given fishing area, or district. Licenses shall be first issued upon application to those licensed for the given area or district the previous year. If by the registration date deadline there remain some unclaimed gear licenses, the Department of Revenue shall determine by drawing those new applicants who shall be issued one-half the number of licenses unclaimed. Fees accompanying applications shall not be refundable.

Section 3. SPECIAL SALMON GEAR LICENSE FEES. (a) Should the best available evidence indicate that the anticipatec catch for a given salmon fishing area or district not be sufficient to provide incomes equal to or exceeding the national poverty level to each of as many fishermen as were registered in the given area during the previous year, the Board of Fish and Game, unless opposed by the local advisory board representing the given area or district, shall designate such as a Distressed Fishery.

(b) In areas or districts so designated a special salmon gear license fee shall be levied. This fee shall be in addition to the regular gear and license fees and shall be equal to one percent (1%) of the value of salmon sold by a resident fisherman and equal to three percent (3%) of the value of the salmon sold by non-resident fishermen except that this fee shall be refunded to fisherman, resident or non-resident, who can upon demand furnish satisfactory evidence to the Department of Revenue that at least seventy-five percent (75%) of their earned gross income during the previous year was derived from ~~salmon~~ fishing in the given area or that his gross income during the previous year was less than Five Thousand Dollars ($5,000.00). A fee collected under this section is computed, filed, enforced and dispensed in the same manner as prescribed in the Raw Fish Tax law for salmon canneries. Such fees shall be withheld from the purchase price of salmon and remanded to the Department of Revenue by the purchaser.

Section 4. LEGISLATIVE INTENT. It is the intent of the legislature that an amount at least equal to the general fund revenues accumulating as a result of the above shall be appropriated for improved management and rehabilitation of the fisheries resources of the state.

October 23, 1972

SB 39

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST
Bill Identification: SB 39
Title: Limited Entry
Requested by: Senate Fisheries Committee Date: 2/15/73
Return Date Requested: 3/15/73
Agency: Department of Law Program:

II. FISCAL DETAIL
Budget Request Unit(s) Affected: $400,000
A. EXPENDITURES: (Thousands of dollars)

| | OBJECT | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 |
|---|---|---|---|---|---|---|---|
| 100 | PERSONAL SERVICES | -0- | 206.3 | | | | |
| 200 | TRAVEL | -0- | 40.0 | | | | |
| 300 | CONTRACTUAL | -0- | 88.7 | | | | |
| 400 | COMMODITIES | -0- | 5.0 | | | | |
| 500 | EQUIPMENT | -0- | 10.0 | | | | |
| 600 | LAND & STRUCTURES | | | | | | |
| 700 | GRANTS, CLAIMS, ETC. | | | | | | |
| 300 | Cont. Services Dept of | Law | 50.0 | | | | |
| | TOTAL | | 400.0 | | | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---|---|---|---|---|---|---|
| GENERAL FUND | -0- | 400.0 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---|---|---|---|---|---|---|
| PERMANENT/TEMPORARY | / | 81/2 | / | / | / | / |
| MAN MONTHS (P./T.) | / | 96/2 | / | / | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Please see attached sheet.

IV. ATTACHMENTS

Attachment A: Organization and Staffing Chart

V. DATE: March 15, 1973 PREPARED BY: Allan B. Adasiak

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

III. ANALYSIS SB 39

A. Assumptions:

The cost of the limited entry program will be paid for from entry permit revenues, which will go into the general fund. Interim entry permits must be issued by January 1, 1974. The appropriation for the commission will be an advance against anticipated revenues to the general fund.

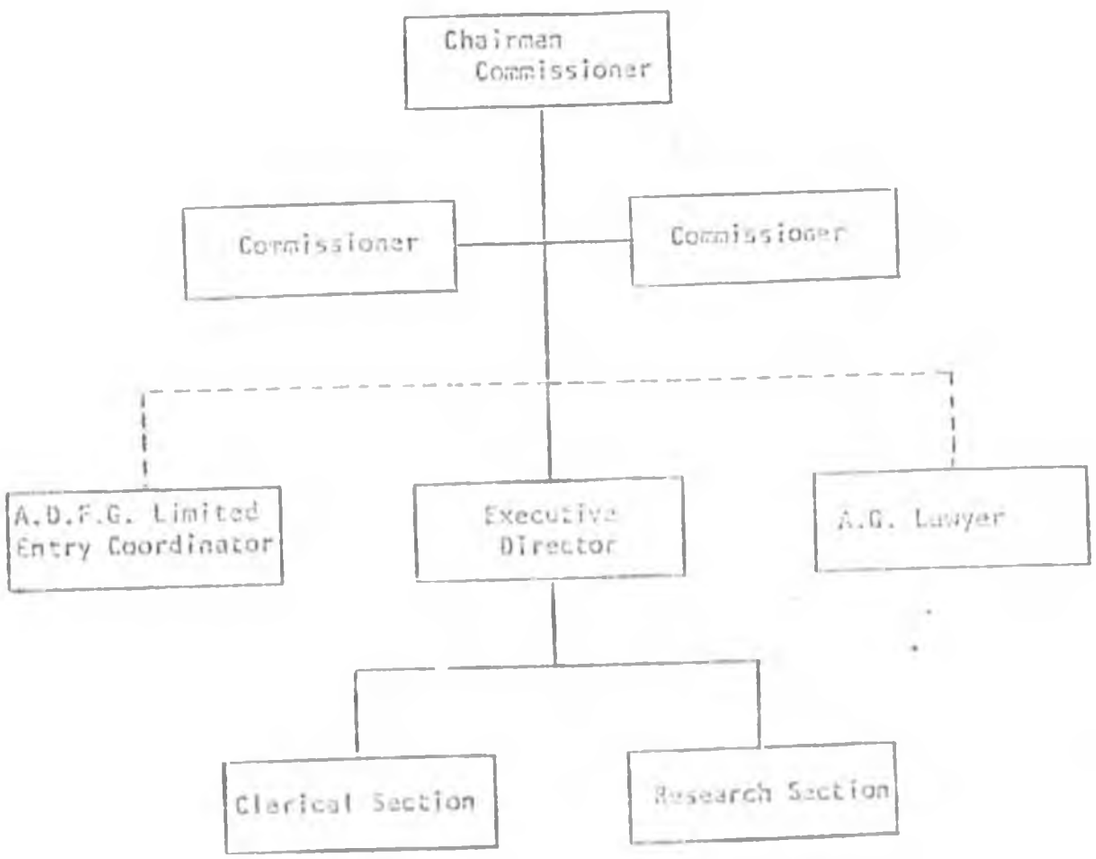
B. Program Summary:

The Alaska mmercial Fisheries Entry Commission is a new body that will implement a new and complex program limiting and stabilizing the amount of gear in the State's commercial fisheries. This program, accomplished through the issuance of entry permits, will benefit Alaska's fisheries resources and alleviate the economic distress of her fisherman. The $50,000 appropriation to the Department of Law for contractual services would allow the Limited Entry Study Group to continue its work for another year. The governor's program deals only with the salmon fishery at the outset, and the study group would analyze the need to add other species to the limited entry program.

PERSONNEL SERVICES

| Permanent Employees | Range | Salary |
|---|---|---|
| 3 Commissioners | 28-B (29,460) | 88,380 |
| 1 Executive Director | 24-A | 23,628 |
| 1 Executive Secretary | 14-A | 11,316 |
| 1 Clerk Typist III | 9-A | 7,824 |
| 1 Research Analyst IV | 21 | 21,150 |
| 1 Research Analyst II | 16 | 13,104 |
| | Sub-total | 165,402 |
| | Benefits - 20% | 33,080 |
| | Personnel Svc. Sub-total | 198,482 |
| Temporary Employees | | |
| 2 Temporary for 6 months | | 7,272 |
| | Benefits - 7% | 509 |
| | Sub-total Temporary | 7,781 |
| TOTAL PERSONNEL SERVICES | | 206,263 |
| TRAVEL | | 40,000 |
| CONTRACTUAL SERVICES | | |
| Phone | | 8,000 |
| Postage | | 11,250 |
| Printing | | 6,000 |
| Moving Expenses | | 4,500 |
| Rent | | 12,000 |
| Rental Equipment | | 27,000 |
| Professional Services | | 20,000 |
| | Sub-total | 88,750 |
| Professional Services - Department of Law | | 50,000 |
| TOTAL CONTRACTUAL SERVICES | | 138,750 |
| Commodities | | 5,000 |
| Equipment | | 10,000 |
| | TOTAL | 400,013 |

ATTACHMENT A: ORGANIZATION AND STAFFING CHART
SB 39




Clerical Section

Executive Secretary
Typist
Temporary Clerk Typist-2

Research Section

Research Analyst
Research Analyst

SB 39

TRANSFERABILITY - ONE ASPECT OF

WHAT ALL THE FUSS IS ABOUT.

Section 250. S. B. 39, the proposed limited entry program for Alaska's fisheries, holds the key to the identity and character of future participants in Alaska's fisheries. While the interests of Alaskan fishermen dependent on the fishery, who have been actively participating therein, are adequately protected in establishing the initial level of participation in our fishery, there are grave apprehensions concerning future participation as controlled through Section 250.

There are three transferability basis for determining participation in the State's fishery resources:

1. Luck!
2. Money
3. Participation and skill.

Free transferability as established in Section 250 adopts solely the monetary standard. In order to obtain entry into our fishery in the future, most fishermen will have to buy their way in. This standard presupposes a freely competitive marketing and financing system that exist, if at all, in very few locations in Alaska. Free transferability based on a monetary standard will strike a severe blow to crew members and fishermen from economically depressed areas who depend upon processing interests for credit. It is these same processing interests who have a vested interest in seeing that a substantial number of non-resident "high-liners" receive permits at the expense of local fishermen who presently have inferior equipment, and who cannot obtain credit from governmental or other private financial institutions. While the Study Group on Limited

Entry has thoroughly documented and analyzed many aspects of the fishery, the credit financing system remains a largely unknown factor. Yet, it is this very information that should, indeed must, determine decisions on transferability.

While under the limited entry proposal a processor cannot own a permit, it is safe to assume that he will financially back those fishermen that he needs to maintain his superior bargaining edge. The problem of "industry control" and "vertical integration" when dealing with a transferability system based on monetary standards has been documented in recent works on limited entry.

Crutchfield and Pontecorvo (see attached article) point out that the limited entry proposals set forth for Puget Sound (free transferability of permits) might lead to integration by the processing interests. While they did find that a "hard core of independent fishermen" would still control a "marginal increment of each year's supply of fish" that "hard core" is very much diminished, or absent, in many areas of Alaska. Further, whereas the author's find vertical integration somewhat desirable, such a system may not be acceptable to the Alaskan fishermen on the beach.

Morehouse (Morehouse, T. A., Limited entry in the British Columbia salmon fisheries, in Alaskan Fisheries Policy, I.S.E.G.R., University of Alaska, 1972) found that the monetary standard in the Davis plan of vessel license and control would be disadvantageous to the poorer and smaller independent fishermen:

> "The prospective winners under the Davis plan of vessel license control are the more prosperous fishermen owners, including companies, because access to fishery will depend upon the ability to pay for licenses and vessels, which are expected to increase in value. Staying in the fishery requires paying for a license or maintaining a place on a smaller number of boats,

and a license in a smaller number of places in the fishery. Thus, the losers will clearly include poorer fishermen and future fishermen.

* * *

Because some will win and others will lose, there is no single 'fishermen interest' in the fishery under the limited licensing scheme. However, to the extent that a smaller number of companies may acquire greater control of the fishery through consolidation and the use of their superior financial resources, there is a greater unity of interest among fishermen and their various organizations vis-a-vis the companies. (Ed., pp. 411 - 412)."

It is submitted that the present limited entry proposal will work a hardship similar to that described by Morehouse in those areas of the State characterized by present company domination through credit financing of not only vessels and gear, but food and clothing as well.

There is precedent for a non-transferable permit system. The Japanese coastal fishery which has a limited entry program has limitations on permit transfers:

"The rights fishery gives the operator exclusive right to carry out a particular body of water. This fishery right is granted by the Prefectural Government (almost always to a cooperative). The granted fishery right stipulates the type of fishery, the location, and the boundaries of the area included. It may also establish limitations on fishing seasons, etc.

The Prefectural Government prohibits the holder from leasing or mortgaging granted fishery rights. Also, transfer by the holder to other operators is strictly limited. (Herrington, W. C., Operation of the Japanese Fishery Management System, in Alaska Fishery Policy, I.S.E.G.R., University of Alaska, 1972, p. 22-423)."

Who should participate in Alaska's fisheries? Should it be those who are able to gain company financing? Should it be those who are the most skilled in the financing and credit system? Or, should it be those persons who are fishermen and who are willing

to invest their time and energy as fishermen?

We should consider not only those fishermen, and those areas, that presently competitive financially, but also those areas and fishermen dominated by financial institutions over which they have had little control. Further, we must not lock out of the future those individuals who are presently crew members, or subsistence fishermen, who cannot now, or in the foreseeable future, compete within the established credit-financing system.

Frank Flavin

SB 34 Transferability 1973 Don Caulk
H Research

# Alaska State Legislature

## Senate

JUNEAU, ALASKA

SPECIAL COMMITTEE ON FISHERIES

As you are aware, one of the major problem areas of the Limited Entry legislation is that of transferability of entry permits. Attached are the various proposals under consideration by the Committee. It would be appreciated if you would, as objectively as possible, indicate what you feel are the favorable aspects and the drawbacks of each and which approach to transferability you favor. Please return your comments to room 105, Assembly Apts. at your earliest convenience. Thank you.

Common to all proposals under consideration are the following:

1. Transfer only to individuals with the present ability and intent to actively participate in the fishery.

2. The ability to transfer from one type of gear to another within an administrative area based on a transfer ratio to be established by the commission.

3. Emergency transfer provision in the event of the death, sickness, or injury of the permit holder.

Do you have any comments on the above?

Additional provisions which you feel are necessary regardless of the type of transferability:

Options which could be used in conjunction with any of the free or restricted transferability proposals:

1. Moratorium period

2. Substantial tax on entry permit sales as follows:
   a. 75% tax on the fair market value of an entry permit when sold to the commission. The commission would be authorized to purchase permits only until the optimum number of gear units for each type of gear in each administrative area were reached.
   b. 90% tax on the fair market value of an entry permit when sold to an individual.

3. State loan program to provide financial assistance to entry permit holders or purchasers in cases of hardship.

Do you have any comment on the options ?

PROPOSALS

I. Free transferability thru the commission.

A. Favorable aspects:

B. Undesirable aspects:

II. Restricted transferability thru the commission to an applicant pool by priority classification based on a reasonable balance of:

1. extent of past and present participation in the area fishery or in similar fisheries (experience factor).
2. training pertaining to commercial fishing.

A. Favorable aspects:

B. Undesirable aspects:

III. Restricted transferability thru the commission by lottery.

A. Favorable aspects:

B. Undesirable aspects:

IV. Restricted transferability thru the commission to an applicant pool by lottery with the same applicant pool criteria as proposal II.

A. Favorable aspects:

B. Undesirable aspects:

V. Non-transferability of permits (no value to an entry permit). New entry emminates from the commission on the basis of permits returned or forfeited

A. thru applicant pool.

Favorable aspects:

Undesirable aspects:

B. by lottery.

Favorable aspects:

Undesirable aspects:

C. thru applicant pool by lottery.

Favorable aspects:

Undesirable aspects:

VI. Is there another combination of the proposals, or a proposal and option which you favor ?

A. Favorable aspects:

B. Undesirable aspects:

Any additional comment:

File

# TRANSFERABILITY

In dealing with this subject, we must work within the framework of the following legislative purpose:

> "to promote the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination."

In defining the objectives to be accomplished in transferability, the following constitutional guidelines must be met:

1) Legitimate legislative objectives
2) Rational means to effect the objectives
3) Classificationa of persons upon a basis reasonably conveivable as relating to the objectives.

There are three basic objectives which the committee should consider in exploring the alternatives.

1) Limit the initial entry level into the fishery in a fair and equitable manner. The method of transferability may effect the initial entry level.
2) Retain as much freedom of enterprise as possible.
3) Accomplish the objectives through voluntary action of the fisherman.

Assuming that unrestricted transferability will result in speculation and higher initial entry levels, a dichotomy exists in the first two objectives. To solve this, the speculatory nature of permits could be limited by taxation or by control of transferability, or both. It should be noted that the ability to fish is neither a right nor a privilege but is in a grey area between, and therefore is susceptible to regulation according to Fletchers' legal analysis of salmon gear limitation.

It would seem that consideration should now be given to the collateral objectives.

1) Limit the cost to the second generation of fishermen for utilizing a common resource.

2) Limit the ability of financial power blocks to economically coerce the unsophisticated fisherman.

3) Allow transfer within the family unit.

FILE

# LIMITED ENTRY

OBJECTIVES:
(1) put a lid on
(2) provide for increased economic efficiencies and returns
(3) give Alaskans an equal or preferred opportunity
(4) improve the position and outlook of the fishermen

PROBLEMS WITH A COMMISSION:
(1) too much cutting authority
(2) too much initial upheaval and hassles

PROBLEMS WITH FREE TRANSFERRABILITY:
(1) state loses property right for a common resource
(2) extreme financial hinderance for future fishermen
(3) discourages natural attrition
(4) encourages speculation
(5) forces processor competition in financing permits
(6) required paper capital creates economic waste

PROBLEMS WITH A LOTTERY:
(1) gives participants no assurance of eventual entry
(2) no assurance offspring may fish
(3) with minimal or no experience requirements, encourages inefficient, and possibly dangerous, operators

PROBLEMS WITH APPRENTICESHIP POINT SYSTEM:
(1) tends to create a closed class
(2) rewards longevity at possible expense of ability
(3) too narrow classifications possibly unjustifiable

PROBLEMS WITH COMPETITIVE OR SEALED BIDDING:
(1) favors those with money
(2) no assurance

POSSIBLE SOLUTIONS:
(1) Our fisheries are so varied that no one solution would likely to be applicable for all areas equitably. Therefore we should consider combinations of the ingredients (luck, skill and money) in finding solutions tailormade for each area and type of gear.
(2) relieve commission of strong initial cutting authority, thereby removing many objections. Have simple initial requirement, like maybe those having actively fished a gear license one of the past two years. Gives many a chance to continue fishing.
(3) require permits to revert back to the state, disallowing transferrability. Eliminates speculation, encourages inefficient operators to drop out rather than hang on. causes fishermen to fade away at a natural pace or rate.
(4) Allow for a commission to issue new permits at a fluctuating percentage of those returned to the state. All new permits could be non-transferrable, but they could be issued under a combination of methods.
(a) one group could be issued on a point system, rewarding longevity, economic dependence--giving assurance to those actively waiting that some day a permit

will be attainable.

(b) one group could be issued by lottery from a group of not so highly qualified applicants

(c) one group of NON-TRANSFERRABLE permits could be issued by competitive or sealed bidding among highly and/or moderately qualified applicants.

(d) one group of non-transferrable permits could be issued by competitive and/or sealed bidding among all applicants.

(e) the above system of issuance could be on a time-staggered basis.

(f) the percentage of mix among the above systems could be varied for different areas and types of gear.

(5) Preferences of some type could be given to active permit-holders for issuance of permits for additional, complementary areas and types of gear. These could be issued on a short-term or long term basis by lottery, point system, and/or bidding. This would provide for more efficient use of the existing fleets, and would not lock a permit-holder to one area and/or type of gear forever.

(6) The commission could study the makeup and economic picture of the different areas and type of gear, in order to consider possible recommendations to the legislature for granting free or restricted transferrability of permits for specific type of gear and areas. This could be dangerous insofar as it might encourage some to continue to hang on in hopes of a future windfall.

(7) Emergency or temporary transfers could be allowed for limited situations where relief skippers are necessary, or death, illness, or extreme hardships make it desirable.

(8) A compensation program could be set up for a limited period of time for those suffering real financial losses from boat, gear or site purchases that would be adversely affected by limited entry. A further program could be set up for a limited length of time whereby the state could purchase boats, gear and sites from those wishing to retire from commercial fishing and who would otherwise have difficulty recouping their investments. Those fearful or unable to 'swim' in the natural competition ahead would have an out other than sinking.

This entire proposal is by no means without problems. It will not result in a drastic, immediate reduction of gear. It would not force out some whom many would like to see forced out. It would require the human hand of a commission, that could not be infallible, and is not without dangers, but would be required to operate with facts, figures and purposes that would be tested by the courts and could be changed by the legislature at any time. In fact, any part of the above proposal could be changed by the legislature, for we would be locked into nothing, and we would not be giving away a property right for a common resource. The proposal could definitely start a limited moratorium, it could set up a commission to rationally set up a system of regulations for new entry, and legislative review could be required. We would be getting the show sanely on the road.

Dave Herrnstein

TRANSFERABILITY OF PERMITS - A few thoughts

We appear to be between a rock and a hard spot on this issue. There are three basic interest groups to be served here: 1) adaquately financed vessel owners, 2) low income and heavily indebted fishermen, 3) crew members and "second" sons.

The transferability problems are extremely complex and diverse- unfortunately complex and diverse problems do not usually admit to simple formulas and easy solutions. Legal and paper solutions, while necessary, do not always solve the real problem. Free transferability is one of these solutions. Basically drafting and constitutionality questions are legal problems that are susceptable to legal solutions - economic coersion and the economic viability of crew members and low income fishermen are practical problems that may not admit to the legal solutions that we have found to handle our drafting problems. Further, any hard line we take now from a legalistic standpoint may eventually preclude an option that affords a practical solution to the economic problems that have been a major concern before the committee.

While we cannot, and should not, serve every vested interest group, neither should we ignore or bypass serious problems affecting a substantial number of our fishermen. AMEN

With these points in mind I suggest the following lines of inquiry.

OVERALL OBJECTIVE: What are our basic objectives?

GIVEN: 1) finite resource 2) common resource 3) limited participation

I. What kind of right are we establishing?

1. Exclusive property right - ie. farm
2. Use permit - ie. grazing permit
3. Cert. of public convenience - (competitive break) public utility
4. Mere license

II. What type of qualifications should permittees have to harvest this common resource?

III. What kind of transfer should we allow?

1. free
2. partially restricted
3. none - except in the family

Frank Flaherty

SUMMARY OF COMMENTS ON TRANSFERABILITY

Free Transferability thru the commission

1. Meets the committee objective of retaining as much freedom of enterprise as possible.

2. Will increase the speculatory nature of permits and the costs of compensation and/or a buy-back program.

3. By granting a transferable privilege, the State will loose the ability to control who utilizes a common resource.

4. Will encourage a greater adherence to conservation considerations on the part of those utilizing the resource.

5. If the State has a vested interest in keeping as many permits as possible in resident hands, free transferability may result in the flow of permits to non-residents with a more rapid rate among low income groups.

6. Vests the ability to utilize a common resource in private hands placing a monetary qualification on those who wish entry to the fishery.

7. Passes the cost for the privilege to use a common resource on to the second generation of fishermen.

Moratorium period prior to free transferability

1. May allow for the unsophisticated and those most dependent on the fishery an opportunity to improve economic condition. Their ability to withstand economic pressures could be substancially improved by a State loan program and/or the involvement of the Native Regional Corporations.

Free Transferability thru the commission with a substancial tax on entry permits sales.

A. 75% tax on the fair market value of an entry permit when sold to the commission. The commission would purchase permits in an area until the optimum gear levels were reached.

B. 90% tax on the sale of an entry permit to another individual.

1. Would decrease the speculatory nature of the permits and the costs of compensation and/or a buy-back program.

2. Does not pass the cost for utilizing a common resource on to the second generation of fishermen. The major portion of appreciation in value reverts to the State in the form of taxes.

3. Would encourage "under-the-table" schemes which would substantially increase the administrative policing required.

4. Offers an incentive to sell to the commission in over-geared areas.

5. Could allow for transfer within the family unit at minimal costs.

Restricted Transferability thru the commission to an applicant pool

1. Would allow those who have been dependent on the fishery as non-gear operators an improved chance of entry.

2. Would allow for State control of individual utilizing a common resource.

3. Depending on qualifications, could create a closed class and if not, may favor non-residents.

4. Depending on the right-privilege dichotomy, could be considered discriminatory to those with no experience or training, but who wish to utilize a common resource.

5. Would increase an individuals ability to obtain financing (as opposed to lottery).

Restricted Transferability thru the commission by lottery

1. Would be unquestionably fair.

2. Would make financial planning very difficult for those in lottery.

3. Would not allow any advantage to those non-gear operators dependent on the fishery.

Restricted Transferability thru the commission only to family members, with forfeited permits issued by lottery or applicant pool.

1. Grants an individual the privilege to utilize a common resource on the basis of a family members use of the resource.

UNIVERSITY OF WASHINGTON
SEATTLE, WASHINGTON 98105

*School of Law*
*Condon Hall*

March 2, 1973

Mr. Michael Whitehead
Staff Assistant to Sen. W. I. Palmer
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Dear Mike:

On re-reading thi. morning I discovered two mistakes (I'm sure there are more). I enclose two replacement pages.

Sincerely,

Robert L. Fletcher
Professor of Law

RLF:mc

Enclosure

.270 ENTRY PERMITS; ELIGIBLE TRANSFEREES

Any qualified person who is presently able and who presently intends to engage actively in the fishery is an eligible transferee, including one described in section .180, subsections (b), (c) and (d).

.280 (continued)

of the fair market value if the transfer application is submitted within one year of the issue of the permit; if during the next succeeding year, 90%; if during the next, 80%; then continuing to decline by 10% per year until reaching 10% of the fair market value at the beginning of the tenth year; then continuing thereafter at 10% of the fair market value;

(2) for transfer of all other entry permits, 10% of the fair market value.

(d) After payment to the commission pursuant to subsection (b) hereof, the commission shall issue an entry permit to the transferee. Such entry permit shall, for all purposes of this chapter, be considered a new entry permit.

(e) The commission shall adopt regulations prescribing procedures to be followed in applying for and effectuating transfer pursuant to this section.

WORK DRAFT

Pg. 11, Sec. 16.43.250 Transfer of Entry Permits

(a) Following the issuance of entry permits under sec. 220 of this chapter, the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of the following standards of preference:

(1) Extent of past and present participation in the area fishery or in similar fisheries.

(2) Approved training program pertaining to commercial fishing.

(3) Ability and intent to participate actively in the fishery.

(b) Transfers under (a) of this section may be made only within the highest priority classification as determined by the commission.

(c) There is a ninety per cent tax payable to the commission under regulations established by it on the appreciated value of an entry permit when the permit is transfered by sale to another person. For the purposes of this subsection, appreciated value means the difference between the purchase price and the sale price at fair market value. When a transfer by sale is made to the commission, the tax required

to be paid uner this section is seventy-five per cent of the appreciated value of an entry permit. However, the commission is authorized to purchase permits only un 'l the time the optimum gear level is reached for a specific type of gear in a specific administrative area. The commission shall establish procedures for the collection and administration of the taxes imposed by this section.

(d) The holder of an entry permit may, at any time, place his permit with the commission in trust, under regulations established by the commission. Upon request, the entry permit shall be returned to the trustee providing all fees are paid by the holder and all other requirements of law under this chapter are met. No permit while held in trust by the commission may be sold, transfered,limited, canceled or otherwise restricted.

(e) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

## PROPOSALS

The following proposals attempt to deal with two problems:

1. economic coercion by financial power blocks
2. qualifications for permits - experience or money (or both)

The first proposal merely buys time to explain the Act to people who do not have a academic or cultural background to appreciate its impact and perhaps to economically assist areas of impacted poverty.

The second and third proposals deal with qualification standards that could assist crew members and "second" sons in having a fighting chance to get permits. The second proposal leaves broad discretion in the Commission and the third provides more legislative guidance. If, under the second proposal, an unconstitutional regulation were adopted, it could be changed without legislative involvement.

Both the second and third proposals have an "out" in case there is detrimental court action.

The fourth proposal is presented in concept as it essentially eliminates transfers entirely. There is much to be said against excessive windfall gains from a common and "public" resource.

16.43.30 TRANSFER OF ENTRY PERMITS

(b) Except for emergency transfers pursuant to Sec. _____ of this chapter there shall be a two-year moratorium on all entry permit transfers pursuant to this section.

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting forth fair and reasonable qualifications for permit transferees pursuant to this section. [can add standards and options -- i.e., commercial sale, lottery, other controls]

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualifications pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can estalbish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chapter, there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add reasons]

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting fourth the qualifications for permit transferees. Any regulations pursuant to this section shall define reasonable priority classifications of similarly situated potential applicants based upon a fair and reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery,

(2) Extent of past and present participation in similar fisheries,

(3) Training pertaining to commercial fishing.

The Commission may restrict permit transfers to persons in the highest priority classification pursuant to this section.

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualification pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposed of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chpater there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add rea n]

1. No property rights

2. No transfers except in family (as by previous proposals)

3. Only entry eminates from Commission

4. Property right resides in State.

CS5B39

PROPOSED COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 39: WORK DRAFT

Add new section: Buy-back provision

The commission shall adopt regulations to purchase either the entry permit or the entry permit and fishing gear of willing gear operators in each administrative area until such time as the optimum level of that type of gear in that administrative area is reached.

(a) The value of the property thus transferred shall be determined by the commission. The commission may establish whatever values are necessary to encourage transfer to the State.

(b) Entry permits thus transferred shall be invalidated and cannot be re-issued.

(c) Fishing gear thus transferred shall be sold by the commission at public auction. Purchase of fishing vessels by valid entry permit holders shall be limited to vessels of the same displacement as the entry permit holder is operating at that time. The commission shall allow for a 5% tolerance limit.

Add new section: Compensation

The commission shall adopt regulations to reasonably compensate those persons who have actively participated in the fishery but do not meet the qualifications set forth in Sec. 16.43.160(a). The commissioner shall deduct any taxes due the State from this compensation.

Add new section: Assessment

CSSB39

CSSB 39 Work Draft II
1978 Wakeland
Fl2

PROPOSED AMENDMENT TO SB 39 - To replace sections 16.43.227 and 16.43.250

Sec. 16.43.250 (ENTRY PERMITS); TRANSFER OF ENTRY PERMITS

Entry permits shall not be transferrable for a two (2) year period after their initial issuance pursuant to section 220 of this chapter. During that period of time the Commission shall evaluate the level of surrender of permits in each of the administrative area created under section 290 of this chapter.

(a) If the level of surrender during either year of the two (2) year period exceeds five (5) per cent of the total number of units of that type of gear in that administrative area, the commission shall issue new permits equalling fifty (50) per cent of the number of permits surrendered in that year on the following basis:

(1) One half shall be issued upon a point system to be drafted by the commission with reference to the applicant's experience with the type of gear involved and his training in the fishery involved;

(2) One half shall be issued by lot among all applicants with active applications before the commission having two or more years experience in the relevant fishery.

(b) An applicant receiving a permit pursuant to the above system shall pay the cost incurred by the commission in purchashing the permit reissued to the applicant. The applicant shall at his option pay:

(1) The total cost of the permit paid at the time of issuance: or

(2) Eleven (11) per cent of the cost of the permit at the time of issuance, followed by annual payments of at least eleven (11) per cent of the original cost until after a payment period of ten years a total of one hundred and ten (110) per cent of the original cost has been paid. Provided that, the recipient of the permit may at any time discharge remaining indebtedness by paying the total cost

of the permit plus one percent of that cost for each year he has held that permit, with credit for all payments made.

(c) After the two (2) year period following initial issue authorize the the transfer of permits as follows:

(1) If there has been no significant decrease towards maximum desired levels in a given administrative area, no transfer of entry permits shall be allowed:

(2) If the commission determines that there has been a significant decrease towards maximum desired levels, the commission shall continue to accept surrender of entry permits pursuant to section 290 of this chapter and reissue fifty (50) per cent of those surrendered pursuant to subsections (a) and (b) above.

(3) The commission shall authorize the private transfer of permits in an amount not to exceed the number issued by the commission under subsection (c) (2) of this section, in each administrative area. Such transfers shall be authorized in order of application, upon application of both the proposed transferor and transferee.

(d) At any time the maximum desired number of permits for a particular administrative area is reached, licenses within that area shall become transferrable through and by the commission under sections 260, 270 and 280 of this chapter and unless transferred under sections 260, 270 and 280 of this chapter, may not be voluntarily on involuntarily transfered by any means whatsoever, including but not limited to:

(1) sale of any kind, conditional or absolute;

(2) pledge, mortgage, or other encumbrance of any kind;

(3) lease, rental, or other transfer of rights of use or or enjoyment, whether temporary or permanent;

(4) gift of the entire interest or or of any part, whether complete or into any form of co-ownership.

(5) succession at or upon death, whether by will, intestacy or otherwise;

Amendment to Sec. 16. 43.250 (con't)

(6) attachment, distraint, execution or seizure under any other process of a ny kind of any court or other body.

Nothing in this section prevents or otherwise restricts forfeiture as a result of the violation of a provision of this chapter or by violation of fish and game laws or regulations or by violation of any other state law or regulation or for failure to make payments on the permit under subsection (b)(2) of this section.

TO: SPECIAL SENATE FISHERIES COMMITTEE MEMBERS

ALL MEMBERS OF THE LEGISLATURE

FROM: Senator Palmer

DATE: February 16, 1973

SUBJECT: Objectives of a Transferability Clause

1. and
2. (Equal in Import)

To accomplish the original objectives of the bill and in effect put a lid on the present amount of gear in the fishery and gradually, by voluntary attrition, reduce the amount of gear to an optimum level established by the commission in consultation with the Board of Fish and Game and the Commissioner of the Department of Fish and Game.

To accomplish the objective of having the transferability clause be legal.

3. To maintain the free enterprise system to the extent possible within the overall objectives of the legislation.

4. To achieve the objectives of the legislation by voluntary action of the fishermen to the extent possible and ensure that a minimum of involuntary action be forced upon the fishermen by the commission.

file

Amendment to SB 39 - Add on to Section 16.43.200 (d)

... Provided that the commission shall not disqualify any person from participation in the fishery who has a history of active participation in the fishery for which application is made solely because he does not at that time possess a unit of gear for the fishery in which the permit is applied for.

File

Sec. 16.43.220 INITIAL ISSUE OF ENTRY PERMITS.

...

...

(b) After Legislative determination of permit transferability pursuant to Sec. 250 of this chapter the commission shall issue entry permits .....

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS. The commission shall study alternative methods of permit transferability and report its findings and recommendations to the Legislature prior to January 1, 1975. Alternative transferability provisions considered shall include, but not be limited to; free transferability, transferability through an apprenticeship program, transferability based upon a point system, transferability through a lottery and any combination of the foregoing. The commission shall study the economic, and management [illegible] impact of proposed transferability alternatives to include investigation of the credit and financing aspects of the fishing industry.

# TRANSFERABILITY

In dealing with this subject, we must work within the framework of the following legislative purpose:

> "to promote the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination."

In defining the objectives to be accomplished in transferability, the following constitutional guidelines must be met:

1) Legitimate legislative objectives
2) Rational means to effect the objectives
3) Classificationa of persons upon a basis reasonably conveivable as relating to the objectives.

There are ~~three~~ basic objectives which the committee should consider in exploring the alternatives.

1) Limit the initial entry level into the fishery in a fair and equitable manner. The method of transferability may effect the initial entry level.
2) Retain as much freedom of enterprise as possible.
3) Accomplish the objectives through voluntary action of the fisherman.

Assuming that unrestricted transferability will result in speculation and higher initial entry levels, a dichotomy exists in the first two objectives. To solve this, the speculatory nature of permits could be limited by taxation or by control of transferability, or both. It should be noted that the ability to fish is neither a right nor a privilege but is in a grey area between, and therefore is susceptible to regulation according to Fletchers' legal analysis of salmon gear limitation.

It would seem that consideration should now be given to the collateral objectives.

1) Limit the cost to the second generation of fishermen for utilizing a common resource.

2) Limit the ability of financial power blocks to economically coerce the unsophisticated fisherman.

3) Allow transfer within the family unit.

## PROPOSALS

The following proposals attempt to deal with two problems:

1. economic coercion by financial power blocks
2. qualifications for permits - experience or money (or both)

The first proposal merely buys time to explain the Act to people who do not have a academic or cultural background to appreciate its impact and perhaps to economically assist areas of impacted poverty.

The second and third proposals deal with qualification standards that could assist crew members and "second" sons in having a fighting chance to get permits. The second proposal leaves broad discretion in the Commission and the third provides more legislative guidance. If, under the second proposal, an unconstitutional regulation were adopted, it could be changed without legislative involvement.

Both the second and third proposals have an "out" in case there is detrimental court action.

The fourth proposal is presented in concept as it essentially eliminates transfers entirely. There is much to be said against excessive windfall gains from a common and "public" resource.

I

16.43.30 TRANSFER OF ENTRY PERMITS

(b) Except for emergency transfers pursuant to Sec. _____ of this chapter there shall be a two-year moratorium on all entry permit transfers pursuant to this section.

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting forth fair and reasonable qualifications for permit transferees pursuant to this section. [can add standards and options -- i.e., commercial sale, lottery, other controls]

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualifications pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chapter, there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add reasons]

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting fourth the qualifications for permit transferees. Any regulations pursuant to this section shall define reasonable priority classifications of similarly situated potential applicants based upon a fair and reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery,

(2) Extent of past and present participation in similar fisheries,

(3) Training pertaining to commercial fishing.

The Commission may restrict permit transfers to persons in the highest priority classification pursuant to this section.

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualification pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposed of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chpater there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add reason]

1. No property rights

2. No transfers except in family (as by previous proposals)

3. Only entry eminates from Commission

4. Property right resides in State.

CS5B39

PROPOSED COMMITTEE SUBSTITUTE

WORK DRAFT II

1. Add to 16.43.030 TERM OF OFFICE: VACANCY

Initial appointments shall be as follows: One member for two years, one member for three years, and one member for four years.

2. Alternatives: Add to 16.43.030 TERM OF OFFICE: VACANCY

(a) Board of Fish and Game, Removal of board members (16.04.280). The Governor may remove a board member for inefficiency, neglect of duty, or misconduct in office by delivering to him a written copy of the charges and giving him an opportunity to be heard in person or through counsel at a public hearing before the Governor or his designee upon at least 10 day's notice by registered mail. The member has the right to confrontation by and cross-examination of all witnesses against him. Upon removal, the Governor or his designee shall file a complete statement of all charges made against the member and the findings in the proper state office (SLA 1959).

(b) Alaska Public Utilities Commission, Removal of commissioners (42.05.035). The Governor may remove a

commissioner from office by and with the consent of a majority of the legislature (SLA 1970).

(c) Alaska Transportation Commission, Term of office; vacancy (42.07.021 (d)). The Governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 day's notice. If a commissioner is removed for cause, the Governor shall file with the Secretary of State a complete statement of all charges made against the commissioner and his findings based on the charges, together with a complete record of the proceedings (SLA 1969, am SLA 1970).

3. Add to 16.43.050 QUALIFICATIONS.

The commission shall consist of three members, with a board range of professional experience, none of whom have a vested or commercial interest in the harvest, production, or management of the commercial fishery resources.

4. Add to 16.43.060 LEGAL COUNSEL.

However, the commission may retain additional legal counsel as appropriate.

5. Add to 16.43.120 (a) GENERAL POWERS.

(9) designate, in view of the purposes and findings of fact in Sec. 010 of this chapter, specific fishery resources subject to the provisions of this chapter.

6. Add to 16.43.160 STANDARDS.

On the number of units of gear necessary to harvest peak runs in an orderly, efficient manner based on sound management techniques.

7. Add to 16.43.200 ENTRY PERMIT QUALIFICATIONS.

(a) The regulations shall define six priority classifications, with reasonable subclassifications, of similarly situated potential applicants based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including but not limited to, considerations of: percentage of income derived from the fishery, alternative occupations held and additional sources of income available, (excluding public assistance income) character of alternative occupations, and investment in vessels, gear, equipment and property actively and primarily used in the fishery.

(2) Extent of past participation in the fishery to determine the length, degree, and character of participation in the fishery including subsistence activities.

(b) The commission shall classify applicants on a gear to gear basis within each administrative area and rank each applicant within one of the following six priority classifications based upon the character of the applicant's involvement in the fishery:

(1) Career Fishermen - The fishery constitutes the primary subsistence and/or income source.

(2) Career Fishermen - The fishery constitutes a necessary and substantial subsistence and/or income source.

(3) Alternative Occupation - The fishery provides a substantial income supplement.

(4) Alternative Occupation - The fishery provides a variable minor income.

(5) Hobby or Sport-Commercial - The fishery provides an incidental income.

(6) Mere License Holder - Essentially no income from or participation in the fishery.

8. Add to 16.43.220 ISSUANCE OF ENTRY PERMITS

(b) The commission shall issue entry permits, for each administrative area and each type of gear, first to all qualified applicants in the highest priority classification, and then to all qualified applicants in each descending priority classification, until the number of entry permits issued equals the maximum number of units of gear established

pursuant to Secs. 160 - 170 of this chapter for each administrative area and each type of gear. Except that no applicant falling within the first two priority classifications set out in Sec. 200 (b) shall be denied a permit and no applicant falling within the third priority classification shall be denied a permit unless there is a prior determination by the commission, the Commissioner of Fish and Game, and the Board of Fish and Game that biological and economic factors justify denial of permits in these classifications. No permit shall be issued an applicant unless he has the present ability and intent to participate actively in the fishery.

9. Add to 16.43.230 TERMS AND CONDITIONS OF ENTRY PERMIT.

(c) Two years from the date of last renewal shall result in a forfeiture of the entry permit except as waived by the commission for good cause shown and consistent with the purposes of this chapter.

10. Add to 16.43.250 - 260 ALTERNATIVE I.

16.43.250 TRANSFER OF ENTRY PERMITS.

(a) Entry permits are non-transferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve

the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

16.43.260 NEW ENTRY.

Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chapter of the forfeiture of existing entry permits pursuant to Sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

16.43.250 - 260 ALTERNATIVE II.

16.43.250 TRANSFER OF ENTRY PERMITS.

(a) Entry permits are non-transferable except that:

(1) The holder of an entry permit may apply to the

commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to Sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and re-issuance of entry permit within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer rations between types of gear which will maintain a stable level of fishing within that administrative area.

16.43.260 NEW ENTRY.

(a) Following the issuance of entry permits pursuant to Sec. 220 the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chpater or the forfeiture of existing entry permits pursuant to Sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

16.43.250 - 260 ALTERNATIVE III

16.43.250 TRANSFER OF ENTRY PERMITS.

(a) Entry permits are non-transferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include

any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to Sec. 260 of this chapter.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and re-issuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

16.43.260 APPLICANT POOL.

(a) Following the issuance of entry permits pursuant to Sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to Sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to Sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment, and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consumated unless the highest bid price exceeds the fair market value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for sales pursuant to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispensed to the transferor.

11. Add to 16.43.280 PENALTIES.

(b) a person who makes a false statement as to a material fact in the application for an entry permit, or a person who assists another by making a false statement to a material fact

relating to the other persons entry permit is guilty of a misdemeanor, and upon conviction the entry permit shall be permanently forfeited to the commission.

12. Add Sec. 2 AS 16.05.250 (14) is amended to read:

(14) Establishment of the times and dates during which the issuance of fish and game licenses, permits, and registrations and the transfer of permits and registrations between registration areas, game management units or sub-units, is allowed. However, this paragraph does not apply to permits issued or transferred under Ch. 43 of this title.

SB 83, 1977: materials available in LRL: 11/7/83

1. H. Resources 1977 a) tape #12, side 1
   b) minutes 2/25/77
   c) tape log 2/25/77

2. H. Judiciary #33 tape 4/20/77, side 2
   tape log for 4/20/77

3. S. Resources tape #1C, side 2.
   tape #2, side 1

no committee bill files in LRL

This info. was compiled for John aKin.

J. Henry

TRAVEL ONLY *69.

JUNEAU ALASKA

# House

HOUSE RESOURCES COMMITTEE
25 February 1977
MINUTES

The meeting was called to order at 1:25 p.m. Room 118 of the Capitol Building by Representative Alvin Osterb Chairman.

| Members Present | Absent |
|---|---|
| Osterback, Chairman | Smith |
| Snider, Vice Chairman | Malone |
| Urion | Bennet |
| Eliason | |
| Akers | |
| Miller | |

HB 184 An act relating to the sale, purchase, or barter of sheefish.

Testimony: Rep. Leo Schaeffer, sponsor testified in favor of the bill, saying he wished to open sheefish up to Commercial Fishing. It is presently under the Sport Fishing Category.

Representatives Eliason and Schaeffer agreed that the word "subsistence" in HB 184 may be improperly used.

HB 184 was temporarily dropped so someone from Fish and Game could come to testify.

SB 83 An act relating to the transfer of commercial fisheries entry and interim permits.

Testimony: Roy Rickey, from the Limited Entry Commission testified that this bill was largely a housekeeping measure for regulations concerning the transfer of permits.

Rep. Eliason passed out copies of a Committee Substitute that he has been working on for SB 83.

Sections 2-6 would become sections 3-7 respectively.

Insert new paragraph on line 16 reading:

Sec. 2. AS 16.43.150 is amended by adding a new subsection to read:

(h) Upon the death of an entry permit holder, the permit belongs to the surviving spouse by right of survivorship unless a contrary intent is manifested. When no spouse survives, the rights of the decendent pass as part of his estate.

TRAVEL ONLY $69,000

Roy Rickey said that the Limited Entry Commission finds no problem with this change, in fact it may make it easier for the Commissioner to answer transfer requests.

MOTION

Rep. Eliason moved and asked unanimous consent to adopt his admendment, incorporated in SB 83 as a House Committee Substitute for SB 83.

The vote taken by the Chairman was a unanimous "aye" vote.
Absent - Smith, Malone, Bennet.

The motion carried.

MOTION

Rep. Urion moved to pass the House Committee Substitute for SB 83 out of his committee as amended with a "do pass" recommendation.

A vote was taken:
All those in favor - unanimous "aye".
Absent - Smith, Malone, and Bennett.

The motion carried.

HB 250 An act relating to Fish and Game Advisory Committees.

Testimony: James W. Brooks, Commissioner has calculated the cost of HB 250 to be $255,000 only, plus the cost of processing traveling costs. He said he favors the concept of HB 250, but would oppose it if it imposes an additional burden on the state's general fund.

Rep. Severson had calculated the cost at $161,225.

The committee decided to cover just travel, not per diem, and change the number of trips per year from 5 to 4.

MOTION

Rep. Snider moved to make the following amendment and incorporate as a Committee Substitute for HB 250

Line 10 delete "and per diem as provided by law for boards and commissions"

Line 11 delete "each day going to and from and for each day in actual"

Line 14 delete "and per diem are" and insert "is" in its place. Replace "five" with "four"

ISSUE ONLY $69,000

... 4 MTGS. PER Y

| DATE | TAPE #12 LOCATION | BILL | WITNESSES, ACTION, ETC |
|---|---|---|---|
| | | ~~HB 184~~ → | |
| | 410 2:00pm | HB 250 | James W. Brooks, Commissioner dept. of Fish & Game. has calculated cost associated with this bill - $255,000/year cost does not include cost of processing travel documents $2,315 ← |
| | | | favors HB 250 concept but would oppose it if it imposes ~~a~~ more burden on State's general fund. Its a money problem |
| | 510 | | BROOKS - VARIATION BETWEEN HIS FISCAL NOTE & SEVERSEN'S FISCAL NOTE. |
| | | | ELIASON - maybe only 1 trip |
| | | | ~~MILLER~~ - |
| | | | ~~SEVERSON~~ - maybe just fund travel. |
| | | | Miller wants one of these proposals - SEVERSEN OR ELIASON. |
| | | | VARIOUS SUGGESTIONS: |
| | | | TRAVEL ONLY $69,000 |
| | | | CHANGE IT TO 4 MTGS PER YEAR |
| | | | (BROOKS SAID THIS IS ENOUGH |

MALONE

TAPE #12

| DATE | LOCATION | BILL | WITNESSES, ACTION, ETC. |
|---|---|---|---|
| | 0 - 1:23pm | HB 184 | REP. LEO SCHAEFFER |
| | | | shellfish is now in sport fisheries. Wants to put it in commercial fisheries. |
| | | | ELIASON - SCHAEFFER "subsistence" wrong terminology in bill. |
| | 139 | SB 83 | Ray RICKEY LIMITED ENTRY house keeping legislation stops people from leasing permits. |
| | 305 | | ELIASON has been working on a committee substitute relating to if a permit holder dies, the permit can be transferred without going through probate. |
| | | | Ray RICKEY said they find no problem with this change, in fact it may make it easier for the Commission to answer the transfer requests. |
| | | | Eliason moved and asked unanimous consent to adopt CSSB 83. unanimous aye. Ulrich moved to [illegible] |

whitehead

1. ADD TO 16.43.030 TERM OF OFFICE; VACANCY

INITIAL APPOINTMENTS SHALL BE AS FOLLOWS: ONE MEMBER FOR TWO YEARS, ONE MEMBER FOR THREE YEARS, AND ONE MEMBER FOR FOUR YEARS.

Alternatives

2. ~~Against~~: ADD TO 16.43.030 TERM OF OFFICE; VACANCY

a) BOARD OF FISH & GAME, REMOVAL OF BOARD MEMBERS (16.05.280)

The governor may remove a board member for inefficiency, neglect of duty, or misconduct in office by delivering to him a written copy of the charges and giving him an opportunity to be heard in person or through counsel at a public hearing before the governor or his designee upon at least 10 day's notice by registered mail. The member has the right to confrontation by and cross-examination of all witnesses against him. Upon removal, the governor or his designee shall file a complete statement of all charges made against the member and the findings in the proper state office (SLA 1959)

b) ALASKA PUBLIC UTILITIES COMMISSION, REMOVAL OF COMMISSIONERS (42.05.035)

THE GOVERNOR MAY REMOVE A COMMISSIONER FROM OFFICE BY AND WITH THE CONSENT OF A MAJORITY OF THE LEGISLATURE (SLA 1970)

c) ALASKA TRANSPORTATION COMMISSION, TERM OF OFFICE; VACANCY (42.07.021 (d))

The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 days notice. If a commissioner is removed for cause, the governor shall file with the secretary of state a complete statement of all charges made against the commissioner and his findings based on the charges, together with a complete record of the proceedings (SLA 1969, am SLA 1970)

3. ADD TO 16.43.050. QUALIFICATIONS.

THE commission shall consist of three members, WITH A BROAD range of professional experience, none of whom have A vested OR commercial interest in the harvest, production, OR management of the commercial fishery RESOURCES.

4. ADD TO 16.43.060. LEGAL COUNSEL.

HOWEVER, the commission may RETAIN additional legal counsel AS APPROPRIATE.

5. ADD TO 16.43.120 (9). GENERAL POWERS.

(9) designate, IN VIEW of the purposes and findings of fact in sec. 010 of this chapter, specific fishery RESOURCES subject to the provisions of this chapter.

6. ADD TO 16.93.160. STANDARDS.

ON THE NUMBER OF UNITS OF GEAR NECESSARY TO HARVEST PEAK RUNS IN AN ORDERLY, EFFICIENT MANNER BASED ON SOUND MANAGEMENT TECHNIQUES. ( PURSUANT TO SEC. 220(h))

conflict ?

~~7. ADD TO 16.43.170 (9) (2). REVISIONS OF MAXIMUM NUMBER OF UNITS OF GEAR sec. 160 of this chapter.~~

7.

ADD TO Sec. 16.43.200 ENTRY PERMIT QUALIFICATIONS

~~(c) Following the establishment of the maximum number units of gear pursuant to sec. 160 of this chapter, the commission shall adopt regulations for entry permits for each administrative area and for each type of gear.~~ The regulations shall define six priority classifications, with reasonable subclassifications, of similarly situated potential applicants based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including, but not limited to, considerations of: percentage of income derived from the fishery, alternative occupations held and additional sources of income available, character of alternative occupations, and investment in vessels, gear, equipment and property x ACTIVELY AND PRIMARILY USED IN THE FISHERY. (EXCLUDING PUBLIC ASSISTANCE INCOME)

(2) Extent of past participation in the fishery to determine the length, degree, and character of participation in the fishery including subsistence activities.

(b) The commission shall classify applicants on a gear to gear basis within ~~the~~ EACH administrative area and rank each applicant within one of the following six priority classifications based upon the character of the applicant's involvement in the fishery:

(1) Career Fishermen-The fishery constitutes the primary subsistence and/or income source. ~~excluding public assistance income.~~

(2) Career Fishermen-The fishery constitutes a necessary and substantial subsistence and/or income source.

(3) Alternative Occupation-The fishery provides a substantial income supplement.

(4) Alternative Occupation-The fishery provides a VARIABLE minor ~~or incidental~~ income.

(5) Hobby or Sport-Commercial-The fishery provides an incidental income INCOME FROM OR

(6) Mere License Holder-Essentially no participation in the fishery.

8.

Add to Sec. 16.43.220 ISSUANCE OF ENTRY PERMITS

...

...

...

(b) The commission shall issue entry permits, for ~~an~~ EACH administrative area and ~~a~~ EACH type of gear, first to all qualified applicants in the highest priority classification, and then to all qualified applicants in each descending priority classification, until the number of entry permits issued equals the maximum number of units of gear established pursuant to secs. 160-170 of this chapter for ~~the~~ EACH administrative area and ~~one~~ EACH type of gear. Except that no applicant falling within the first two priority classifications set out in sec.200 (b) shall be denied a permit and no applicant falling within the third priority classification shall be denied a permit unless there is a prior determination by the commission, the Commissioner of Fish and Game, and the Board of Fish and Game that biological and economic factors justify denial of permits in these classifications. No permit shall be issued an applicant unless he has the present ability and intent to participate actively in the fishery.

7.

8. ADOPTO Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMIT

...

...

...

[~~(c) Each entry permit is issued for an initial term of one year, and confers upon the permittee a permanent right of renewal. Failure to renew an entry permit annually does not result in the loss of the right to renew the permit upon payment of all accrued annual fees, except that failure to renew an entry permit for a period~~ two years from the date of last renewal shall result in a forfeiture of the entry permit except as waived by the commission ~~on an area basis, or in the case of an individual~~ for good cause shown x AND CONSISTANT WITH THE PURPOSES OF THIS CHAPTER.

~~(d) The commission shall establish terms and conditions upon which entry permits may survive the death of the permittee.~~

~~(e) An entry permit may not be pledged or hypothecated and is not subject to assignment, distraint, or sale on execution of judgment.~~

Kathy: omit UNDERLINING please

10. Add to Sec. 16.43.250-260 ALTERNATIVE I.

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY. Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

Sec. 16.43.250-260. ALTERNATIVE II

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that :

(1) The holder of an entry permit may apply to the commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee. ~~[The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, gear, equipment, and property or lease right pursuant to sec.260 of this chapter.]~~

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY.
(a) Following the issuance of entry permits pursuant to sec.220 the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (a) of this chapter, these permits may be allocated within the highest priority classification by lottery.

Sec. 16.43.250-260 ALTERNATIVE III

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are non-transferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to sec. 260 of this chapter.

(b) When otherwise consistent with thepurposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260 APPLICANT POOL.
(a) Following the issuance of entry permits pursuant to sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

~~(3) Present ability and intent to participate actively in the fishery.~~

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment

and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consumated unless the highest bid price exceeds the fair market value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for sales pursuant to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispensed to the transferor.

11. Add to 16.43.280. Penalties.

(b) a person who makes a false statement as to a material fact in the application for an entry permit, or a person who assists another by making a false statement to a material fact relating to the other persons entry permit is guilty of a misdemeanor, and upon conviction the entry permit shall be permanently forfeited to the commission. (F&G violations)

12. (c) Includes false statement on Emergency Transfers

13. Add * Sec. 2. AS 16.05.250(14) is amended to read:

(14) establishment of the times and dates during which the issuance of fish and game licenses, permits and registrations and the transfer of permits and registrations between

registration areas, game management units or sub-units, is allowed. However, this paragraph does not apply to permits issued or transferred under ch. 43 of this title.

STATE
of ALASKA

# MEMORANDUM

TO: Senator Palmer

DATE: 2/6

FROM: David Jackman

SUBJECT: S.B. 39

Here are some suggested alternatives based on last night's discussion.

02-001A Rev. 2-71

Add 6. - Suggested Alternative

(1) The number of units of gear that will result in a reasonable average rate of economic return to the fishermen participating in that fishery, considering time fished and necessary investments in vessels and gear.

(2) The number of units of gear necessary to fully harvest the allowable commercial take of the fishery resource during all years in an orderly, efficient manner based upon sound management techniques.

Add 7. - Suggested Alternative

Sec. 16.43.200. ENTRY PERMIT QUALIFICATIONS. (a) Following the establishment of the maximum number of units of gear pursuant to sec. 160 of this chapter, the commission shall adopt regulations setting forth the qualifications for entry permits for each administrative area and for each type of gear. The regulations shall establish specific qualifications for grouping similarly situated potential applicants into the following priority classifications:

(1) Career fishermen (single fishery participation) - Consistent participation in this fishery provides a primary or substantial income source.

(2) Career fishermen (multiple fishery participation) - Consistent participation in this fishery, together with participation in other fisheries, constitutes the primary income source.

(3) Alternative occupation fishermen - Participation in this fishery provides a substantial income supplement.

(4) Avocational fishermen - Irregular participation in the fishery provides a variable minor income source.

(5) Inactive fishermen - Licensed fishermen with no record of active participation in the fishery, or once active fishermen who have ceased participating in the fishery.

(b) The qualifications for grouping similarly situated potential applicants shall be based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including, but not limited to, percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, and investment in vessels and gear.

(2) Extent of past participation in the fishery including, but not limited to, the number of years participation in the fishery, and the consistency and character of participation during each year.

(c) The commission may adopt regulations establishing subclassifications of the priority classifications in (a) of this section when necessary and appropriate for a certain administrative area and type of gear, and consistent with the purposes of this chapter.

Add 8. - Suggested Alternative

Sec. 16.43.225. RIGHT TO COMPENSATION. (a) If an entry permit is not issued to an applicant who qualifies under priority classifications (1)(2) or (3) as established in sec. 200 of this chapter, full and reasonable compensation must be made based upon the economic value of an entry permit for the area and type of gear for which his application was denied, and including compensation for direct economic loss resulting from a drop in the market value of the applicant's vessel and gear which is attributable to regulation under this chapter.

(b) Until full compensation is made by the commissioner, any applicant eligible for compensation under (a) of this section shall be permitted to continue fishing under an interim entry permit.

Note: This just suggests a possible simplified approach to buy-back and compensation. It would require amending sec. 120 and sec. 190, and adding another section creating a compensation fund.

Basically it would allow everyone in pricrity classification (1), (2), or (3) to continue fishing on an interim entry permit until the legislature appropriated enough money to compensate them.

Add 10 - Suggested Alternative on Transfer of Permits

Although, I have not had time to draft language, I would suggest leaving permits transferable, but perhaps establish a five-year moratorium on any transfer or sale at the outset.

That would mean that except when necessary due to death or disability, the commission would process no transfers of permits (sales) for five years. This could be partially justified on administrative grounds because the commission will be too busy with its initial work during the first few years to administer transfers.

It would meet many of the objections raised last night by giving fishermen a few years to improve their economic situation and get used to the limited entry program before they would have the opportunity of selling out.

CSSB 39

SENATE ROLL CALL

_____ 19___

ject

ective date

| | Yea | Nay | Absent |
|---|---|---|---|
| 'ROVICH | | ✓ | |
| )FT | | | |
| )H | | ✓ | |
| RIS | | ✓ | |
| ISLEY | | | |
| IMAN | | | |
| TTULA | | | |
| IIS | | ✓ | |
| AND | | ✓ | |
| LER, K. | | | |
| LER, T. | | | |
| LMER | | | |
| AND | | | |
| ER | | | |
| | | | |
| TTIG | | | |
| CKETT | | | |
| OMAS | | | |
| JHO | | | |
| EGLER | | ✓ | |

YEAS _____
NAYS _____
ABSENT _____
EXCUSED _____

e _____ passed

e _____ ild not pass

## PROPOSALS

The following proposals attempt to deal with two problems:

1. economic coercion by financial power blocks
2. qualifications for permits - experience or money (or both)

The first proposal merely buys time to explain the Act to people who do not have a academic or cultural background to appreciate its impact and perhaps to economically assist areas of impacted poverty.

The second and third proposals deal with qualification standards that could assist crew members and "second" sons in having a fighting chance to get permits. The second proposal leaves broad discretion in the Commission and the third provides more legislative guidance. If, under the second proposal, an unconstitutional regulation were adopted, it could be changed without legislative involvement.

Both the second and third proposals have an "out" in case there is detrimental court action.

The fourth proposal is presented for comment as it essentially eliminates transfers entirely. There is much to be said against excessive windfall gains from a common and "public" resource.

16.43.30 TRANSFER OF ENTRY PERMITS

(b) Except for emergency transfers pursuant to Sec. _____ of this chapter there shall be a two-year moratorium on all entry permit transfers pursuant to this section.

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting forth fair and reasonable qualifications for permit transferees pursuant to this section. [can add standards and options -- i.e., commercial sale, lottery, other controls]

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualifications pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chapter, there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add reason?]

16.43.30 TRANSFER OF ENTRY PERMITS

(a) The holder of an entry permit may apply to the Commission to transfer his permit to another person. The Commission may adopt regulations setting fourth the qualifications for permit transferees. Any regulations pursuant to this section shall define reasonable priority classifications of similarly situated potential applicants based upon a fair and reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery,

(2) Extent of past and present participation in similar fisheries,

(3) Training pertaining to commercial fishing.

The Commission may restrict permit transfers to persons in the highest priority classification pursuant to this section.

(b) If after due consideration, including public hearings in each administrative area, the Commission determines that a system of qualification pursuant to (a) of this section is not feasible, the Commission shall approve permit transfer applications if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter.

(c) Except for emergency transfers pursuant to Sec. _____ of this chpater there shall be a two-year moratorium on all entry permit transfers pursuant to this section. [can add reason]

1. No property rights

2. No transfers except in family (as by previous proposals)

3. Only entry eminates from Commission

4. Property right resides in State.

16.43.250 TRANSFER OF ENTRY PERMITS.

(a) Entry permits are non-transferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

16.43.260 NEW ENTRY.

Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chapter of the forfeiture of existing entry permits pursuant to Sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

16.43.250 - 260 ALTERNATIVE II.

16.43.250 TRANSFER OF ENTRY PERMITS.

(a) Entry permits are non-transferable except that:

commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to Sec. 260 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and re-issuance of entry permit within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in operating efficiency of different types of gear and shall not permit transfer to allow a relatively inefficient type of gear which will maintain a stable level of fishing within that administrative area.

(c) Following the issuance of entry permits pursuant to Sec. 260 the commission shall adopt regulations governing [illegible] for applicants for permit transfers or any new entry. These regulations shall develop reasonable priority classifications of eligibility [illegible] based on a reasonable balance of all the following standards of management:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chpater or the forfeiture of existing entry permits pursuant to Sec. 239 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

16.43.250 - 260 ALTERNATIVE II.

16.43.250 Issuance of entry permits.

(a) Entry permits are nontransferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and if the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include

any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to Sec. 260 of this chapter.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and re-issuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within this administrative area.

16.43.260 APPLICATION FOR.

(a) Following the issuance of entry permits pursuant to Sec. 250 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit [CONTINUED] or [illegible]. The regulations shall define [illegible] equitably classifications of similarly situated [illegible] and upon reasonable balance of all the following standards of preference:

(1) [illegible] based upon participation in the fishery;

(2) [illegible] to commercial fishing;

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to Sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to Sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to Sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment, and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consummated unless the highest bid price exceeds the fair market value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for the sales referred to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispersed to the transferor.

WORK DRAFT

Pg. 11, Sec. 16.43.250 Transfer of Entry Permits

(a) Except as provided under sec. 260 of this chapter, an entry permit is not transferable from one person to another.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

(c) Failure to actively participate in a fishery for which an entry permit is issued for a period of ___ consecutive years shall result in the forfeiture of an entry permit. Entry permits forfeited under this section shall not be reissued until the optimum gear level is reached for that type of gear in the administrative area for which the forfeited permit was issued. Entry permits shall then be issued pursuant to sec. 270 of this chapter.

Pg. 12, Add new section 16.43.270 New Entry

(a) Whenever additional entry permits become available for issuance, persuant to sees. 170, 230(c), or 250(b) of this chapter, the commission shall adopt regulations consistant with the purposes of this chapter providing for the issuance of such permits by lottery.

STATE OF ALASKA
FISH & GAME LICENSING
DEPT. OF REVENUE
240 SO. FRANKLIN
JUNEAU ALASKA 99801

State Copy

COMPARISON OF NUMBER OF COMMERCIAL, VESSEL AND GEAR LICENSES SOLD STATEWIDE
JANUARY 1 - MARCH 2, 1972 ----------JANUARY 1 - MARCH 2, 1973

| RECEIPT CODE | TYPE OF LICENSE | 1972 | 1973 | INCREASE OR DECREASE IN NUMBER SOLD | % OF INCREASE OR DECREASE |
|---|---|---|---|---|---|
| 270 | Vessels | 642 | 1142 | + 500 | + 77.88 |
| 271 | Troll | 183 | 483 | + 300 | +163.93 |
| 272 | Longline | 36 | 141 | + 105 | +291.66 |
| 273 | Drift Gill | 194 | 354 | + 160 | + 82.47 |
| 274 | Set Gill | 153 | 79 | - 74 | - 48.36 |
| 275 | Beach Seine | 2 | 2 | ----- | ---- |
| 276 | Purse Seine | 60 | 93 | + 33 | + 55.00 |
| 277 | Beam Trawl | 14 | 30 | + 16 | +114.29 |
| 278 | Otter Trawl | 53 | 51 | - 2 | - 3.77 |
| 279 | Shellfish Pots | 185 | 288 | + 103 | + 55.68 |
| 280 | Clam Digger | 12 | 20 | + 8 | + 66.67 |
| 281 | Res. Comfish | 877 | 1727 | + 850 | + 96.92 |
| 282 | Nonres. Comfish | 163 | 299 | + 136 | + 83.44 |
| 283 | Scallop Dredge | 2 | 2 | ----- | ---- |
| | TOTALS | 2570 | 4711 | +2135 | + 82.88 |

REMARKS ON LIMITED ENTRY delivered by Senator Bob Palmer

In many areas of the state the excessive amount of commercial fishing gear currently makes the ~~most~~ effective biological management of Alaska's fisheries for maximum sustained yield almost impossible. Since the number of fish that can be safely ~~taken commercially~~ harvested is limited, the fishery cannot provide a livelihood for an unlimited number of people.

The Cook Inlet drift net fishery is only one of several examples of the management difficulties created by excess gear. Because of the volume of gear, only two 12-hour periods of fishing a week were permitted last year. Since salmon returning to a particular spawning area travel together, and the concentration of gear is so great, the danger of wiping out a particular run in its entirity is always present. A difference of only a few

hours in the opening and closing times for a fishing period could destroy the results of years of good management and rehabilitation. Extremely large concentrations of gear are also posing very serious management problems in the Bristol Bay and Prince William Sound salmon fisheries and some of the State's shellfish fisheries. In other fisheries the problem is less severe; and some fisheries today face no problem, only the threat of a growing amount of gear.

The amount of gear fished in nearly all of the State s fisheries has been increasing yearly, and that trend shows no signs of slowing or reversing. The figures on the attached sheet show an increase of 82.88 percent in the total number of commercial, vessel and gear licenses sold statewide during January and February of this year over the same period last year. While the

prospect of limtied entry has undoubtedly exaggerated the growth rate by spurring speculators to buy licenses, the trend is still clear -- and so is the danger that it indicates for all of Alaska's fisheries, either now or in the future.

In addition to weakening effective fisheries management, this continuing growth in the number of units of gear makes fisheries rehabilitation programs futile in the long run. What good is it to increase the number of fish by fifty percent if, at the same time, the number of fishermen increase by seventy-five percent?

In addition to the problems of lessened management effectiveness and diminishing economic return to individual fishermen, the growth in gear poses another danger to Alaska's fisheries.

Without sufficient money to diversify their fishing activities and improve their fishing methods, time is going to pass by the growing crowd of Alaskan fishermen. Their mere numbers and the resultant low income will force them into using obsolete, inefficient methods, even in new fisheries. Alaskan fishermen and Alaskan fish products will find themselves in a bottom position in competitive markets, futilely and ironically seeking more money to make a living from a catch that cost them more to get than fishermen elsewhere.

Limited entry will put a lid on the growth of gear in the State's fisheries, and where there is already too much gear, it will reduce the amount to a workable level. It will lead to better fisheries management and enhancement, improved economic

returns, more effective development of all of the State's commercial fisheries, and a better competitive market position.

Merely putting a limit on the number of participants at any one time does not amount to giving individuals property rights to the fishery itself. The fisheries of this state will always remain the common property of the people, but their use must be regulated through limited entry if Alaska's fisheries are to be economically and biologically productive and continue to contribute to the overall well-being of this State

SUMMARY OF COMMENTS ON TRANSFERABILITY

Free Transferability thru the commission

1. Meets the committee objective of retaining as much freedom of enterprise as possible.

2. Will increase the speculatory nature of permits and the costs of compensation and/or a buy-back program.

3. By granting a transferable privilege, the State will loose the ability to control who utilizes a common resource.

4. Will encourage a greater adherence to conservation considerations on the part of those utilizing the resource.

5. If the State has a vested interest in keeping as many permits as possible in resident hands, free transferability may result in the flow of permits to non-residents with a more rapid rate among low income groups.

6. Vests the ability to utilize a common resource in private hands placing a monetary qualification on those who wish entry to the fishery.

7. Passes the cost for the privilege to use a common resource on to the second generation of fishermen.

Moratorium period prior to free transferability

1. May allow for the unsophisticated and those most dependent on the fishery an opportunity to improve economic condition. Their ability to withstand economic pressures could be substantially improved by a State loan program and/or the involvement of the Native Regional Corporations.

Free Transferability thru the commission with a substantial tax on entry permits [illegible].

A. 75% tax on the fair market value of an entry permit when sold to the commission. The commission would purchase permits in an area until the optimum gear levels were reached.

B. 90% tax on the sale of an entry permit to another individual.

1. Would decrease the speculatory nature of the permits and the costs of compensation and/or a buy-back program.

2. Does not pass on the cost for utilizing a common resource on to the second generation of fishermen. The major portion of appreciation in value reverts to the State in the form of taxes.

3. Would encourage "under-the-table" schemes which would substantially increase the administrative policing required.

4. Offers an incentive to sell to the commission in over-geared areas.

5. Could allow for transfer within the family unit at minimal costs.

Restricted Transferability thru the commission to an applicant pool

1. Would allow those who have been dependent on the fishery as non-gear operators an improved chance of entry.

2. Would allow for State control of individuals utilizing a common resource.

3. Depending on qualifications, could create a closed class and if not, may favor non-residents.

4. Depending on the right-privilege dichotomy, could be considered discriminatory to those with no experience or training, but who wish to utilize a common resource.

5. Would increase an individual's ability to obtain financing (as opposed to lottery).

Restricted Transferability thru the commission by lottery

1. Would be unprofessionally unfair.

2. Would make financial planning very difficult for those in lottery.

3. Would not allow any advantage to those non-gear operators dependent on the fishery.

Restricted Transferability thru the commission only to family members, [illegible] permits issued by lottery or applicant pool.

1. Would allow individual the right to utilize a common resource [illegible] family [illegible] on the resource.

Justification of David Jackman, Office of the Attorney General, for COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 39, a bill for limited entry into the commercial fisheries of Alaska

As stated this proposed committee substitute has been the result of much work drawn primarily from the committee substitute that the Professor (Fletcher) put together and the inputs of the people attending those meetings. I think the structure of the bill can be most easily understood if you think of it in four parts,maybe there are five.

First article dealing with the creation of the commission. The second article dealing with the basic entry permit. Entry permits, wat the terms and conditions of the entry permit are, how they can be transferred, so forth. The third article dealing with the initial issue of permits, starting with the present situation, how do we decide how we are going to go about putting a lid on things and getting the entry permits out initially to the people that have been fishing. The fourth article is really phase two of the program the reduction of the number of entry permits down to the optimum levels. It is working from where we are nowin a lot of distressed fisherys down to a reasonable level of gear. The fifth article very frankly simply deals with general provisions, such as penalties, regulations, definitions.

I know you are in a time constraints but I will take time and kind of go through the details of how this will work.

The first article, as I say, deals with the commission. The commission would be a three-man commission, they would have a full-time commissioner and a quasi-judicial regulatory agency in the state. One member would be designated as chairman, the commissioners would serve staggered terms and could be removed only for cause shown including incompetency and I think the thinking there was that there would not be an automatic change in the makeup of this commission with a change of administration. The two members of the commission would constitute a quorum. Clearly the organization of the commission contemplates that it would have an adequate supporting staff. There will be the need for a very (fairly) sizeable clerical staff to handle just the mechanics, the bookkeeping of collecting fees, issuing permits, and all of that. The commission would rely on experts as they needed them. The attorney general would be legal counsel and as the chair has noted will doubt be in court defending this.

The powers and duties of the commission are enumerated in Article II. A general rundown will show all the things that will be accomplished in the act. Basically the provisions of the administrative procedures act will govern all regulations adopted by the commission and the adoption of regulations, notices, public hearings, pretty much conform with our apa. The commission would make its own standards in its quasi-judicial role for when it gets around to individuals giving individuals a hearing on their application. It may establish its own regulations and

proceedings for that purpose. It is our experience with other public commissions such as the public utilities commission, the transportation commission, have shown the apa procedures for ajudication to be cumbersome and unnecessary.

Article III which starts with laying out the basic entry permit system. Section 140 states the basic permit requirement that after January 1, 1974, no persons may operate gear in a fishery resource of the state without an entry permit or an interim use permit. The permit is not required of a crewman or others who assist in this fishing. It would just have to be issued, just applies, on a one to one correspondence with the units of gear. The bill goes on to explain that there are only three circumstances in which a person can hold more than one permit. Illustrate. Fishing in more than one administrative area we have established fisheries, those who actually have fi hed or want to fish, say Southeastern and Prince William Sound. The third situation would be harvesting a particular species for which separate interim gear was issued. Illustrated by example of Kodiak where one type of gear, shellfish, could be used for tanner crab, king crab, dungeness crab, and the level of gear for each of those different fisheries might be very different so you would have to have different permits for king crab than for tanner crab.

Now Section 150 starting line 6 spells out the terms and conditions of entry permits. Basically it states that apermit to operate

a unit of gear within a specified administrative area must be in the possession of the holder fishing for a term of one year but is renewable annually. This is to make clear that as long as the person remains in good standing and pays the assessments, he has a right to renew. Important term and condition is that an entry permit constitutes a gear license which may be modified or revoked by the Legislature. This is to make it clear that the entry permits do not constitute property rights in the fishery. Or something that is subject to compensation. In a sense it is stating the obvious. It makes clear to people that in terms of the entire system the legislature can come back and make whatever future adjustments or admendments/(modifications) are necessary. Also stated in the entry permit shall not be pledged more than the holder is encumbered (?) or subject to right of repossession. The fees section underwent substantial discussion and provision because several of the committee members noted the problem of charging one set fee for all the different types of gear in the state. Illustrated. To correct those possible inequities the fee sections reads that the annual fee shall be no less than $10 and no more than $100 to reflect the differing economic rates/of return for different fisheries.

The bill permits those following the low social security administration/poverty guidelines to in no case be subject to more than a five dollar maximum fee. Transfer of entry permits can be through the commission only. Permits can be transferred by making appli-

cation to the commission and only upon six months notice of intent to transfer. This was thought to be a protection, going through the commission and in full view of the commission. Basically the permits are freely transferable with one exception -- well two important exceptions -- the transferee, the person to whom the permit is going, must be a fishermen, one actively participating in the fishery. One class of applicants will receive permits subject to a temporary restriction on transfer. They can only transfer back to the commission. They cannot tranfer to another commission. They will get market value just likeeveryone else but they can only transfer to the commission.

Article IV, the initial issuance of entry permits first establishes administrative areas which are compatible with the areas established by the Board of Fish and Game. Then introduced the interim use permit which does just what it says -- it is a permit which the commission will issue adopting the regulations, accepting the applications that it needs to make to issue the final entry permits. Interim use permit in some of the fisheries probably will be only for six months to a year. In some of the other fisheries if they need them longer than that, this will be the mechanism by which the commission can keep track of a fishery and put a lid on it.

There is one special restriction on the interim use permits. They can be issued to anyone who is actively ready to participate in the fishery. However, on the bottom of page nine Bristol Bay, Cook

Inlet, and Prince William Sound drift net fisheries are severely impaired, and even on a interim basis permits can only go to those who have at some time in the past fished in those fisheries. Even interim permits cannot be issued to fishermen that come in there for the first time this next year. There will be a one year restriction on that so that the Legislature can keep a tight control on that.

Terms and conditions of interim use permits. They are non-transferable. The commission can adopt regulations for the hardship transfer of interim use permits because of sickness or other unavoidable consequences that would keep a man out for a season. The next important provision is the designation of distressed fisheries. This is substantially from anything in the House Bill. Designation of distressed fisheries is those fisheries which are at or above the optimum level basically. Most of the salmon fisheries fall in that category and some of the shellfish. The only fisheries which would be excluded are fisheries which in the judgement of the commission can be allowed to grow which are still below the optimum level. For the distressed fisheries, the termination of the maximum number of entry permits. Basically for the distressed fisheries the maximum number of permits for additional issue will be the highest number of units of gear during any one of the four years immediately proceeding January 1, 1973. For the other fisheries when the commission finds that that fishery has reached levels which require limitation on down the line, the commission shall establish the maximum level of gear for that fishery.

In terms of standards for initial issuance of entry permits, these are set forth as hardship standards to write (right?) the applicant's degree of hardship they would experience by exclusion from the fishery.

Regulations would define priority classifications based on two standards: the degree of economic dependence upon the fishery and extent of past participation in the fishery. At the same point in time that the commission is proposing those regulations wich would set forth the qualifications, they will do this fishery by fishery, dealing with each area and each type of gear separately, the commission will designate those applicants who would suffer significant economic hardship by being excluded form the fishery. That designation is important because later on those people must receive permits. They are locked in. Another designation which the commission must make is the designation of those priority classification of those applicants who would suffer only minor economic hardship by exclusion from the fishery and it is only people who receive permits in that category who have the restricted transfer permit, in other words they can only transfer the permit to the commission. If they hold on to it or it goes back down to their family, there is no problem with that, then they can keep the permit. But if they want to sell it, they can only sell it to the commission.

The application procedures are pretty straight forward. Only

applicants who have at some time held gear licenses in the area can apply for permits. If the applicant is not satisfied with the commission's decision on his application, he can ask for and receive an administrative adjudication, his own separate hearing at which he can present alternative evidence. Another very important provision included in that section is that all classification, excuse me, all qualifications are determined as of a person's participation in the fishery prior to January 1, 1973. That means that someone who entered the fishery at the last minute this year can do so but he won't get any credit toward qualifying for an entry permit. The commission will look only at what he has done in prior years.

Initial issurance of entry permits -- The commission shall issue entry permits as designated in 250.b, first to all qualified applicants, or anyone who would suffer severe economic hardship, then all applicants in descending priority classifications, until they reach the maximum number of permits for that area. How far down that list of priority classifications depends very much upon the fishery -- where the fishery is a part-time fishery you are going to be well down into the list, to the, shall we say, casual participants. In other fisheries, such as Bristol Bay, the cut-off line might be somewhat higher. In any even, no one who suffers significant hardship or economic distress will be denied a permit. If the maximum number of cuts custs right in the middle of a priority classification, then the dicison of who gets permits within that classification is by lottery. The priority

becomes somewhat confusing but what it has attempted to do is to group people with similarly situated people in whatever grouping seemed appropriate in terms the nature of that fishery and not to pretend to draw a line between individuals where the commission would be up against a hopeless task if they attempted to differentiate between individuals who had qualifications that were virtually identical. They will be all put into one classification and treated equally.

If at the time permits are issued, some applicants are appealing the result through administrative adjudication, the permits are held out to protect on the assumption that they will see the hearing resolved intheir favor. All the provisions of repeal of the adminsitrative procedures act apply. The commission would let him to continue to fish on an interim basis and hold out an entry permit for him until the appeal is finally determined.

Palmer: WE are going to set a maximum first and that maximum shall be no less than the largest number of units of gear that had been fished in the previous four years in that fishery. It is also going to include those who would suffer a significant hardship if they were excluded and if that last number is greater than the first, then so be it. When you talk about cutting across a hardship category and lottery, you are saying that the first group, of significant hardship, those people are all being included, and if you still have room, you still have not gone up to your maximum

then you are going to drop on down to another level of minor hardship and start letting them in. So, if you don't have room for all of the hardship cases, that is where your line cuts through then. For the slots that are left before you hit the maximum number, all the minor hardship cases will have a chance to get in through the lottery.

Sy that 500 permits is the highest gear in the four years, suppose when the commission goes in and writes all of the applicants, suppose they find that 400 of them would know a significant hardship were they to be kept out and only 200 would know only minor hardship if they were left out. Ok, all 400 of those who would suffer significant hardship will be kept in. Instead of taking the first 100 of the remaining 200, they will all draw out of a lottery, thus having an equal chance at the remaining 100. Further illustration.

Jackman: A further illustration that Senator Palmer gave where you would have a maximum 500, and 400 would suffere significant hardship, they get the permits first. Then you have 100 permits left to issue and 200 applicants. The applicants might be divided into as many as two or three other priority classifications. Priority classification is sort of on the notion of a point system. So, you might not have a drawing of all the two hundred, but you would come down some through some of those and the line might cut across the second priority classification so you would have a

drawing, say, between sixty of the less hardship classifications, you would not necessarily be condemning all the people in classifications below significant hardship, since you can't really differentiate one from another, the only fair way to do it is by lottery. The commission could only rank the applicants as set out in the bill -- terms of economic dependency on the fishery and past participation in the fishery.

After all the entry permits are issued, you are on your way. The next phase of the program in Article V is the reduction of the optimum number of entry permits. To reduce the commission has to make a determination as to what the optimum level is. This is the second major feature that the commision has to make as a judgemental decision. They have to go into each fishery and determine the optimum number of permits on a balance of three standards.

Basically the first standard is the number of permits that is sufficient to support an economically healthy fishery and result in a reasonable return to the fisherman. The second standard is the number of permits capable of harvesting all the fish in an orderly manner consistent with sound fishing management techniques, from a conservation oriented standpoint. The third standard is the number of entry permits necessary to avoid serious economic hardship to those engaged in the fishery considering other economic opportunities available to them. That is an important factor in that the commission can balance the human needs and circumstances

in a given fishery in with the others so it doesn't become some sort of an overly mechanical computation, in the particular economy or fishery that you are dealing with. It can only be revised if there is a long term change in the biological change such as the Bristol Bay fishery. This would be if the Bristol Bay fishery were all of a sudden to built up to its 1930 level, twice or three times what the present runs are. That would be the kind of a chnage that would enable you to come back in and increase the number of units of gear that could fish. Seocnd interest would be an interim change in market conditions. I suppose if the price of fish in ten years tripled, again fisheries would be that much more profitable and they could let more people in again. The restriction is long term change so they cannot come into each fishery and tinker with the levels every year. They are only to change them if an established change is warranted. The only way that the commission can reduce the optimum level of entry permits is through the buy-back provision, to make it clear that no one is ever to have an entry permit taken from himagainst his will. If a reduction is necessary, it can come only by buy-back provision which is taken up in the next session. Funds are established for each fishery fr the purpose of reducing to the optimum within ten years. In some fisheries the reduction might be more rapid than that; in others it might take the full tne years. Assessments on the fishermen themselves would fund the buy-back funds. assessments would be based upon no more than seven percen[illegible] the gross value of the catch. That is very much an ou[illegible] limit. In many

fisheries the assessment would be one or two or three years. Some one who doesn't fish that year would pay the average assessment for his area and again the assessments go back into the buy-back fund for that area. The buy-back program would be administered by the commission to provide for the purchase of entry permits and gear at fair market value until you get back to optimum level. There would be three circumstances where you would have new permits to issue. If you increased the optimum, as discussed before in terms of revising the optimum; if permits are forfeited back to the commission for non-payment of fees; or under the penalty section wherein you have more permits coming available; or if you put a lid on the fishery, one of these fisheries that is not troubled yet; and then when you get around to setting the optimum you can still allow for some growth and new permits to be issued.

Section 330 instructs the ocmmission to issue those permits to fishermen who are ready to fish in that fishery ac cording to any equitable method of issuance. In some situations a priority of application or lottery might be appropriate and in some instances competitive bid might be more appropriate. It would depend upon the number of applicants ratio to the number of permits. The general provisions Section 350 -- the jurisdication of the board of Fish and GAme is not affected. They will continue to be the ones to decide on the length of nets, net size, where you can fish what net. The commission and the board will clearly have to work together but the jurisdication of the board is not affected.

The penalties section has three parts. The first part talks in terms of a violation of the chapter upon a third conviction for a violation of the chapter for regulation under the chapter such as not having a permit in possession while fishing. A person would forfeit all interim use permits and entry permits and lose eligibility for permits. The second part of the penalties has to do with fradulent statements in applying for an entry permit or assisting another in making fradulent statements in applying for an entry permit. Again, a person who is found guilty of that in addition to being guilty of a misdeamenor would forfeit any permits which he held and forfeit his elegibility for permits for a period of five years.

The last section deals with someone who violates a tax law. He would lose his permits and lose eligibility for five years.

Section 370 requires the commission to submit an annual report to the legislature and to include progress report on the reduction of gear down to the optimum level and recommendations for additional legislation relating to the fisheries.

Section 380 is definitions -- do not require much detail. Further technical amendments to toher part of Title XVI.

Just to comment briefly, the basic difference between this bill and the house bill is the fact that the HOuse bill would have

permitted an initial cut in three enumerated distress fisheries rather than letting people in at the present level and taking the highest for the last four years. The commission could have made an initail cut at Bristol Bay, Cook Inlet, and Prince William Sound of not more than twenty-five percent.

Palmer: Is there any doubt in your mind that this language

There is no doubt in my mind that the legislature can come back next year or another year and amend the legislation in any way that is necessary.

Relating to the handtrollers, that fishery would not be designated a distressed fishery and probably the lid would not be put on it even at the present level. The sport commercial fishermen may (must) be treated separately from the power troll fleet and that is spelled out in the definitoons. Entry permits for hand troll gear will be separate from power troll gear. I think that takes care of the problem in southeast Alaska.

To summarize the bill does not affect the 1973 fishing season. Thebill goes into effect January 1, 1974. Clearly the interim use provision would allow anyone who presently wants to fish to get an interim use permits except in 1973. In 1974 only perosns who have before fished in those fisheries (Bristol Bay, Cook Inlet, Prince William Sound) cna get a permit. In the other interim use

permit fisheries you are not going to cut anyone off until you get to the point of issuing entry permits, but thepoint to be remembered is that an interim permit does not count at all in 1974 in terms of eligibility for a permit eventually. The fishery is not closed arbitrarily -- the people who have already made investments in vessels and gear or who for some reason or another have to chang areas are not told "no" until you actually get around to issuing permits.

(191) designation of severely threatened fisheries

Pending the determination of optimum numbers under Sec of this chapter and prior to the initial issue of entry permits under Sec of this chapter the commission shall designate as severely threatened those fisheries for which, in its judgemnt, the optimum number of entry permits to be set will likely be no higher than the average number of units of gear licensed for that fishery during the four years immediately prior to January 1, 1973.

(192) determination of maximum number of initial issue entry permits

(a) Except as may be increased under (b) of this section, the maximum number of initial issue entry permits for any fishery designated as severely threatened under Sec 191 of this chapter shall be the lesser of the following two numbers: (1) the average number of units of gear licensed for that fishery during the four years immediately prior to January 1, 1973; or (2) the number of persons in priority classifications "A" and "B" under Sec of this chapter.

(b) If for a particular fishery the first of the foregoing two numbers determines the maximum number of initial issue entry permits and if by use of that number any person within priority classification "A" of Sec of this chapter would be exluded from the fishery, that maximum number shall be increased to include all persons otherwise excluded who show that to exclude them would cause [substantial, significant, severe, great ?] hardship.

(c) The maximum number of initial issue entry permits for each fishery not designated as severely threatened under Sec 191 of this chapter shall be the average number of units of gear licensed for that fishery during the four years immediately prior to January 1, 1973. [Should this be set higher? e.g. 150% of this number? Should the commissioner be permitted to

designate fisheries for which no limit on initial entry permits is needed?]

(194) application for initial issue of entry permits

[here, procedure only]

(195) Priority classification of eligible applicants for initial issue entry permits

(a) Each applicant for an initial issue entry permit must be presently able and presently intend to participate actively in the fishery for which he makes application.

(b) After the closing date for applications, the commissioner shall classify persons qualified under (a) of this Section who apply for an initial issue entry permit for any fishery designated as severely threatened under Sec 191 of this chapter into the following three priority classifications: (1) "A" those who would suffer hardship by exclusion from the fishery more severe than described for "B" below, ranking within this classification into similarly situated groups in decreasing order of hardship; (2) "B" those who would suffer only minor [or negligible?] hardship by exclusion from the fishery; and (3) "C" category all others.

(c) After the closing date for applications, the commission shall classify persons qualified under (a) of this section who apply for an initial issue entry permit for any fishery not designated as severely threatened under Sec 191 of this chapter into the following two priority classifications: (1) those who would suffer any hardship by exclusion from the fishery; and (2) all others.

(195) Continued

(d) In determining the existence and degree of hardship under (b) and (c) of this section the commission shall (1) include only those persons who [have held a gear license for that fishery] for _____ of the _____years immediately prior to January 1, 1973; and (2) as to those persons so included, apply a reasonable balance of the following: [what to use?]

[(d) alternate: have commercially harvested under a gear license for that fishery]

(196) initial issuance of entry permits

[here use (b) (c) and (d) of .220 of DSJ Draft) pages 9 - 10 changing letter - designations to (a) (b) and (c) -- then add:

(d) Entrypermits issued to applicants within priority classification "B" of Sec 195 (b) of this chapter shall be known as and labeled "B - Class Permit" [and shall be subject to the restrictions upon transfer of Sec of this chapter?]

CONSERVATION ARGUMENT

1. Alaska's salmon stocks are down to one third of historic levels.

2. Gear licenses have increased 78% in the last thirteen years.

3. Vessels have increased 58% during the same period.

4. Gear license purchases are up 82% over last year.

5. Bristol Bay faces 7 years of severely restricted fishing, to the point that each man is fishing only 25 fathoms of gear.

6. In Cook Inlet where fishermen were fishing 135 hours per week they now fish 24 hours.

7. There are health fisheries in the State such as Southeastern but it is highly likely that these fisheries will be flooded by boats leaving the unhealthy areas.

Limited entry is needed because without it our fleets will continue to proliferate. If these trends continue we could loose salmon as a commercial species. Continued increases in our fleets coupled with the downward spiral of the fish themselves could adversely affect the tourist industry as well as sports fish interest.

# LIMITED ENTRY

# NATIVE FISHERMAN

# GOV. STUDY GROUP

GOVERNOR'S STUDY GROUP ON LIMITED ENTRY

JANUARY, 1973

**********

# ALASKA NATIVE FISHERMEN

# COMMERCIAL, VESSEL, AND SALMON GEAR LICENSES

# FOR

# STATEWIDE AND SALMON NET REGISTRATION AREAS

# 1971 - 1970 - 1969

JOHN E. HAVELOCK
ATTORNEY GENERAL
STATE OF ALASKA

JAMES W. BROOKS
COMMISSIONER
DEPARTMENT OF FISH AND GAME

# SALMON NET REGISTRATION AREAS

A. Southeastern
D. Yakutat
C. Prince William Sound
H. Cook Inlet
K. Kodiak
L. Chignik
M. Aleutians-Peninsula
T. Bristol Bay
W. Kuskokwim
Y. Yukon
Z. Norton Sound — Arctic-Yukon-Kuskokwim
X. Kotzebue

NUMBER OF ALASKA NATIVE FISHERMEN

COMMERCIAL AND VESSEL LICENSES

1971 - 1970 - 1969

| | Total [1] | Native [2] | % Native | Resident | Native | % Native | Non-Resident | Native | % Native |
|---|---|---|---|---|---|---|---|---|---|
| **1971** | | | | | | | | | |
| Commercial | 20,564 | 4,658 | 22.7% | 14,176 | 4,580 | 32.3% | 6,388 | 78 | 1.2% |
| Vessel Operator | 10,710 | 2,656 | 24.7% | N/A | 2,619 | ---- | N/A | 37 | ---- |
| **1970** | | | | | | | | | |
| Commercial | 22,088 | 4,508 | 20.4% | 14,370 | 4,448 | 31.0% | 7,718 | 60 | .7% |
| Vessel Operator | 10,877 | 2,498 | 22.9% | N/A | 2,483 | ---- | N/A | 15 | ---- |
| **1969** | | | | | | | | | |
| Commercial | 18,927 | 4,182 | 22.1% | 12,609 | 4,182 | 32.7% | 6,318 | 57 | .9% |
| Vessel Operator | 9,972 | 2,429 | 24.3% | N/A | 2,408 | ---- | N/A | 21 | ---- |

1/ Alaska Department of Revenue

2/ Governor's Study Group on Limited Entry

Alaska Native Fishermen Total State Gear - 1971 - 1970 - 1969

1971

| | Purse Seine 1/ | | | Drift Net | | | Set Net | | | Troll 2/ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native | Total Gear Reg. | Native Gear | % Native |
| Res. | — | 375 | — | — | 1300 | — | — | 1174 | — | — | 410 | — |
| N-Res. | — | 7 | — | — | 18 | — | — | 17 | — | — | 4 | |
| Total | 1,323 | 382 | 29% | 4,779 | 1318 | 28% | 3062 | 1191 | 39% | 2,533 | 414 | 16% |

1970

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Res. | — | 365 | — | — | 1219 | — | -- | 1114 | -- | -- | 391 | — |
| N-Res. | -- | 10 | — | — | 3 | — | -- | 5 | -- | -- | 1 | — |
| Total | 1311 | 375 | 29% | 4,710 | 1222 | 26% | 3053 | 1119 | 37% | 2,567 | 392 | 15% |

1969

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Res. | -- | 359 | — | -- | 1244 | — | — | 1063 | — | — | 369 | — |
| N-Res. | -- | 10 | — | -- | 7 | — | -- | 6 | -- | -- | — | -- |
| Total | 1207 | 369 | 30% | 4,374 | 1251 | 29% | 3011 | 1072 | 36% | 2,303 | 369 | 16% |

1/ Alaska Department of Revenue

2/ Governor's Study Group on Limited Entry

NATIVE COMMERCIAL FISHERMEN BY COMMERCIAL LICENSE AND VESSEL OPERATOR LICENSE

1971 - 1970 - 1969

| | SOUTHEASTERN | YAKUTAT | PRINCE WILLIAM SOUND | COOK INLET | KODIAK | CHIGNIK | ALEUTIAN PENINSULA | BRISTOL BAY | KUSKOKWIM | YUKON | NORTON SOUND | KOTZEBUE | OTHER 1/ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1971** | | | | | | | | | | | | | |
| Licenses | | | | | | | | | | | | | |
| Comm. | 244 | 75 | 134 | 147 | 181 | 48 | 127 | 729 | 387 | 463 | 116 | 79 | 1928 |
| Res. | 241 | 75 | 132 | 147 | 178 | 47 | 124 | 721 | 385 | 450 | 115 | 79 | 1886 |
| N-Res. | 3 | — | 2 | --- | 3 | 1 | 3 | 8 | 2 | 13 | 1 | — | 42 |
| Vess. Op. | 172 | 72 | 91 | 118 | 157 | 44 | 110 | 523 | 377 | 444 | 118 | 71 | 364 |
| Res. | 169 | 72 | 91 | 118 | 155 | 43 | 107 | 518 | 375 | 431 | 112 | 71 | 357 |
| N-Res. | 2 | — | — | --- | 2 | 1 | 3 | 5 | 2 | 13 | 1 | — | 7 |
| **1970** | | | | | | | | | | | | | |
| Comm. Licenses | 542 | 69 | 159 | 201 | 409 | 123 | 174 | 1060 | 384 | 441 | 113 | 105 | 734 |
| Res. | 529 | 69 | 155 | 198 | 394 | 122 | 168 | 1048 | 384 | 441 | 113 | 104 | 723 |
| N-Res. | 13 | — | 4 | 3 | 9 | 1 | 6 | 12 | --- | --- | --- | 1 | 11 |
| Vessel Operator | 207 | 67 | 93 | 114 | 163 | 40 | 91 | 515 | 340 | 400 | 102 | 64 | 302 |
| Res. | 203 | 67 | 92 | 113 | 159 | 39 | 91 | 511 | 340 | 400 | 102 | 64 | 302 |
| N-Res. | 4 | — | 1 | 1 | 4 | 1 | -- | 4 | --- | --- | --- | — | — |
| **1969** | | | | | | | | | | | | | |
| Comm. License | 505 | 69 | 150 | 190 | 327 | 114 | 142 | 990 | 399 | 413 | 127 | 45 | 711 |
| Res. | 496 | 69 | 146 | 188 | 320 | 112 | 140 | 974 | 399 | 413 | 127 | 45 | 696 |
| N-Res. | 9 | — | 4 | 20 | 7 | 2 | 2 | 16 | --- | --- | --- | — | 15 |
| Vessel Operator | 200 | 52 | 87 | 110 | 157 | 36 | 8 | 548 | 338 | 386 | 116 | 42 | 277 |
| Res. | 194 | 52 | 86 | 109 | 155 | 35 | 8 | 540 | 338 | 386 | 116 | 42 | 275 |
| N-Res. | 6 | — | 1 | 1 | 2 | 1 | - | 8 | --- | --- | --- | — | 2 |

SOURCE: Governor's Study Group on Limited Entry

1/ Other category includes those individuals who are not classified by salmon net registration area due to record error.

Alaska Native Fishermen Salmon Gear

Registration by Salmon Net Registration Area

1969 - 1970 - 1971

| | Southeastern | Yakutat | Prince William Sound | Cook Inlet | Kodiak | Chignik | Peninsula Aleutians | Bristol Bay | Kuskokwim | Kotzebue | Yukon | Norton Sound |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 1971 | | | | | | |
| Purse Seine | 99 | — | 35 | 12 | 119 | 44 | 73 | — | — | — | — | — |
| Drift Net | 54 | — | 89 | 34 | - | — | 66 | 481 | 361 | — | 232 | — |
| Set Net | 1 | 73 | — | 104 | 41 | — | 65 | 245 | 55 | 80 | 411 | 114 |
| Troll | 380 | 29 | — | — | — | — | — | — | — | — | — | — |
| | | | | | | 1970 | | | | | | |
| Purse Seine | 108 | — | 34 | 14 | 116 | 40 | 58 | — | — | — | — | — |
| Drift Net | 39 | — | 91 | 35 | — | — | 59 | 472 | 328 | — | 196 | 2 |
| Set Net | 3 | 71 | 4 | 95 | 41 | — | 57 | 254 | 57 | 68 | 363 | 105 |
| Troll | 369 | 15 | 2 | — | — | — | — | — | — | — | — | — |
| | | | | | | 1969 | | | | | | |
| Purse Seine | 106 | — | 32 | 15 | 120 | 38 | 58 | — | — | — | — | — |
| Drift Net | 34 | — | 82 | 35 | — | — | 56 | 511 | 325 | — | 206 | 1 |
| Net | 6 | 68 | 4 | 88 | 40 | — | 60 | 256 | 58 | 47 | 325 | 114 |
| Troll | 335 | 28 | — | — | — | — | — | — | — | — | 1 | — |

SOURCE: Governors Study Group on Gear Limitation

January, 1973

GOVERNOR'S STUDY GROUP

ON

LIMITED ENTRY

1960 - 1971

# SALMON REGISTRATION AREA CATCH BY GEAR AND SPECIES

# IN THOUSANDS OF FISH

JOHN E. HAVELOCK
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STATE OF ALASKA

JAMES W. BROOKS
Commissioner
DEPARTMENT OF FISH & GAME

## TABLE READING INSTRUCTIONS

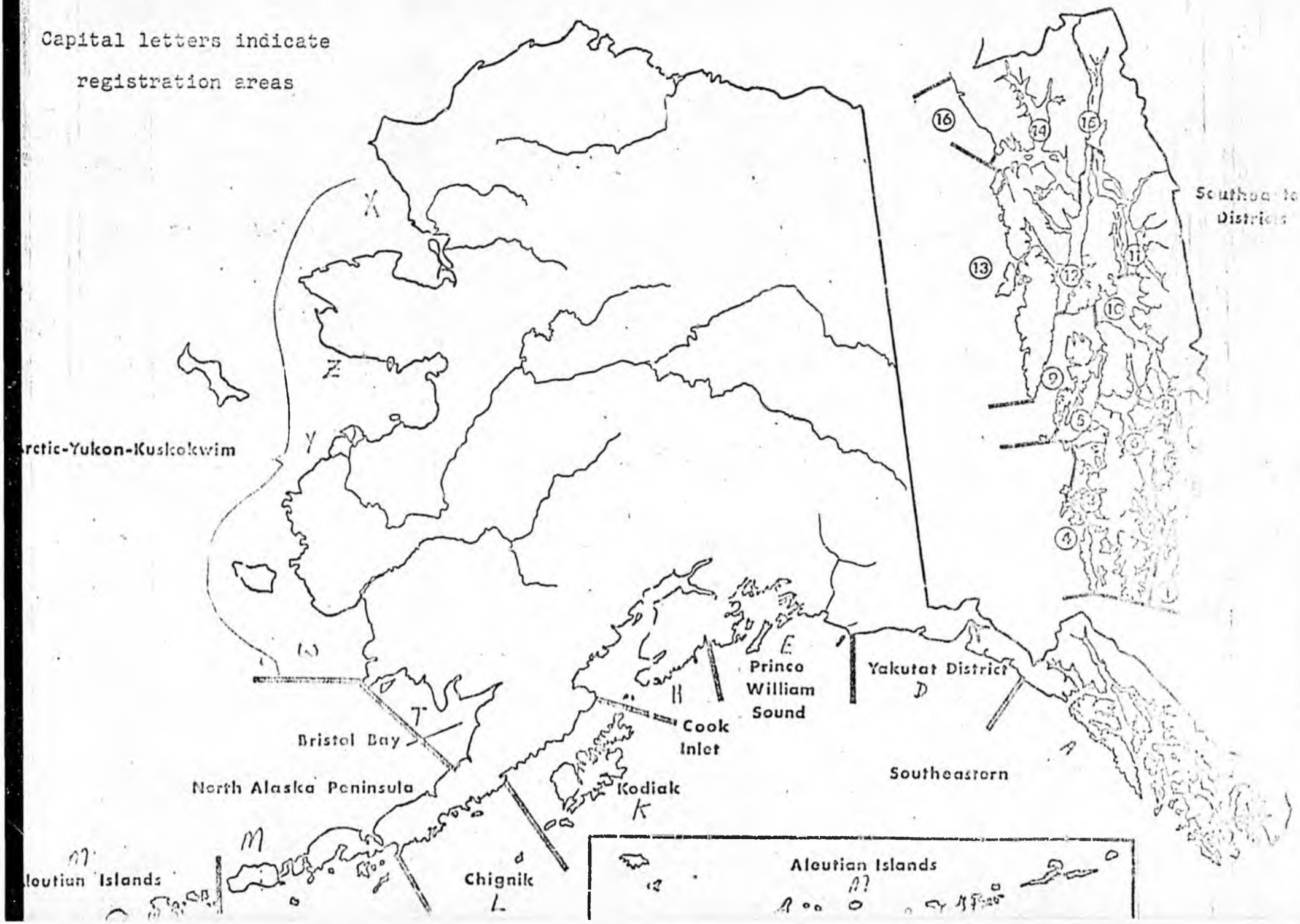
The tables presented on the following pages are salmon catch in thousands of fish by species and gear. The data are presented by salmon net registration areas, except for the Arctic-Yukon-Kuskokwim which is a combination of four registration areas (see map). The percentages running left to right across the page show the contribution of each species to the total catch for that gear. At the bottom, the percentages show the contribution of each species to the total catch of all gears combined. The percentages in the last column are read downward, showing what percent of the total area harvest was contributed by each gear.

Example:

In the table excerpt below, Pink salmon accounted for 91.6 percent of the total salmon harvest by fish traps in Southeast Alaska in 1963. The 94.8 total number of salmon harvested by fish traps accounted for only .4 percent of the salmon taken by all gears in Southeast Alaska. In comparison, purse seine netted 89.4 percent of the total number of salmon. Pink salmon in 1963 was the dominant species harvested accounting for 84.6 percent of the total Pink salmon catch of all gears combined.

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Southeast | Traps | --- | .0 | 4.2 | 4.4 | 1.6 | 1.7 | 86.8 | 91.6 | 2.2 | 2.3 | 94.8 | 100 | . |
| | Purse Seine | 6.1 | .0 | 423.0 | 2.1 | 319.6 | 1.6 | 18,216.7 | 90.4 | 1,190.0 | 5.9 | 20,156.1 | 100 | 89. |
| | Drift Net | 7.1 | .6 | 194.6 | 15.8 | 112.9 | 9.1 | 655.0 | 53.0 | 265.2 | 21.5 | 1,234.8 | 100 | 5. |
| | Set Net | --- | .0 | 1.5 | 19.0 | 1.4 | 17.7 | .6 | 7.6 | 4.4 | 55.7 | 7.9 | 100 | . |
| | Troll | 218.7 | 23.2 | 2.0 | .2 | 693.8 | 55.9 | 106.9 | 10.2 | 6.2 | .5 | 1,051.8 | 100 | 4.7 |
| Total S.E. | ALL | 237.0 | 1.1 | 625.3 | 2.8 | 1,128.5 | 5.0 | 19,066.0 | 84.6 | 1,468.9 | 6.5 | 22,545.4 | 100 | 100. |

# FIGURE 1. Alaska Salmon Management Areas



TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1971

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Purse Seine | 4.8 | .0 | 162.8 | 1.6 | 326.3 | 3.1 | 8,505.6 | 81.0 | 1,496.4 | 14.3 | 10,493.9 | 100 | 81.[illegible] |
| | Drift Net | 15.7 | 1.0 | 328.8 | 20.6 | 159.1 | 10.0 | 654.4 | 41.1 | 435.7 | 27.3 | 1,593.7 | 100 | 12.[illegible] |
| | Set Net | .1 | 2.8 | 1.5 | 42.9 | .3 | 8.6 | .2 | 5.7 | 1.4 | 40.0 | 3.5 | 100 | .0 |
| | Troll | 303.8 | 37.8 | .9 | .2 | 388.2 | 48.2 | 104.2 | 12.9 | 7.6 | .9 | 804.7 | 100 | 6.3 |
| Total S.E. | ALL | 324.4 | 2.5 | 494.0 | 3.8 | 873.9 | 6.8 | 9,264.4 | 71.8 | 1,941.1 | 15.1 | 12,897.8 | 100 | 100.0 |
| Yakutat | Set Net | 1.9 | .6 | 129.2 | 51.0 | 37.4 | 14.8 | 80.0 | 31.6 | 5.0 | 2.0 | 253.5 | 100 | 95.6 |
| | Troll | 8.2 | 70.7 | --- | .0 | 3.1 | 26.7 | .3 | 2.6 | --- | .0 | 11.6 | 100 | 4.4 |
| Total Yak. | ALL | 10.1 | 3.8 | 129.2 | 48.8 | 40.5 | 15.3 | 80.3 | 30.3 | 5.0 | 1.8 | 265.1 | 100 | 100.0 |
| Prince Wm. Sound | Purse Seine | 1.1 | .0 | 57.0 | .7 | 30.0 | .4 | 7,306.6 | 91.8 | 562.9 | 7.1 | 7,957.6 | 100 | 88.6 |
| | Drift Net | 16.7 | 1.6 | 684.9 | 67.1 | 297.2 | 29.1 | 5.9 | .6 | 16.7 | 1.6 | 1,021.4 | 100 | 11.4 |
| | Troll | 2.4 | 75.0 | --- | .0 | .5 | 15.6 | .3 | 9.4 | --- | .0 | 3.2 | 100 | .0 |
| Total P.W.S. | ALL | 20.2 | .2 | 741.9 | 8.3 | 327.7 | 3.6 | 7,312.8 | 81.4 | 579.6 | 6.5 | 8,982.2 | 100 | 100.0 |
| Cook Inlet | Purse Seine | --- | .0 | 1.7 | .3 | 2.3 | .4 | 384.3 | 71.4 | 149.9 | 27.9 | 538.2 | 100 | 31.[illegible] |
| | Drift Net | .3 | .0 | 425.3 | 57.3 | 35.5 | 4.8 | 6.4 | .9 | 275.0 | 37.0 | 742.5 | 100 | 44.[illegible] |
| | Set Net | 19.6 | 4.8 | 231.6 | 57.1 | 66.3 | 16.3 | 37.7 | 9.3 | 50.7 | 12.5 | 405.9 | 100 | 24.[illegible] |
| | Troll | --- | .0 | --- | .0 | 1.1 | 100.0 | --- | .0 | --- | .0 | 1.1 | 100 | .0 |
| Total C.I. | ALL | 19.9 | 1.2 | 658.6 | 39.0 | 105.1 | 6.2 | 428.4 | 25.4 | 475.6 | 28.2 | 1,687.6 | 100 | 100.[illegible] |
| Kodiak | Purse Seine | .8 | .0 | 366.7 | 6.3 | 19.1 | .3 | 4,010.9 | 68.3 | 1,471.6 | 25.1 | 5,869.1 | 100 | [illegible] |
| | Beach Seine | --- | .0 | 1.1 | 1.6 | .1 | .2 | 63.7 | 89.8 | 6.0 | 8.4 | 70.9 | 100 | |
| | Set Net | .1 | .0 | 110.6 | 25.3 | 3.6 | .8 | 260.0 | 59.3 | 63.8 | 14.6 | 438.1 | 100 | |
| Total Kod. | ALL | .9 | .0 | 478.4 | 7.5 | 22.8 | .4 | 4,334.6 | 68.0 | 1,541.4 | 24.1 | 6,378.1 | 100 | |
| Chignik | Purse Seine | 2.0 | .1 | 1,016.1 | 50.8 | 14.6 | .8 | 612.3 | 30.6 | 354.0 | 17.7 | 1,999.0 | | |
| Total Chig. | ALL | 2.0 | .1 | 1,016.1 | 50.8 | 14.6 | .8 | 612.3 | 30.6 | 354.0 | 17.7 | 1,999.0 | | |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH
1971

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Aleutians-Peninsula | Purse Seine | 1.6 | .1 | 234.6 | 8.8 | 17.2 | .6 | 1,476.9 | 55.3 | 938.7 | 35.2 | 2,669.0 | 100 | 66.4 |
| | Beach Seine | --- | .0 | --- | .0 | --- | .0 | 2.2 | 95.7 | .1 | 4.3 | 2.3 | 100 | .1 |
| | Drift Net | 1.2 | .1 | 725.3 | 60.5 | .9 | .0 | 4.4 | .4 | 466.9 | 39.0 | 1,198.7 | 100 | 29.8 |
| | Set Net | 1.6 | 1.1 | 111.3 | 73.5 | 7.0 | 4.6 | 6.9 | 4.6 | 24.6 | 16.2 | 151.4 | 100 | 3.7 |
| Total A-P | ALL | 4.4 | .1 | 1,070.2 | 26.6 | 25.1 | .6 | 1,490.4 | 37.1 | 1,430.3 | 35.6 | 4,021.4 | 100 | 100.0 |
| Bristol Bay | Drift Net | 119.1 | 1.3 | 8,587.9 | 91.8 | 8.2 | .1 | .2 | .0 | 634.7 | 6.8 | 9,350.1 | 100 | 89.9 |
| | Set Net | 3.9 | .4 | 996.1 | 95.2 | 4.5 | .4 | --- | .0 | 42.2 | 4.0 | 1,046.7 | 100 | 10.1 |
| Total B.B. | ALL | 123.0 | 1.2 | 9,584.0 | 92.2 | 12.7 | .1 | .2 | .0 | 676.9 | 6.5 | 10,396.8 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 71.6 | 27.9 | 6.0 | 2.3 | 12.3 | 4.8 | --- | .0 | 166.8 | 65.0 | 256.7 | 100 | 29.3 |
| | Set Net | 85.6 | 14.0 | --- | .0 | 13.0 | 2.1 | 4.9 | .8 | 508.0 | 83.1 | 611.5 | 100 | 69.8 |
| | Fishwheels | 7.8 | 92.9 | --- | .0 | --- | .0 | --- | .0 | .6 | 7.1 | 8.4 | 100 | .9 |
| Total A-Y-K | ALL | 165.0 | 18.8 | 6.0 | .7 | 25.3 | 2.9 | 4.9 | .6 | 675.4 | 77.0 | 876.6 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1970

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 2.9 | 2.7 | 2.5 | 2.3 | 101.9 | 93.7 | 1.4 | 1.3 | 108.7 | 100 | .7 |
| | Purse Seine | 6.0 | .1 | 307.8 | 2.5 | 294.5 | 2.4 | 9,629.2 | 79.1 | 1,936.9 | 15.9 | 12,174.4 | 100 | 82.9 |
| | Drift Net | 9.5 | .5 | 240.7 | 13.7 | 164.0 | 9.3 | 848.2 | 48.3 | 494.4 | 28.2 | 1,756.8 | 100 | 12.0 |
| | Set Net | --- | .0 | 3.8 | 32.8 | .5 | 4.3 | 4.2 | 36.2 | 3.1 | 26.7 | 11.6 | 100 | .1 |
| | Troll | 296.5 | 47.2 | .5 | .1 | 258.6 | 41.2 | 69.7 | 11.1 | 2.8 | .4 | 628.1 | 100 | 4.3 |
| Total S.E. | ALL | 312.0 | 2.1 | 555.7 | 3.8 | 720.1 | 4.9 | 10,653.2 | 72.6 | 2,438.6 | 16.6 | 14,679.6 | 100 | 100.0 |
| Yakutat | Set Net | 2.3 | 1.5 | 112.2 | 72.4 | 29.7 | 19.2 | 3.6 | 2.3 | 7.1 | 4.6 | 154.9 | 100 | 90.3 |
| | Troll | 7.7 | 46.1 | --- | .0 | 8.8 | 52.7 | .2 | 1.2 | --- | .0 | 16.7 | 100 | 9.7 |
| Total Yak. | ALL | 10.0 | 5.8 | 112.2 | 65.4 | 38.5 | 22.4 | 3.8 | 2.2 | 7.1 | 4.2 | 171.6 | 100 | 100.0 |
| Prince William Sound | Traps | --- | .0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .0 | 100 | .0 |
| | Purse Seine | .2 | .0 | 58.2 | 1.9 | 9.5 | .3 | 2,748.7 | 90.6 | 218.5 | 7.2 | 3,035.1 | 100 | 66.6 |
| | Drift Net | 19.4 | 1.3 | 1,170.1 | 80.1 | 241.3 | 16.5 | 21.6 | 1.5 | 8.1 | .6 | 1,460.5 | 100 | 32.0 |
| | Set Net | --- | .0 | 15.4 | 25.3 | .5 | .8 | 40.2 | 66.2 | 4.7 | 7.7 | 60.8 | 100 | 1.3 |
| | Troll | .8 | 38.1 | --- | .0 | 1.2 | 57.1 | .1 | 4.8 | --- | .0 | 2.1 | 100 | .1 |
| Total P.W.S. | ALL | 20.4 | .4 | 1,243.7 | 27.3 | 252.5 | 5.5 | 2,810.6 | 61.7 | 231.3 | 5.1 | 4,558.5 | 100 | 100.0 |
| Cook Inlet | Purse Seine | .1 | .0 | 7.8 | 1.0 | 3.1 | .4 | 555.2 | 68.3 | 247.0 | 30.3 | 813.2 | 100 | 23.7 |
| | Drift Net | .4 | .0 | 462.3 | 29.2 | 110.1 | 6.9 | 334.5 | 21.1 | 678.5 | 42.8 | 1,585.8 | 100 | 46.2 |
| | Set Net | 8.0 | .8 | 283.3 | 27.5 | 166.3 | 16.1 | 498.5 | 48.4 | 73.9 | 7.2 | 1,030.0 | 100 | 30.0 |
| | Troll | --- | .0 | .1 | 12.5 | .7 | 87.5 | --- | .0 | --- | .0 | .8 | 100 | |
| Total C.I. | ALL | 8.5 | .2 | 753.5 | 22.0 | 280.2 | 8.2 | 1,388.2 | 40.5 | 999.4 | 29.1 | 3,429.8 | 100 | |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1970

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | C |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Kodiak | Purse Seine | 1.0 | .0 | 781.1 | 6.0 | 59.7 | .5 | 11,166.4 | 86.8 | 860.8 | 6.7 | 12,869.0 | 100 | 9 |
| | Beach Seine | --- | .0 | 7.7 | 5.5 | 1.0 | .7 | 127.3 | 91.3 | 3.5 | 2.5 | 139.5 | 100 | 1 |
| | Set Net | --- | .0 | 128.3 | 13.8 | 5.7 | .6 | 741.9 | 79.7 | 54.8 | 5.9 | 930.7 | 100 | 6. |
| Total Kod. | ALL | 1.0 | .0 | 917.1 | 6.6 | 66.4 | .5 | 12,035.6 | 86.3 | 919.1 | 6.6 | 13,939.2 | 100 | 100. |
| Chignik | Purse Seine | 1.2 | .0 | 1,325.8 | 42.8 | 15.3 | .5 | 1,287.8 | 41.6 | 464.6 | 15.1 | 3,094.7 | 100 | 100. |
| Total Chig. | ALL | 1.2 | .0 | 1,325.8 | 42.8 | 15.3 | .5 | 1,287.8 | 41.6 | 464.6 | 15.1 | 3,094.7 | 100 | 100. |
| Aleutians-Peninsula | Purse Seine | 1.1 | .0 | 883.6 | 22.5 | 33.5 | .9 | 2,319.3 | 59.2 | 682.6 | 17.4 | 3,920.1 | 100 | 71.0 |
| | Drift Net | 2.8 | .2 | 962.4 | 69.7 | 3.1 | .3 | 81.5 | 5.9 | 330.3 | 23.9 | 1,380.1 | 100 | 25.0 |
| | Set Net | 1.9 | .9 | 146.9 | 66.0 | 22.5 | 10.1 | 17.5 | 7.8 | 33.9 | 15.2 | 222.7 | 100 | 4.0 |
| Total A-P | ALL | 5.8 | .1 | 1,992.9 | 36.0 | 59.1 | 1.1 | 2,418.3 | 43.8 | 1,046.8 | 19.0 | 5,522.9 | 100 | 100.0 |
| Bristol Bay | Drift Net | 132.6 | .6 | 19,351.1 | 94.3 | 6.5 | .0 | 375.2 | 1.8 | 678.9 | 3.3 | 20,544.3 | 100 | 93. |
| | Set Net | 7.9 | .5 | 1,369.7 | 90.9 | 8.0 | .6 | 81.4 | 5.4 | 39.0 | 2.6 | 1,506.0 | 100 | 6. |
| Total B.B. | ALL | 140.5 | .6 | 20,720.8 | 94.0 | 14.5 | .1 | 456.6 | 2.0 | 717.9 | 3.3 | 22,050.3 | 100 | 100. |
| Arctic-Yukon-Kuskokwim | Drift Net | 86.0 | 28.0 | 12.6 | 4.1 | 62.9 | 20.5 | 27.4 | 8.9 | 118.2 | 38.5 | 307.1 | 100 | 30. |
| | Set Net | 59.9 | 8.6 | --- | .0 | 16.7 | 2.4 | 64.5 | 9.3 | 555.1 | 79.7 | 696.2 | 100 | 69. |
| | Fishwheels | .6 | 30.0 | --- | .0 | .4 | 20.0 | --- | .0 | 1.0 | 50.0 | 2.0 | 100 | |
| Total A-Y-K | ALL | 146.5 | 14.6 | 12.6 | 1.3 | 80.0 | 8.0 | 91.9 | 9.1 | 674.3 | 67.0 | 1,005.3 | 100 | 100. |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1969

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 1.0 | 3.2 | .4 | 1.3 | 29.2 | 94.5 | .3 | 1.0 | 30.9 | 100 | .4 |
| | Purse Seine | 6.7 | .1 | 338.3 | 6.6 | 110.0 | 2.2 | 4,312.9 | 84.6 | 332.7 | 6.5 | 5,100.6 | 100 | 74.1 |
| | Drift Net | 15.2 | 1.5 | 348.5 | 34.2 | 65.1 | 6.4 | 380.0 | 37.3 | 209.6 | 20.6 | 1,018.4 | 100 | 14.8 |
| | Set Net | .1 | .0 | 5.6 | 65.9 | .3 | .0 | .6 | 7.1 | 2.3 | 27.0 | 8.9 | 100 | .1 |
| | Troll | 287.2 | 39.2 | .4 | .1 | 361.2 | 49.2 | 83.1 | 11.3 | 1.7 | .2 | 733.6 | 100 | 10.6 |
| Total S.E. | ALL | 309.2 | 4.5 | 693.8 | 10.1 | 537.0 | 7.8 | 4,805.9 | 69.7 | 546.6 | 7.9 | 6,892.4 | 100 | 100.0 |
| Yakutat | Set Net | 1.8 | .8 | 117.8 | 51.1 | 32.2 | 14.0 | 63.7 | 27.6 | 14.9 | 6.5 | 230.4 | 100 | 88.3 |
| | Troll | 2.7 | 8.9 | --- | .0 | 27.4 | 89.8 | .4 | 1.3 | --- | .0 | 30.5 | 100 | 11.7 |
| Total Yak. | ALL | 4.5 | 1.7 | 117.8 | 45.2 | 59.6 | 22.8 | 64.1 | 24.6 | 14.9 | 5.7 | 260.9 | 100 | 100.0 |
| Prince William Sound | Purse Seine | .7 | .0 | 143.7 | 2.7 | 6.0 | .1 | 4,801.0 | 91.3 | 304.4 | 5.8 | 5,255.8 | 100 | 83.8 |
| | Drift Net | 14.2 | 1.5 | 820.0 | 88.1 | 81.6 | 8.8 | 5.5 | .6 | 9.7 | 1.0 | 931.0 | 100 | 14.8 |
| | Set Net | --- | .0 | 56.8 | 65.9 | .2 | .2 | 22.1 | 25.6 | 7.1 | 8.2 | 86.2 | 100 | 1.4 |
| | Troll | 2.6 | 54.2 | --- | .0 | 1.4 | 29.2 | .8 | 16.7 | --- | .0 | 4.8 | 100 | .1 |
| Total P.W.S. | ALL | 17.5 | .3 | 1,020.5 | 16.3 | 89.2 | 1.4 | 4,829.4 | 76.9 | 321.2 | 5.1 | 6,277.8 | 100 | 100.0 |
| Cook Inlet | Purse Seine | --- | .0 | 12.5 | 4.7 | .5 | .2 | 192.6 | 71.9 | 62.1 | 23.2 | 267.7 | 100 | 17.9 |
| | Drift Net | .4 | .0 | 470.9 | 62.7 | 33.1 | 4.4 | 8.2 | 1.1 | 238.5 | 31.8 | 751.1 | 100 | 50.2 |
| | Set Net | 12.1 | 2.5 | 331.7 | 69.5 | 68.1 | 14.3 | 35.0 | 7.3 | 30.5 | 6.4 | 477.4 | 100 | 31.9 |
| Total C.I. | ALL | 12.5 | .8 | 815.1 | 54.5 | 101.7 | 6.8 | 235.8 | 15.8 | 331.1 | 22.1 | 1,496.2 | 100 | 100.0 |
| Kodiak | Purse Seine | 2.4 | .0 | 397.6 | 3.1 | 47.1 | .4 | 11,994.6 | 92.6 | 511.6 | 3.9 | 12,953.3 | 100 | 94.8 |
| | Beach Seine | --- | .0 | 8.2 | 27.7 | .2 | .7 | 20.9 | 70.6 | .3 | 1.0 | 29.6 | 100 | .2 |
| | Drift Net | --- | .0 | --- | .0 | --- | .0 | .1 | 25.0 | .3 | 75.0 | .4 | 100 | .0 |
| | Set Net | --- | .0 | 185.7 | 26.7 | 1.5 | .2 | 485.2 | 69.8 | 22.8 | 3.3 | 695.2 | 100 | 5.1 |
| Total Kod. | ALL | 2.4 | .0 | 591.5 | 4.3 | 48.8 | .4 | 12,500.8 | 91.4 | 535.0 | 3.9 | 13,678.5 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1969

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Chignik | Purse Seine | 3.4 | .2 | 310.1 | 14.2 | 18.1 | .8 | 1,779.6 | 81.7 | 67.8 | 3.1 | 2,179.0 | 100 | 100.0 |
| Total Chig. | ALL | 3.4 | .2 | 310.1 | 14.2 | 18.1 | .8 | 1,779.6 | 81.7 | 67.8 | 3.1 | 2,179.0 | 100 | 100.0 |
| Aleutians-Peninsula | Purse Seine | 1.6 | .1 | 291.6 | 15.2 | 13.7 | .7 | 1,416.2 | 73.9 | 193.0 | 10.1 | 1,916.1 | 100 | 60.3 |
| | Beach Seine | --- | .0 | 1.4 | 14.1 | .2 | 2.0 | 7.4 | 74.7 | .9 | 9.1 | 9.9 | 100 | .3 |
| | Drift Net | 3.3 | .3 | 857.5 | 76.8 | 26.5 | 2.4 | 15.6 | 1.4 | 213.4 | 19.1 | 1,116.3 | 100 | 35.1 |
| | Set Net | 2.3 | 1.7 | 95.3 | 69.1 | 18.3 | 13.3 | 7.4 | 5.3 | 14.6 | 10.6 | 137.9 | 100 | 4.3 |
| Total A-P | ALL | 7.2 | .2 | 1,245.8 | 39.2 | 58.7 | 1.8 | 1,446.6 | 45.5 | 421.9 | 13.3 | 3,180.2 | 100 | 100.0 |
| Bristol Bay | Drift Net | 119.6 | 1.9 | 5,844.5 | 92.1 | 60.8 | 1.0 | 1.6 | .0 | 316.0 | 5.0 | 6,342.5 | 100 | 88.5 |
| | Set Net | 5.3 | .7 | 777.2 | 94.7 | 20.5 | 2.5 | .3 | .0 | 17.0 | 2.1 | 820.3 | 100 | 11.5 |
| Total B.B. | ALL | 124.9 | 1.7 | 6,621.7 | 92.5 | 81.3 | 1.1 | 1.9 | .0 | 333.0 | 4.7 | 7,162.8 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Beach Seine | --- | .0 | --- | .0 | --- | .0 | 1.0 | 100.0 | --- | .0 | 1.0 | 100 | .1 |
| | Drift Net | 81.8 | 30.9 | 9.7 | 3.7 | 108.4 | 41.0 | 1.3 | .5 | 63.4 | 23.9 | 264.6 | 100 | 34.2 |
| | Set Net | 76.2 | 15.0 | .8 | .2 | 24.7 | 4.9 | 86.3 | 17.0 | 319.3 | 62.9 | 507.3 | 100 | 65.5 |
| | Fishwheels | .5 | 35.7 | --- | .0 | .1 | 7.2 | --- | .0 | .8 | 57.1 | 1.4 | 100 | .2 |
| Total A-Y-K | ALL | 158.5 | 20.5 | 10.5 | 1.4 | 133.2 | 17.2 | 88.6 | 11.4 | 383.5 | 49.5 | 774.3 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1968

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | | |
| Southeast | Traps | .1 | .0 | 4.0 | 1.6 | 1.7 | .7 | 242.0 | 96.4 | 3.2 | 1.3 | 251.0 | 100 | .8 |
| | Purse Seine | 13.3 | .1 | 495.0 | 1.8 | 463.6 | 1.7 | 24,099.8 | 88.2 | 2,252.6 | 8.2 | 27,324.3 | 100 | [illegible] |
| | Drift Net | 12.9 | .9 | 246.0 | 17.0 | 204.2 | 14.2 | 614.3 | 42.6 | 365.7 | 25.3 | 1,443.1 | 100 | |
| | Set Net | .1 | .7 | 4.4 | 32.1 | 2.2 | 16.1 | .9 | 6.6 | 6.1 | 44.5 | 13.7 | 100 | |
| | Troll | 301.4 | 25.1 | .6 | .1 | 769.0 | 64.1 | 126.1 | 10.5 | 2.8 | .2 | 1,199.9 | 100 | |
| Total S.E. | ALL | 327.8 | 1.1 | 750.0 | 2.5 | 1,440.7 | 4.8 | 25,083.1 | 82.9 | 2,630.4 | 8.7 | 30,232.0 | 100 | 100.0 |
| Yakutat | Set Net | .7 | .4 | 80.8 | 41.9 | 92.0 | 47.7 | 2.1 | 1.1 | 17.2 | 8.9 | 192.8 | 100 | 85.1 |
| | Troll | 3.1 | 9.2 | --- | .0 | 30.5 | 90.2 | .2 | .6 | --- | .0 | 33.8 | 100 | 14.9 |
| Total Yak. | ALL | 3.8 | 1.7 | 80.8 | 35.7 | 122.5 | 54.0 | 2.3 | 1.0 | 17.2 | 7.6 | 226.6 | 100 | 100.0 |
| Prince Wm. Sound | Purse Seine | .2 | .0 | 74.4 | 2.6 | [illegible] | [illegible] | 2,432.3 | 85.6 | 326.0 | 11.5 | 2,840.0 | 100 | 73.9 |
| | Drift Net | 9.8 | 1.0 | 646.9 | 64.9 | 301.2 | 30.3 | 20.5 | 2.1 | 17.4 | 1.7 | 996.3 | 100 | 25.9 |
| | Troll | 1.3 | 21.3 | --- | .0 | 4.4 | 72.1 | .4 | 6.6 | --- | .0 | 6.1 | 100 | .2 |
| Total P.W.S. | ALL | 11.3 | .3 | 721.3 | 18.8 | 313.2 | 8.2 | 2,453.2 | 63.8 | 343.4 | 8.9 | 3,842.4 | 100 | 100.0 |
| Cook Inlet | Purse Seine | --- | .0 | 13.8 | 2.1 | 5.1 | .8 | 564.0 | 84.7 | 82.2 | 12.4 | 665.1 | 100 | 11.6 |
| | Beach Seine | --- | .0 | --- | .0 | --- | .0 | 10.1 | 78.3 | 2.8 | 21.7 | 12.9 | 100 | .2 |
| | Drift Net | .2 | .0 | 632.7 | 23.5 | 167.6 | 6.2 | 882.0 | 32.8 | 1,008.1 | 37.5 | 2,690.6 | 100 | 46.9 |
| | Set Net | 4.4 | .2 | 553.7 | 23.3 | 302.6 | 12.8 | 1,407.8 | 59.4 | 101.1 | 4.3 | 2,369.6 | 100 | 41.3 |
| Total C.I. | ALL | 4.6 | .1 | 1,200.2 | 20.9 | 475.3 | 8.3 | 2,863.9 | 49.9 | 1,194.2 | 20.8 | 5,738.2 | 100 | 100.0 |
| Kodiak | Purse Seine | 1.9 | .0 | 602.9 | 6.5 | 48.0 | .5 | 7,967.7 | 85.6 | 684.4 | 7.4 | 9,304.9 | 100 | 90.0 |
| | Beach Seine | --- | .0 | 22.1 | 12.8 | 4.9 | 2.8 | 140.5 | 81.4 | 5.2 | 3.0 | 172.7 | 100 | 1.7 |
| | Set Net | --- | .0 | 135.4 | 15.7 | 3.8 | .4 | 659.9 | 76.8 | 60.8 | 7.1 | 859.9 | 100 | 8.3 |
| Total Kod. | ALL | 1.9 | .0 | 760.4 | 7.4 | 55.7 | .5 | 8,768.1 | 84.8 | 750.4 | 7.3 | 10,337.5 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1968

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Chignik | Purse Seine | .7 | .0 | 878.4 | 36.7 | 2.2 | .1 | 1,290.7 | 53.9 | 223.9 | 9.3 | 2,395.9 | 100 | 100.0 |
| Total Chig. | ALL | .7 | .0 | 878.4 | 36.7 | 2.2 | .1 | 1,290.7 | 53.9 | 223.9 | 9.3 | 2,395.9 | 100 | 100.0 |
| Aleutians-Peninsula | Purse Seine | 1.3 | .0 | 313.6 | 11.5 | 28.7 | 1.0 | 2,131.4 | 77.7 | 268.2 | 9.8 | 2,743.2 | 100 | [illegible] |
| | Beach Seine | --- | .0 | --- | .0 | --- | .0 | 8.3 | 100.0 | --- | .0 | 8.3 | 100 | [illegible] |
| | Drift Net | 2.0 | .3 | 458.8 | 75.8 | 30.6 | 5.1 | 6.8 | 1.1 | 107.5 | 17.7 | 605.7 | 100 | [illegible] |
| | Set Net | 2.7 | 1.0 | 166.5 | 63.4 | 36.9 | 14.0 | 32.8 | 12.5 | 23.8 | 9.1 | 262.7 | 100 | [illegible] |
| Total A-P | ALL | 6.0 | .2 | 938.9 | 25.9 | 96.2 | 2.7 | 2,179.3 | 60.2 | 399.5 | 11.0 | 3,619.9 | 100 | 100.0 |
| Bristol Bay | Set Net | 2.6 | .5 | 267.8 | 50.4 | 22.6 | 4.2 | 220.1 | 41.4 | 18.7 | 3.5 | 531.8 | 100 | [illegible] |
| | Drift Net | 101.2 | 2.1 | 2,525.0 | 53.0 | 70.8 | 1.5 | 1,715.8 | 36.1 | 345.1 | 7.3 | 4,757.9 | 100 | [illegible] |
| Total B.B. | ALL | 103.8 | 1.9 | 2,792.8 | 52.8 | 93.4 | 1.8 | 1,935.9 | 36.6 | 363.8 | 6.9 | 5,289.7 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 88.2 | 25.3 | 6.9 | 2.0 | 152.8 | 43.9 | 75.8 | 21.7 | 24.6 | 7.1 | 348.3 | 100 | 54.0 |
| | Set Net | 62.2 | 21.2 | --- | .0 | 21.7 | 7.4 | 71.2 | 24.3 | 138.3 | 47.1 | 293.4 | 100 | 45.3 |
| | Fishwheels | 1.3 | 21.7 | --- | .0 | 4.4 | 73.3 | .3 | 5.0 | --- | .0 | 6.0 | 100 | .9 |
| Total A-Y-K | ALL | 151.7 | 23.4 | 6.9 | 1.1 | 178.9 | 27.6 | 147.3 | 22.7 | 162.9 | 25.2 | 647.7 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1967

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 3.1 | 29.0 | .4 | 3.7 | 6.9 | 64.5 | .3 | 2.8 | 10.7 | 100 | .2 |
| | Purse Seine | 9.1 | .1 | 601.0 | 11.7 | 189.0 | 3.7 | 2,807.8 | 54.5 | 1,545.1 | 30.0 | 5,152.0 | 100 | 75.6 |
| | Drift Net | 16.5 | 1.9 | 274.0 | 31.1 | 134.2 | 15.2 | 205.7 | 23.4 | 250.1 | 28.4 | 880.5 | 100 | 12.9 |
| | Set Net | --- | .0 | 4.8 | 39.7 | 2.0 | 16.5 | 1.9 | 15.7 | 3.4 | 28.1 | 12.1 | 100 | .2 |
| | Troll | 273.2 | 36.2 | .2 | .0 | 420.6 | 55.7 | 54.4 | 7.2 | 7.0 | .9 | 755.4 | 100 | 11.1 |
| Total S.E. | ALL | 298.8 | 4.4 | 883.1 | 13.0 | 746.2 | 11.0 | 3,076.7 | 45.2 | 1,805.9 | 26.4 | 6,810.7 | 100 | 100.0 |
| Yakutat | Set Net | .7 | .3 | 88.4 | 39.7 | 97.2 | 43.7 | 31.6 | 14.2 | 4.5 | 2.1 | 222.4 | 100 | 89.6 |
| | Troll | 1.4 | 5.5 | --- | .0 | 23.1 | 90.6 | 1.0 | 3.9 | --- | .0 | 25.5 | 100 | 10.3 |
| Total Yak. | ALL | 2.1 | .8 | 88.4 | 35.7 | 120.3 | 48.5 | 32.6 | 13.2 | 4.5 | 1.8 | 247.9 | 100 | 100.0 |
| Prince Wm. Sound | Purse Seine | .4 | .0 | 21.3 | .7 | 18.3 | .6 | 2,586.0 | 89.8 | 255.1 | 8.9 | 2,881.1 | 100 | 77.3 |
| | Drift Net | 9.9 | 1.2 | 544.4 | 66.4 | 206.6 | 25.2 | 39.6 | 4.8 | 19.3 | 2.4 | 819.8 | 100 | 22.0 |
| | Troll | 3.1 | 11.5 | --- | .0 | 22.3 | 82.9 | 1.4 | 5.2 | .1 | .4 | 26.9 | 100 | .7 |
| Total PWS. | ALL | 13.4 | .3 | 565.7 | 15.2 | 247.2 | 6.6 | 2,627.0 | 70.5 | 274.5 | 7.4 | 3,727.8 | 100 | 100.0 |
| Cook Inlet | Purse Seine | .1 | .0 | 6.7 | 1.5 | 2.0 | .4 | 361.5 | 79.7 | 83.5 | 18.4 | 453.8 | 100 | 19.0 |
| | Beach Seine | --- | .0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .0 | 100 | .0 |
| | Drift Net | .5 | .0 | 892.2 | 75.2 | 53.1 | 4.5 | 7.5 | .6 | 233.4 | 19.7 | 1,186.7 | 100 | 49.7 |
| | Set Net | 7.5 | 1.0 | 510.0 | 68.3 | 125.1 | 16.7 | 38.7 | 5.2 | 65.4 | 8.8 | 746.7 | 100 | 31.3 |
| | Troll | --- | .0 | .3 | 60.0 | .2 | 40.0 | --- | .0 | --- | .0 | .5 | 100 | .0 |
| Total C.I. | ALL | 8.1 | .3 | 1,409.2 | 59.0 | 180.4 | 7.6 | 407.7 | 17.1 | 382.3 | 16.0 | 2,387.7 | 100 | 100.0 |
| Kodiak | Purse Seine | 1.7 | .3 | 257.7 | 42.2 | 9.8 | 1.6 | 129.0 | 21.0 | 213.1 | 34.9 | 611.3 | 100 | 83.1 |
| | Beach Seine | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .1 | 100.0 | .1 | 100 | .0 |
| | Set Net | --- | .0 | 51.0 | 41.2 | .5 | .4 | 58.8 | 47.5 | 13.5 | 10.9 | 123.8 | 100 | 16.9 |
| Total Kod. | ALL | 1.7 | .3 | 308.7 | 42.0 | 10.3 | 1.4 | 187.8 | 25.5 | 226.7 | 30.8 | 735.2 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH
1967

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Chignik | Purse Seine | .9 | .2 | 467.9 | 70.6 | 9.4 | 1.4 | 109.0 | 16.4 | 75.5 | 11.4 | 662.7 | 100 | 100.0 |
| Total Chig. | ALL | .9 | .2 | 467.9 | 70.6 | 9.4 | 1.4 | 109.0 | 16.4 | 75.5 | 11.4 | 662.7 | 100 | 100.0 |
| Aleutians-Peninsula | Purse Seine | 1.5 | .4 | 139.1 | 33.9 | 4.7 | 1.1 | 77.9 | 19.0 | 186.9 | 45.6 | 410.1 | 100 | 43.4 |
| | Drift Net | 3.4 | .8 | 307.2 | 74.5 | 23.6 | 5.7 | 4.0 | 1.0 | 74.1 | 18.0 | 412.3 | 100 | 43.6 |
| | Set Net | 2.3 | 1.9 | 75.5 | 61.5 | 21.5 | 17.5 | 4.4 | 3.6 | 19.0 | 15.5 | 122.7 | 100 | 13.0 |
| Total A-P | ALL | 7.2 | .8 | 521.8 | 55.2 | 49.8 | 5.3 | 86.3 | 9.1 | 280.0 | 29.6 | 945.1 | 100 | 100.0 |
| Bristol Bay | Drift Net | 113.2 | 2.5 | 3,870.4 | 86.3 | 43.8 | 1.0 | .8 | .0 | 454.9 | 10.2 | 4,483.1 | 100 | 90.0 |
| | Set Net | 4.0 | .8 | 460.4 | 92.8 | 10.0 | 2.0 | .3 | .1 | 21.4 | 4.3 | 496.1 | 100 | 10.0 |
| Total B.B. | ALL | 117.2 | 2.4 | 4,330.8 | 87.0 | 53.8 | 1.0 | 1.1 | .0 | 476.3 | 9.6 | 4,979.2 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 65.4 | 47.2 | 1.5 | 1.2 | 56.9 | 41.0 | --- | .0 | 14.7 | 10.6 | 138.5 | 100 | 3 |
| | Set Net | 94.9 | 37.6 | --- | .0 | 14.8 | 5.9 | 29.1 | 11.5 | 113.9 | 45.0 | 252.7 | 100 | 6 |
| | Fishwheels | .9 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .9 | 100 | |
| Total A-Y-K | ALL | 161.2 | 41.1 | 1.5 | .4 | 71.7 | 18.3 | 29.1 | 7.4 | 128.6 | 32.8 | 392.1 | 100 | 10 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1966

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Southeast | Traps | --- | .0 | 44.8 | 7.0 | 16.0 | 2.5 | 576.0 | 89.4 | 7.1 | 1.1 | 643.9 | 100 | 2.5 |
| | Purse Seine | 11.9 | .1 | 480.5 | 2.1 | 452.1 | 2.0 | 18,917.7 | 83.3 | 2,846.2 | 12.5 | 22,708.4 | 100 | 87.2 |
| | Drift Net | 12.6 | .7 | 335.0 | 18.8 | 162.1 | 9.1 | 877.9 | 49.1 | 399.0 | 22.3 | 1,786.6 | 100 | 6.8 |
| | Set Net | .1 | .4 | 7.7 | 32.4 | 2.2 | 9.2 | 1.5 | 6.3 | 12.3 | 51.7 | 23.8 | 100 | .1 |
| | Troll | 281.5 | 32.0 | .7 | .1 | 527.5 | 60.1 | 63.6 | 7.2 | 5.2 | .6 | 878.5 | 100 | 3.4 |
| Total S.E. | ALL | 306.1 | 1.2 | 868.7 | 3.3 | 1,159.9 | 4.4 | 20,436.7 | 78.5 | 3,269.8 | 12.6 | 26,041.2 | 100 | 100.0 |
| Yakutat | Set Net | 1.6 | .6 | 185.4 | 71.8 | 66.3 | 25.8 | 1.4 | .5 | 3.4 | 1.3 | 258.1 | 100 | 99.3 |
| | Troll | .6 | 35.3 | --- | .0 | 1.1 | 64.7 | --- | .0 | --- | .0 | 1.7 | 100 | .7 |
| Total Yak. | ALL | 2.2 | .9 | 185.4 | 71.4 | 67.4 | 25.9 | 1.4 | .5 | 3.4 | 1.3 | 259.8 | 100 | 100.0 |
| Prince William Sound | Purse Seine | .2 | .0 | 49.4 | 1.6 | 20.3 | .6 | 2,663.2 | 84.6 | 416.9 | 13.2 | 3,150.0 | 100 | 70.6 |
| | Drift Net | 11.5 | .9 | 1,061.8 | 85.3 | 166.0 | 13.3 | 3.6 | .3 | 2.2 | .2 | 1,245.1 | 100 | 27.9 |
| | Set Net | --- | .0 | 19.0 | 31.5 | .6 | 1.0 | 33.1 | 54.9 | 7.6 | 12.6 | 60.3 | 100 | 1.4 |
| | Troll | .4 | 11.4 | --- | .0 | 2.9 | 82.9 | .2 | 5.7 | --- | .0 | 3.5 | 100 | |
| Total P.W.S. | ALL | 12.1 | .3 | 1,130.2 | 25.3 | 189.8 | 4.3 | 2,700.1 | 60.5 | 426.7 | 9.6 | 4,458.9 | 100 | 100.0 |
| Cook Inlet | Purse Seine | --- | .0 | 3.7 | .7 | 4.2 | .9 | 393.6 | 79.2 | 95.2 | 19.2 | 496.7 | 100 | 9.2 |
| | Gill Net | --- | .0 | .6 | .4 | .4 | .2 | 146.8 | 82.3 | 30.5 | 17.1 | 178.3 | 100 | 3.3 |
| | Drift Net | .4 | .0 | 1,103.2 | 50.2 | 81.0 | 3.7 | 587.4 | 26.8 | 424.8 | 19.3 | 2,196.8 | 100 | 40.5 |
| | Set Net | 9.2 | .4 | 759.5 | 29.8 | 209.4 | 8.2 | 1,457.7 | 57.3 | 110.3 | 4.3 | 2,546.1 | 100 | 47.0 |
| | Troll | --- | .0 | --- | .0 | .1 | 100.0 | --- | .0 | --- | .0 | .1 | 100 | .0 |
| Total C.I. | ALL | 9.6 | .2 | 1,867.0 | 34.5 | 295.1 | 5.4 | 2,585.5 | 47.7 | 660.8 | 12.2 | 5,418.0 | 100 | 100.0 |
| Kodiak | Purse Seine | .5 | .0 | 436.8 | 4.0 | 59.8 | .6 | 9,752.2 | 89.1 | 689.9 | 6.3 | 10,939.2 | 100 | 90.2 |
| | Beach Seine | --- | .0 | 28.6 | 10.7 | 3.1 | 1.2 | 227.7 | 85.3 | 7.5 | 2.8 | 266.9 | 100 | 2.2 |
| | Set Net | --- | .0 | 166.0 | 16.4 | 4.8 | .5 | 775.7 | 76.7 | 65.3 | 6.4 | 1,011.8 | 100 | 7.6 |
| Total Kod. | ALL | .5 | .0 | 631.4 | 5.2 | 67.7 | .6 | 10,755.6 | 88.0 | 762.7 | 6.2 | 12,217.9 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1966

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Chignik | Purse Seine | .5 | .0 | 154.4 | 15.3 | 14.9 | 1.5 | 618.6 | 61.2 | 222.2 | 22.0 | 1,010.6 | 100 | [illegible] |
| | Beach Seine | .1 | .1 | 67.6 | 45.2 | .1 | .1 | 65.1 | 43.5 | 16.7 | 11.1 | 149.6 | 100 | [illegible] |
| Total Chig. | ALL | .6 | .1 | 222.0 | 19.1 | 15.0 | 1.3 | 683.7 | 58.9 | 238.9 | 20.6 | 1,160.2 | 100 | 100.0 |
| Aleutians-Peninsula | Purse Seine | 6.9 | .6 | 305.6 | 27.6 | 10.6 | 1.0 | 371.2 | 33.5 | 414.3 | 37.4 | 1,108.9 | 100 | 64.6 |
| | Beach Seine | --- | .0 | .1 | .8 | --- | .0 | 6.7 | 52.3 | 6.0 | 46.9 | 12.8 | 100 | .7 |
| | Drift Net | 1.8 | .3 | 450.9 | 75.7 | 11.8 | 2.0 | 1.5 | .3 | 129.9 | 21.8 | 595.9 | 100 | 34.7 |
| Total A-P | ALL | 8.7 | .5 | 756.6 | 44.0 | 22.4 | 1.3 | 379.4 | 22.1 | 550.5 | 32.1 | 1,717.6 | 100 | 100.0 |
| Bristol Bay | Drift Net | 73.6 | .7 | 8,261.5 | 75.7 | 25.9 | .2 | 2,223.9 | 20.4 | 329.6 | 3.0 | 10,914.5 | 100 | 89.0 |
| | Set Net | 3.9 | .3 | 1,052.7 | 78.1 | 8.1 | .6 | 269.0 | 20.0 | 13.7 | 1.0 | 1,347.4 | 100 | 11.0 |
| Total B.B. | ALL | 77.5 | .6 | 9,314.2 | 76.0 | 34.0 | .3 | 2,492.9 | 20.3 | 343.3 | 2.8 | 12,261.9 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 55.1 | 64.8 | 1.2 | 1.4 | 22.0 | 25.9 | .3 | .4 | 6.4 | 7.5 | 85.0 | 100 | 23.6 |
| | Set Net | 61.8 | 22.6 | .1 | .0 | 23.6 | 8.6 | 12.6 | 4.6 | 175.4 | 64.2 | 273.5 | 100 | 76.1 |
| | Fishwheels | 1.0 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | 1.0 | 100 | .3 |
| Total A-Y-K | ALL | 117.9 | 32.8 | 1.3 | .3 | 45.6 | 12.7 | 12.9 | 3.6 | 181.8 | 50.6 | 359.5 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1965

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 3.3 | 8.4 | 2.3 | 5.8 | 33.6 | 85.3 | .2 | .5 | 39.4 | 100 | . |
| | Purse Seine | 15.2 | .1 | 672.0 | 5.4 | 557.0 | 4.5 | 10,061.6 | 80.5 | 1,185.6 | 9.5 | 12,491.4 | 100 | 83. |
| | Drift Net | 11.9 | .8 | 279.3 | 19.6 | 166.5 | 11.7 | 698.3 | 49.0 | 270.0 | 18.9 | 1,426.0 | 100 | 9. |
| | Set Net | .1 | .6 | 6.0 | 37.1 | 1.9 | 11.7 | .8 | 4.9 | 7.4 | 45.7 | 16.2 | 100 | . |
| | Troll | 258.6 | 24.8 | 1.9 | .2 | 695.2 | 66.6 | 81.1 | 7.8 | 6.4 | .6 | 1,043.2 | 100 | 6. |
| Total S.E. | ALL | 285.8 | 1.9 | 962.5 | 6.4 | 1,422.9 | 9.5 | 10,875.4 | 72.4 | 1,469.6 | 9.8 | 15,015.2 | 100 | 100. |
| Yakutat | Set Net | 1.3 | .5 | 122.7 | 47.6 | 124.8 | 48.5 | 4.4 | 1.7 | 4.3 | 1.7 | 257.5 | 100 | 99. |
| | Troll | .1 | 14.3 | --- | .0 | .6 | 85.7 | --- | .0 | --- | .0 | .7 | 100 | |
| Total Yak. | ALL | 1.4 | .5 | 122.7 | 47.5 | 125.4 | 48.6 | 4.4 | 1.7 | 4.3 | 1.7 | 258.2 | 100 | 1 |
| Prince William Sound | Purse Seine | .6 | .0 | 76.8 | 2.8 | 39.3 | 1.4 | 2,481.1 | 88.8 | 196.6 | 7.0 | 2,794.4 | 100 | 73. |
| | Drift (Gill) Net | 15.4 | 1.5 | 856.9 | 85.5 | 123.0 | 12.3 | 2.9 | .3 | 4.4 | .4 | 1,002.6 | 100 | 26. |
| | Set (Gill) Net | --- | .0 | 11.3 | 94.2 | --- | .0 | .3 | 2.5 | .4 | 3.3 | 12.0 | 100 | . |
| | Troll | .5 | 7.7 | --- | .0 | 5.7 | 87.7 | .3 | 4.6 | --- | .0 | 6.5 | 100 | . |
| Total P.W.S. | ALL | 16.5 | .4 | 945.0 | 24.8 | 168.0 | 4.4 | 2,484.6 | 65.1 | 201.4 | 5.3 | 3,815.5 | 100 | 10. |
| Cook Inlet | Purse Seine | --- | .0 | 6.0 | 4.0 | 1.0 | .6 | 108.4 | 72.2 | 34.8 | 23.2 | 150.2 | 100 | 7. |
| | Drift Net | 1.0 | .0 | 1,116.5 | 76.3 | 70.1 | 4.8 | 4.4 | .3 | 271.9 | 18.6 | 1,463.9 | 100 | 70. |
| | Set Net | 8.8 | 1.9 | 303.9 | 66.0 | 83.4 | 18.1 | 26.8 | 5.8 | 37.9 | 8.2 | 460.8 | 100 | 22. |
| Total C.I. | ALL | 9.8 | .5 | 1,426.4 | 68.7 | 154.5 | 7.5 | 139.6 | 6.7 | 344.6 | 16.6 | 2,074.9 | 100 | 100. |
| Kodiak | Purse Seine | .8 | .0 | 223.8 | 6.8 | 25.3 | .8 | 2,651.7 | 80.4 | 396.3 | 12.0 | 3,297.9 | 100 | 89. |
| | Set Net | --- | .0 | 122.5 | 31.0 | 1.4 | .4 | 235.2 | 59.7 | 35.1 | 8.9 | 391.2 | 100 | 10. |
| Total Kod. | ALL | .8 | .0 | 346.3 | 9.4 | 26.7 | .7 | 2,886.9 | 78.2 | 431.4 | 11.7 | 3,692.1 | 100 | 10 |
| Chignik | Purse Seine | 1.6 | .1 | 630.6 | 33.5 | 9.2 | .5 | 1,118.2 | 59.5 | 120.6 | 6.4 | 1,880.2 | 100 | 100. |
| Total Chig. | ALL | 1.6 | .1 | 630.6 | 33.5 | 9.2 | .5 | 1,118.2 | 59.5 | 120.6 | 6.4 | 1,880.2 | 100 | 100. |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1965

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Aleutians-Peninsula | Purse Seine | 1.9 | .1 | 493.5 | 12.8 | 37.6 | 1.0 | 2,819.9 | 73.2 | 497.1 | 12.9 | 3,850.0 | 100 | 83.3 |
| | Drift Net | 1.7 | .4 | 411.2 | 81.4 | 10.7 | 2.1 | 2.7 | .5 | 78.8 | 15.6 | 505.1 | 100 | 10.9 |
| | Set Net | 4.7 | 1.7 | 175.1 | 65.0 | 20.4 | 7.6 | 38.0 | 14.1 | 31.3 | 11.6 | 269.5 | 100 | 5.8 |
| Total A-P | ALL | 8.3 | .2 | 1,079.8 | 23.3 | 68.7 | 1.5 | 2,860.6 | 61.9 | 607.2 | 13.1 | 4,624.6 | 100 | 100.0 |
| Bristol Bay | Drift Net | 106.5 | .5 | 22,597.0 | 99.1 | 4.5 | .0 | .6 | .0 | 86.5 | .4 | 22,795.1 | 100 | 92.1 |
| | Set Net | 6.5 | .3 | 1,922.2 | 99.0 | 3.6 | .2 | .1 | .0 | 10.0 | .5 | 1,942.4 | 100 | 7.9 |
| Total B.B. | ALL | 113.0 | .5 | 24,519.2 | 99.1 | 8.1 | .0 | .7 | .0 | 96.5 | .4 | 24,737.5 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 51.5 | 64.6 | 12.4 | 15.6 | 11.5 | 14.4 | --- | .0 | 4.3 | 5.4 | 79.7 | 100 | 28.7 |
| | Set Net | 92.7 | 47.2 | .5 | .2 | 3.1 | 1.6 | .2 | .1 | 100.0 | 50.9 | 196.5 | 100 | 70.7 |
| | Fishwheels | 1.6 | 80.0 | --- | .0 | .3 | 15.0 | --- | .0 | .1 | 5.0 | 2.0 | 100 | .7 |
| Total A-Y-K | ALL | 145.8 | 52.4 | 12.9 | 4.6 | 14.9 | 5.4 | .2 | .1 | 104.4 | 37.5 | 278.2 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1964

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Trap | --- | .0 | 11.0 | 2.9 | 6.8 | 1.8 | 351.5 | 92.3 | 11.6 | 3.0 | 380.9 | 100 | 1.7 |
| | Purse Seine | 16.3 | .1 | 570.7 | 2.8 | 506.5 | 2.5 | 17,310.8 | 86.3 | 1,662.1 | 8.3 | 20,067.0 | 100 | 87.1 |
| | Drift Net | 9.1 | .1 | 246.3 | 17.2 | 172.5 | 12.0 | 753.5 | 52.6 | 250.1 | 17.5 | 1,431.7 | 100 | 6.2 |
| | Set Net | --- | .0 | 2.7 | 29.7 | 1.6 | 17.6 | .7 | 7.7 | 4.1 | 45.1 | 9.1 | 100 | .0 |
| | Troll | 28.7 | 27.7 | 1.0 | .1 | 730.8 | 61.5 | 124.6 | 10.5 | 2.6 | .2 | 1,187.9 | 100 | 5.1 |
| Total S.E. | ALL | 55.1 | 1.5 | 831.7 | 3.6 | 1,418.1 | 6.2 | 18,541.1 | 80.3 | 1,930.5 | 8.4 | 23,076.5 | 100 | 100.0 |
| Yakutat | Set Net | 1.5 | .5 | 92.2 | 29.8 | 169.8 | 54.8 | 40.4 | 13.1 | 5.7 | 1.8 | 309.6 | 100 | 99.8 |
| | Troll | .5 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .5 | 100 | .2 |
| Total Yak. | ALL | 2.0 | .6 | 92.2 | 29.8 | 169.8 | 54.8 | 40.4 | 13.0 | 5.7 | 1.8 | 310.1 | 100 | 100.0 |
| Prince Wm. Sound | Purse Seine | .1 | .0 | 37.5 | .8 | 31.0 | .6 | 4,193.1 | 87.5 | 531.5 | 11.1 | 4,793.1 | 100 | 81.4 |
| | Drift Net | 12.8 | 1.2 | 742.5 | 67.6 | 321.4 | 29.3 | 14.4 | 1.3 | 7.6 | .6 | 1,098.6 | 100 | 18.6 |
| Total P.W.S. | ALL | 12.9 | .2 | 780.0 | 13.2 | 352.3 | 6.0 | 4,207.4 | 71.4 | 539.1 | 9.2 | 5,891.7 | 100 | 100.0 |
| Cook Inlet | Purse Seine | .1 | .0 | 4.1 | .3 | 8.3 | .6 | 1,033.9 | 74.3 | 345.4 | 24.8 | 1,391.8 | 100 | 19.6 |
| | Drift Net | .2 | .0 | 426.9 | 17.2 | 113.0 | 4.6 | 1,081.6 | 43.7 | 855.0 | 34.5 | 2,476.7 | 100 | 34.7 |
| | Set Net | 4.3 | .1 | 559.7 | 17.1 | 340.8 | 10.4 | 2,171.9 | 66.2 | 202.1 | 6.2 | 3,278.8 | 100 | 45.7 |
| Total C.I. | ALL | 4.6 | .1 | 990.7 | 13.8 | 462.1 | 6.5 | 4,287.4 | 60.0 | 1,402.4 | 19.6 | 7,147.3 | 100 | 100.0 |
| Kodiak | Purse Seine | 1.2 | .0 | 356.7 | 2.9 | 33.1 | .3 | 10,908.8 | 88.0 | 1,092.1 | 8.8 | 12,392.0 | 100 | 90.4 |
| | Set Net | .1 | .0 | 141.8 | 10.7 | 2.5 | .2 | 1,135.5 | 85.9 | 42.0 | 3.2 | 1,321.8 | 100 | 9.6 |
| Total Kod. | ALL | 1.3 | .0 | 498.5 | 3.6 | 35.5 | .3 | 12,044.3 | 87.8 | 1,134.1 | 8.3 | 13,713.8 | 100 | 100.0 |
| Chignik | Purse Seine | 1.1 | .0 | 557.8 | 21.7 | 2.3 | .0 | 1,683.4 | 65.4 | 333.8 | 12.9 | 2,578.3 | 100 | 100.0 |
| Total Chig. | ALL | 1.1 | .0 | 557.8 | 21.7 | 2.3 | .0 | 1,683.4 | 65.4 | 333.8 | 12.9 | 2,578.3 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1964

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Aleutians-Peninsula | Purse Seine | 1.8 | .0 | 229.3 | 5.9 | 13.1 | .3 | 2,896.5 | 74.1 | 770.2 | 19.7 | 3,911.0 | 100 | |
| | Drift Net | 1.7 | .0 | 235.4 | 67.5 | 15.1 | 4.3 | .5 | .0 | 96.4 | 27.6 | 349.1 | 100 | |
| | Set Net | 2.1 | 1.0 | 140.9 | 65.1 | 21.9 | 10.1 | 25.9 | 12.0 | 25.7 | 11.8 | 216.5 | 100 | |
| Total A-P | ALL | 5.6 | .1 | 605.6 | 13.5 | 50.1 | 1.2 | 2,922.9 | 65.3 | 892.3 | 19.9 | 4,476.6 | 100 | |
| Bristol Bay | Drift Net | 131.1 | 1.9 | 4,703.1 | 67.2 | 25.5 | .4 | 1,344.0 | 19.2 | 793.3 | 11.3 | 6,997.0 | 100 | 86.3 |
| | Set Net | 8.4 | .8 | 887.9 | 80.0 | 11.0 | 1.0 | 187.6 | 16.9 | 14.3 | 1.3 | 1,109.3 | 100 | 13.7 |
| Total B.B. | ALL | 139.5 | 1.7 | 5591.0 | 69.0 | 36.5 | .4 | 1,531.6 | 18.9 | 807.6 | 10.0 | 8,106.3 | 100 | 100.0 |
| Arctic-Kotzebue-Norton | Drift Net | 36.8 | 45.9 | 13.4 | 16.7 | 28.3 | 35.3 | .9 | 1.1 | .7 | 1.0 | 80.2 | 100 | 19 |
| | Set Net | 79.0 | 24.3 | --- | .0 | 3.2 | 1.0 | 13.3 | 4.1 | 229.7 | 70.6 | 325.1 | 100 | 80.0 |
| | Fishwheel | 1.1 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | 1.1 | 100 | |
| Total A-Y-K | ALL | 116.9 | 28.8 | 13.4 | 3.2 | 31.5 | 7.8 | 14.2 | 3.5 | 230.4 | 56.7 | 406.4 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1963

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 4.2 | 4.4 | 1.6 | 1.7 | 86.8 | 91.6 | 2.2 | 2.3 | 94.8 | 100 | . |
| | Purse Seine | 6.8 | .0 | 423.0 | 2.1 | 319.6 | 1.6 | 18,216.7 | 90.4 | 1,190.0 | 5.9 | 20,156.1 | 100 | 89. |
| | Drift Net | 7.1 | .6 | 194.6 | 15.8 | 112.9 | 9.1 | 655.0 | 53.0 | 265.2 | 21.5 | 1,234.8 | 100 | 5. |
| | Set Net | --- | .0 | 1.5 | 19.0 | 1.4 | 17.7 | .6 | 7.6 | 4.4 | 55.7 | 7.9 | 100 | . |
| | Troll | 243.7 | 23.2 | 2.0 | .2 | 693.0 | 65.9 | 106.9 | 10.2 | 6.2 | .5 | 1,051.8 | 100 | 4. |
| Total S.E. | ALL | 257.6 | 1.1 | 625.3 | 2.8 | 1,128.5 | 5.0 | 19,066.0 | 84.6 | 1,468.0 | 6.5 | 22,545.4 | 100 | 100. |
| Yakutat | Set Net | .9 | .3 | 52.7 | 18.2 | 45.9 | 50.4 | 79.2 | 27.4 | 10.7 | 3.7 | 289.4 | 100 | 100. |
| Total Yak. | ALL | .9 | .3 | 52.7 | 18.2 | 45.9 | 50.4 | 79.2 | 27.4 | 10.7 | 3.7 | 289.4 | 100 | 100. |
| Prince | Purse Seine | .4 | .0 | 45.6 | .7 | 31.4 | .5 | 5,291.7 | 83.9 | 938.0 | 14.9 | 6,307.1 | 100 | 89. |
| William | Drift Net | 11.2 | 1.5 | 412.9 | 57.0 | 291.3 | 40.2 | 4.4 | .6 | 4.9 | .7 | 724.7 | 100 | 10. |
| Sound | Set Net | 1.7 | 8.6 | --- | .0 | 17.2 | 86.9 | .8 | 4.0 | .1 | .5 | 19.8 | 100 | . |
| Total P.W.S. | ALL | 13.3 | .2 | 458.5 | 6.5 | 339.9 | 4.8 | 5,296.9 | 75.1 | 943.0 | 13.4 | 7,051.6 | 100 | 100. |
| Cook Inlet | Purse Seine | .1 | .0 | 6.8 | 1.8 | 8.4 | 2.4 | 205.7 | 55.6 | 148.7 | 40.2 | 369.7 | 100 | 19. |
| | Drift Net | .5 | .0 | 528.6 | 59.3 | 51.9 | 5.8 | 4.3 | .5 | 306.7 | 34.4 | 892.0 | 100 | 46. |
| | Set Net | 17.1 | 2.5 | 422.7 | 62.3 | 143.6 | 21.2 | 25.1 | 3.7 | 70.2 | 10.3 | 678.7 | 100 | 35. |
| Total C.I. | ALL | 17.7 | .9 | 958.1 | 49.4 | 203.9 | 10.5 | 235.1 | 12.1 | 525.6 | 27.1 | 1,940.4 | 100 | 100. |
| Kodiak | Purse Seine | .3 | .0 | 303.0 | 5.2 | 55.7 | 1.0 | 5,143.8 | 89.0 | 277.3 | 4.8 | 5,780.1 | 100 | 92. |
| | Set Net | --- | .0 | 104.0 | 22.1 | 1.3 | .3 | 336.4 | 71.7 | 27.8 | 5.9 | 469.5 | 100 | 7. |
| Total Kod. | ALL | .3 | .0 | 407.0 | 6.5 | 57.0 | .9 | 5,480.2 | 87.7 | 305.1 | 4.9 | 6,249.6 | 100 | 100. |
| Chignik | Purse Seine | 1.7 | .0 | 408.6 | 18.6 | 9.9 | .5 | 1,662.4 | 75.7 | 112.7 | 5.2 | 2,195.3 | 100 | 100. |
| Total Chig. | ALL | 1.7 | .0 | 408.6 | 18.6 | 9.9 | .5 | 1,662.4 | 75.7 | 112.7 | 5.2 | 2,195.3 | 100 | 100. |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1963

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Aleutians-Peninsula | Purse Seine | 1.8 | .0 | 124.0 | 4.1 | 14.8 | .5 | 2,422.2 | 80.7 | 439.5 | 14.7 | 3,002.3 | 100 | 86.3 |
| | Drift Net | 2.3 | .8 | 227.4 | 75.6 | 15.5 | 5.3 | 2.5 | .8 | 52.4 | 17.5 | 300.1 | 100 | 8.6 |
| | Set Net | 1.4 | .8 | 89.1 | 49.8 | 26.7 | 14.9 | 33.7 | 18.8 | 28.0 | 15.7 | 178.9 | 100 | 5.1 |
| Total A-P | ALL | 5.5 | .2 | 440.5 | 12.7 | 57.0 | 1.6 | 2,458.4 | 70.6 | 519.9 | 14.9 | 3,481.3 | 100 | 100.0 |
| Bristol Bay | Drift Net | 57.6 | 2.0 | 2,470.0 | 86.3 | 19.5 | .7 | .2 | .0 | 315.3 | 11.0 | 2,862.6 | 100 | 85.6 |
| | Set Net | 4.6 | 1.0 | 401.2 | 83.1 | 21.8 | 4.5 | .2 | .0 | 54.8 | 11.4 | 482.6 | 100 | 14.4 |
| Total B.B. | ALL | 62.2 | 1.9 | 2,871.2 | 85.8 | 41.3 | 1.2 | .4 | .0 | 370.1 | 11.1 | 3,345.2 | 100 | 100.0 |
| Arctic-Yukon-Kuskokwim | Drift Net | 43.5 | 72.5 | --- | .0 | 16.5 | 27.5 | --- | .0 | --- | .0 | 60.0 | 100 | 13.4 |
| | Set Net | 97.9 | 25.4 | --- | .0 | 22.3 | 5.8 | 56.0 | 14.5 | 209.2 | 54.3 | 385.4 | 100 | 86.4 |
| | Fishwheels | .8 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .8 | 100 | .2 |
| Total A-Y-K | ALL | 142.2 | 31.9 | --- | .0 | 38.8 | 8.7 | 56.0 | 12.6 | 209.2 | 46.8 | 446.2 | 100 | 100.0 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH
1962

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Southeast | Traps | --- | .0 | 10.3 | 1.4 | 3.4 | 1.0 | 620.1 | 95.0 | 17.5 | 2.6 | 651.3 | 100 | |
| | Purse Seine | 12.1 | 1.0 | 418.8 | 3.0 | 242.3 | 1.6 | 10,354.3 | 81.5 | 1,682.4 | 13.0 | 12,709.9 | 100 | 8 |
| | Drift Net | 17.2 | 1.5 | 256.7 | 21.5 | 140.2 | 11.8 | 507.8 | 42.6 | 269.5 | 22.6 | 1,191.4 | 100 | |
| | Set Net | --- | .0 | 4.5 | 36.3 | 1.3 | 10.5 | .2 | 1.6 | 6.4 | 51.6 | 12.4 | 100 | |
| | Troll | 173.5 | 19.4 | 1.2 | .1 | 643.0 | 71.8 | 75.0 | 8.4 | 2.7 | .3 | 895.4 | 100 | |
| Total S.E. | ALL | 202.8 | 1.3 | 691.5 | 4.5 | 1,030.2 | 6.7 | 11,557.4 | 74.8 | 1,978.5 | 12.7 | 15,460.4 | 100 | 10 |
| Yakutat | Set Net | 2.7 | .9 | 80.7 | 25.3 | 189.5 | 59.5 | 27.7 | 8.7 | 17.9 | 5.6 | 316.5 | 100 | |
| | Troll | .1 | 11.1 | --- | .0 | .7 | 77.8 | .1 | 11.1 | --- | .0 | .9 | 100 | |
| Total Yak. | ALL | 2.8 | .9 | 80.7 | 25.3 | 190.2 | 59.5 | 27.8 | 8.7 | 17.9 | 5.6 | 319.4 | 100 | |
| Prince William Sound | Purse Seine | .1 | .0 | 20.4 | .3 | 13.9 | .2 | 6,682.8 | 88.3 | 849.3 | 11.2 | 7,566.5 | 100 | |
| | Drift Net | 15.0 | 1.5 | 763.7 | 75.0 | 230.1 | 22.6 | 4.1 | .4 | 5.4 | .5 | 1,018.3 | 100 | |
| | Set Net | --- | .0 | 20.2 | 17.0 | 3.5 | 3.0 | 57.1 | 48.1 | 37.8 | 31.9 | 118.6 | | |
| | Troll | 1.7 | 10.5 | --- | .0 | 14.4 | 88.9 | .1 | .6 | --- | .0 | 16.2 | 100 | |
| Total P.W.S. | ALL | 16.8 | .3 | 804.3 | 9.2 | 261.9 | 3.0 | 6,744.1 | 77.3 | 892.5 | 10.2 | 8,719.6 | 100 | |
| Cook Inlet | Beach Seine | --- | .0 | 14.0 | .6 | 6.7 | .3 | 2,244.7 | 92.0 | 174.6 | 7.1 | 2,440.0 | 100 | |
| | Drift Net | 1.0 | .1 | 544.0 | 29.4 | 41.2 | 2.1 | 504.6 | 27.2 | 759.1 | 41.2 | 1,849.9 | 100 | |
| | Set Net | 19.2 | .6 | 614.9 | 18.4 | 288.4 | 8.6 | 2,210.7 | 66.0 | 216.2 | 6.4 | 3,349.4 | 100 | |
| Total C.I. | ALL | 20.2 | .3 | 1,172.9 | 15.4 | 336.3 | 4.4 | 4,960.0 | 64.8 | 1,149.9 | 15.1 | 7,639.3 | 100 | |
| Kodiak | Purse Seine | 1.0 | .0 | 517.4 | 3.8 | 42.6 | .3 | 12,442.3 | 90.8 | 691.7 | 5.1 | 13,693.0 | 100 | |
| | Beach Seine | --- | .0 | 27.0 | 2.8 | 9.9 | 1.0 | 859.2 | 90.6 | 52.7 | 5.6 | 948.8 | 100 | |
| | Set Net | --- | .0 | 240.3 | 21.7 | 2.9 | .3 | 812.4 | 73.4 | 50.7 | 4.6 | 1,106.3 | 100 | |
| Total Kod. | ALL | 1.0 | .0 | 784.7 | 5.0 | 55.4 | .4 | 14,113.9 | 89.6 | 785.1 | 5.0 | 15,750.1 | 100 | |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH
1962

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GE... CA... |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Chignik | Purse Seine | .1 | .0 | 20.3 | 2.9 | .8 | .1 | 533.1 | 75.3 | 153.4 | 21.7 | 707.7 | 100 | 3 |
| | Beach Seine | .4 | .0 | 344.5 | 22.4 | .5 | .0 | 985.2 | 63.9 | 211.1 | 13.7 | 1,541.7 | 100 | 6 |
| Total Chig. | ALL | .5 | .0 | 364.8 | 16.2 | 1.3 | .1 | 1,518.3 | 67.5 | 364.5 | 16.2 | 2,249.4 | 100 | 10 |
| Aleutians-Peninsula | Purse Seine | 3.0 | .1 | 238.8 | 6.5 | 17.0 | .5 | 2,866.0 | 78.6 | 522.1 | 14.3 | 3,646.9 | 100 | 65 |
| | Beach Seine | .2 | .0 | 11.1 | .8 | 1.2 | .1 | 1,115.5 | 83.8 | 202.5 | 15.3 | 1,330.3 | 100 | 2 |
| | Drift Net | 3.4 | .8 | 282.9 | 69.3 | 18.8 | 4.6 | 3.4 | .8 | 100.0 | 24.5 | 408.5 | 100 | |
| | Set Net | 2.7 | 1.4 | 137.5 | 67.5 | 19.2 | 9.4 | 5.9 | 2.9 | 38.3 | 18.8 | 203.6 | 100 | |
| Total A-P | ALL | 9.3 | .2 | 670.3 | 12.0 | 56.2 | 1.0 | 3,990.8 | 71.4 | 862.7 | 15.4 | 5,589.3 | 100 | 100 |
| Bristol Bay | Drift Net | 78.5 | 1.4 | 3,941.1 | 72.6 | 25.4 | .5 | 776.4 | 14.3 | 609.4 | 11.2 | 5,430.8 | 100 | 84 |
| | Set Net | 5.6 | .6 | 776.9 | 77.5 | 13.9 | 1.4 | 137.5 | 13.7 | 68.1 | 6.8 | 1,002.0 | 100 | 16 |
| Total B.B. | ALL | 84.1 | 1.3 | 4,718.0 | 73.4 | 39.3 | .6 | 913.9 | 14.2 | 677.5 | 10.5 | 6,432.8 | 100 | |
| Arctic-Yukon-Kuskokwim | Drift Net | 28.3 | 27.9 | 10.3 | 10.2 | 12.5 | 12.3 | 4.3 | 4.3 | 45.9 | 45.3 | 101.3 | 100 | 5 |
| | Set Net | 93.8 | 17.9 | .1 | .0 | 32.2 | 6.2 | 33.3 | 6.3 | 365.8 | 69.6 | 525.2 | 100 | 8 |
| | Fishwheels | .7 | 41.2 | --- | .0 | .4 | 23.5 | --- | .0 | .6 | 35.3 | 1.7 | 100 | |
| Total A-Y-K | ALL | 122.8 | 19.5 | 10.4 | 1.7 | 45.1 | 7.2 | 37.6 | 6.0 | 412.3 | 65.6 | 628.2 | 100 | 10 |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1961

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | % |
| Southeast | Traps | --- | .0 | 18.9 | 1.8 | 9.4 | .9 | 952.4 | 93.1 | 42.5 | 4.2 | 1,023.2 | 100 | 6 |
| | Purse Seine | 5.7 | .1 | 433.0 | 3.0 | 257.1 | 1.8 | 11,237.4 | 79.5 | 2,213.0 | 15.6 | 14,146.2 | 100 | 83 |
| | Drift Net | 16.8 | 1.8 | 196.1 | 20.9 | 92.7 | 9.9 | 349.8 | 37.3 | 281.4 | 30.1 | 936.8 | 100 | 5 |
| | Troll | 204.3 | 32.6 | 1.3 | .2 | 399.9 | 63.7 | 19.3 | 3.1 | 2.7 | .4 | 627.5 | 100 | 3 |
| | Set Net | .2 | .1 | 22.2 | 12.4 | 75.0 | 41.8 | 62.5 | 34.9 | 19.4 | 10.8 | 179.3 | 100 | 1 |
| Total S.E. | ALL | 227.0 | 1.3 | 671.5 | 4.0 | 834.1 | 5.0 | 12,621.4 | 74.6 | 2,559.0 | 15.1 | 16,913.0 | 100 | 100 |
| Yakutat | Set Net | 2.5 | 1.7 | 72.9 | 49.5 | 55.3 | 37.6 | 16.1 | 10.9 | .4 | .3 | 147.2 | 100 | 100 |
| Total Yak. | ALL | 2.5 | 1.7 | 72.9 | 49.5 | 55.3 | 37.6 | 16.1 | 10.9 | .4 | .3 | 147.2 | 100 | 1 |
| Prince | Purse Seine | --- | .0 | .4 | .02 | 2.0 | .08 | 2,174.4 | 91.5 | 199.0 | 8.4 | 2,375.8 | 100 | 70 |
| William | Drift Net | 8.5 | 1.0 | 602.4 | 73.9 | 184.9 | 22.7 | 16.0 | 1.9 | 3.9 | .5 | 815.7 | 100 | 24 |
| Sound | Set Net | --- | .0 | 54.1 | 29.1 | 1.3 | .7 | 109.1 | 58.6 | 21.6 | 11.6 | 196.1 | 100 | 6 |
| | Troll | .4 | 4.8 | --- | .0 | 7.6 | 91.6 | .3 | 3.6 | --- | .0 | 8.3 | 100 | 0 |
| Total P.W.S. | ALL | 8.9 | .3 | 656.9 | 19.4 | 195.8 | 5.8 | 2,299.8 | 67.9 | 224.5 | 6.6 | 3,385.9 | 100 | 100 |
| Cook Inlet | Beach Seine | --- | .0 | 14.1 | 3.8 | 1.4 | .4 | 295.2 | 80.7 | 55.2 | 15.1 | 365.9 | 100 | 17 |
| | Drift Net | 1.2 | .1 | 732.2 | 71.3 | 21.9 | 2.1 | 7.0 | .7 | 264.5 | 25.8 | 1,026.8 | 100 | 49 |
| | Set Net | 18.5 | 2.7 | 438.8 | 65.1 | 96.1 | 14.3 | 35.2 | 5.2 | 85.5 | 12.7 | 674.1 | 100 | 32 |
| Total C.I. | ALL | 19.7 | 1.0 | 1,185.1 | 57.3 | 119.4 | 5.8 | 337.4 | 16.3 | 405.2 | 19.6 | 2,066.8 | 100 | 100 |
| Kodiak | Purse Seine | .7 | .1 | 201.8 | 4.9 | 23.1 | .6 | 3,382.0 | 83.2 | 456.8 | 11.2 | 4,064.4 | 100 | 84 |
| | Beach Seine | .1 | .0 | 39.3 | 15.2 | 3.1 | 1.2 | 186.9 | 72.2 | 29.5 | 11.4 | 258.9 | 100 | 5 |
| | Set Net | --- | .0 | 166.8 | 29.9 | 2.3 | .4 | 357.1 | 63.9 | 32.5 | 5.8 | 558.7 | 100 | 11 |
| Total Kod. | ALL | .8 | .0 | 407.9 | 8.4 | 28.5 | .6 | 3,926.0 | 80.4 | 518.8 | 10.6 | 4,882.0 | 100 | 100 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1961

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | C |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Chignik | Purse Seine | --- | .0 | 19.5 | 13.9 | .1 | .1 | 74.3 | 53.2 | 45.8 | 32.8 | 139.7 | | |
| | Beach Seine | .3 | .0 | 303.9 | 37.3 | 2.9 | .4 | 370.9 | 45.5 | 137.4 | 16.8 | 815.4 | | |
| Total Chig. | ALL | .3 | .0 | 323.4 | 33.9 | 3.0 | .3 | 445.2 | 46.6 | 183.2 | 19.2 | 955.1 | | |
| Aleutians-Peninsula | Purse Seine | .7 | .0 | 247.6 | 11.3 | 7.6 | .4 | 1,332.5 | 61.0 | 596.6 | 27.3 | 2,184.0 | | |
| | Beach Seine | .1 | .0 | 23.5 | 3.7 | 2.8 | .4 | 464.0 | 72.1 | 153.2 | 23.8 | 643.6 | | |
| | Drift Net | 4.1 | .7 | 362.1 | 75.9 | 6.0 | 1.3 | 4.2 | .9 | 101.2 | 21.2 | 477.6 | | |
| | Set Net | 2.1 | .7 | 214.0 | 68.8 | 18.7 | 6.0 | 25.0 | 7.7 | 52.2 | 16.8 | 311.0 | | |
| Total A-P | ALL | 7.0 | .2 | 847.2 | 23.4 | 35.1 | 1.0 | 1,824.7 | 50.5 | 902.2 | 24.9 | 3,616.2 | | |
| Bristol Bay | Drift Net | 83.8 | .7 | 11,171.2 | 93.5 | 8.0 | .1 | .3 | .0 | 658.8 | 5.7 | 11,940.1 | | |
| | Set Net | 4.9 | .6 | 742.7 | 92.5 | 12.6 | 1.6 | .2 | .1 | 42.1 | 5.2 | 802.5 | | |
| Total B.B. | ALL | 88.7 | .7 | 11,913.9 | 93.4 | 20.6 | .2 | .5 | .0 | 727.9 | 5.7 | 12,751.6 | | |
| Arctic-Yukon-Kuskokwim | Drift Net | 33.8 | 55.0 | 2.3 | 3.7 | 6.3 | 10.2 | .1 | .2 | 19.0 | 30.9 | 61.5 | | |
| | Set Net | 112.9 | 44.6 | --- | .0 | 15.4 | 6.1 | 34.3 | 13.5 | 90.6 | 35.8 | 253.2 | | |
| | Fishwheels | 1.8 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | 1.8 | | |
| Total A-Y-K | ALL | 148.5 | 46.9 | 2.3 | .7 | 21.7 | 6.9 | 34.4 | 10.9 | 109.6 | 34.6 | 316.5 | | |

Source: Alaska Department of Fish and Game

TABLE

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH

1960

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | GEAR CATCH % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Southeast | Traps | --- | .0 | 13.1 | 7.0 | 3.7 | 2.0 | 156.4 | 83.4 | 14.4 | 7.6 | 187.6 | 100 | 3.5 |
| | Purse Seine | 6.8 | .2 | 378.7 | 9.4 | 133.1 | 3.3 | 2,726.3 | 67.8 | 777.7 | 19.3 | 4,022.6 | 100 | 74.1 |
| | Drift Net | 19.5 | 3.9 | 143.6 | 28.7 | 65.7 | 13.2 | 62.5 | 12.5 | 208.5 | 41.7 | 499.8 | 100 | 9.2 |
| | Set Net | .1 | 1.2 | 3.5 | 42.6 | .8 | 10.0 | .2 | 2.4 | 3.6 | 43.8 | 8.2 | 100 | .2 |
| | Troll | 282.7 | 39.9 | .9 | .2 | 396.2 | 56.0 | 25.6 | 3.6 | 2.4 | .3 | 707.8 | 100 | 13.0 |
| Total S.E. | ALL | 309.1 | 5.7 | 539.8 | 9.9 | 599.5 | 11.0 | 2,971.0 | 54.8 | 1,006.6 | 18.6 | 5,426.0 | 100 | 100.0 |
| Yakutat | Set Net | .9 | .5 | 48.3 | 24.5 | 121.3 | 61.6 | 14.0 | 7.1 | 12.5 | 6.3 | 197.0 | 100 | 100.0 |
| Total Yak. | ALL | .9 | .5 | 48.3 | 24.5 | 121.3 | 61.6 | 14.0 | 7.1 | 12.5 | 6.3 | 197.0 | 100 | 100.0 |
| Prince Wm. | Purse Seine | .1 | .0 | 35.2 | 1.5 | 17.1 | .8 | 1,841.3 | 80.9 | 381.9 | 16.8 | 2,275.6 | 100 | 78.4 |
| Sound | Drift Net | 8.7 | 1.6 | 393.6 | 64.4 | 208.0 | 34.0 | .5 | .0 | .3 | .0 | 611.1 | 100 | 21.1 |
| | Troll | 1.5 | 9.6 | --- | .0 | 13.6 | 86.6 | .6 | 3.8 | --- | .0 | 15.7 | 100 | .5 |
| Total P.W.S. | ALL | 10.3 | .4 | 428.8 | 14.8 | 238.7 | 8.2 | 1,842.4 | 63.5 | 382.2 | 13.1 | 2,902.4 | 100 | 100.0 |
| Cook Inlet | Beach Seine | --- | .0 | 17.7 | 2.4 | 2.3 | .3 | 607.8 | 81.1 | 121.5 | 16.2 | 749.3 | 100 | 18.3 |
| | Drift Net | 3.3 | .3 | 315.5 | 29.9 | 42.7 | 4.1 | 202.7 | 19.2 | 489.7 | 46.5 | 1,053.9 | 100 | 25.8 |
| | Set Net | 24.2 | 1.1 | 614.8 | 26.9 | 269.2 | 11.8 | 1,212.8 | 53.0 | 164.9 | 7.2 | 2,285.9 | 100 | 55.9 |
| Total C.I. | ALL | 27.5 | .6 | 948.0 | 23.2 | 314.2 | 7.7 | 2,023.3 | 49.5 | 776.1 | 19.0 | 4,089.1 | 100 | 100.0 |
| Kodiak | Purse Seine | 1.0 | .0 | 210.2 | 2.9 | 48.4 | .8 | 5,854.6 | 81.7 | 2,048.5 | 14.6 | 7,162.7 | 100 | 84.6 |
| | Beach Seine | .2 | .0 | 19.0 | 4.1 | 2.2 | .5 | 256.2 | 55.8 | 181.9 | 39.6 | 459.5 | 100 | 5.4 |
| | Set Net | .1 | .0 | 133.3 | 16.0 | 3.7 | .4 | 627.0 | 75.2 | 70.0 | 8.4 | 834.1 | 100 | 9.9 |
| Total Kod. | ALL | 1.3 | .0 | 362.5 | 4.3 | 54.3 | .6 | 6,737.8 | 79.7 | 1,300.4 | 15.4 | 8,456.3 | 100 | 100.0 |

TABLE - (Continued)

REGISTRATION AREA CATCH BY GEAR AND SPECIES
IN THOUSANDS OF FISH
1960

| AREA | GEAR | KINGS (Chinook) | | REDS (Sockeye) | | COHO (Silver) | | PINKS (Humpback) | | CHUM (Dog) | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | number | % | number | % | number | % | number | % | number | % | number | % | |
| Chignik | Purse Seine | .1 | .0 | 300.8 | 78.3 | 1.6 | .4 | 54.3 | 14.1 | 27.5 | 7.2 | 384.3 | 100 | |
| | Beach Seine | .3 | .1 | 391.0 | 58.9 | 5.9 | .9 | 142.3 | 21.4 | 124.1 | 18.7 | 663.6 | 100 | |
| | Set Net | --- | .0 | 18.5 | 87.7 | .3 | 1.4 | 1.7 | 8.1 | .6 | 2.8 | 21.1 | 100 | |
| Total Chig. | ALL | .4 | .0 | 710.3 | 66.4 | 7.8 | .8 | 198.3 | 18.6 | 152.2 | 14.2 | 1,069.0 | 100 | |
| Aleutians-Peninsula | Purse Seine | 2.3 | .1 | 336.4 | 9.5 | 2.2 | .1 | 1,775.2 | 50.7 | 1,388.4 | 39.6 | 3,504.5 | 100 | |
| | Beach Seine | .1 | .0 | 4.7 | 1.4 | .6 | .2 | 184.4 | 53.6 | 154.2 | 44.8 | 344.0 | 100 | |
| | Drift Net | 8.6 | 1.6 | 461.2 | 84.3 | 8.5 | 1.6 | 2.9 | .5 | 65.9 | 12.0 | 547.1 | 100 | |
| | Set Net | 1.3 | .4 | 229.0 | 63.1 | 35.6 | 9.8 | 27.9 | 7.7 | 68.9 | 19.0 | 362.7 | 100 | |
| Total A-P | ALL | 12.3 | .2 | 1,031.3 | 21.7 | 46.9 | 1.0 | 1,990.4 | 41.8 | 1,677.4 | 35.3 | 4,758.3 | 100 | |
| Bristol Bay | Drift Net | 107.1 | .8 | 12,747.1 | 89.5 | 5.6 | .0 | 200.3 | 1.4 | 1,178.4 | 8.3 | 14,238.5 | 100 | |
| | Set Net | 4.6 | .3 | 957.9 | 79.0 | 10.5 | .9 | 101.7 | 8.4 | 137.6 | 11.4 | 1,212.3 | 100 | |
| Total B.B. | ALL | 111.7 | .7 | 13,705.0 | 88.7 | 16.1 | .1 | 302.0 | 2.0 | 1,316.0 | 8.5 | 15,450.8 | 100 | |
| Arctic-Yukon-Kuskokwim | Drift Net | 9.4 | 45.9 | 5.6 | 27.3 | 5.5 | 26.8 | --- | .0 | --- | .0 | 20.5 | 100 | |
| | Set Net | 63.3 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | 63.3 | 100 | |
| | Fishwheels | .9 | 100.0 | --- | .0 | --- | .0 | --- | .0 | --- | .0 | .9 | 100 | |
| Total A-Y-K | ALL | 73.6 | 86.9 | 5.6 | 6.6 | 5.5 | 6.5 | --- | .0 | --- | .0 | 84.7 | 100 | |

Source: Alaska Department of Fish and Game

# LIMITED ENTRY ATTRITION RATES GOV. STUDY GROUP

## Age of Gear Licens Holders

The median age of all commercial gear license holders in 1971 was 39. At present, we do not have sufficient data to eanble us to determine age trends. The only accurate numbers available are for the years 1970 and 1971, broken into extremely broad age groups. In 1971, when the total number of gear licenses holders showed a 0.4% drop from the previous year, the two middle age groups showed the least decline.

| Age Groups | 1-17 | 18-39 | 40-64 | 65 & Up |
|---|---|---|---|---|
| 1970 | 806 | 4420 | 4622 | 492 |
| 1971 | 787. | 4421 | 4579 | 471 |
| Number Change | -19 | +1 | -43 | -21 |
| Percent Change | -2.4% | no % change | -0.1% | -4.3% |

## Age vs. Type of Gear License

The relationship between age of license holder and type of gear is explored in the following two tables.

The first table shows how the population of gear license holders is distributed according to age.

(Table reads across the page)

Age Distribution of Gear License Holders, 1971

| Gear Type | Total Pop. Numbers | % | 1 to 17 | 18 to 39 | 40 to 64 | 65 & Up |
|---|---|---|---|---|---|---|
| All Gears | 10258[a/] | 100 | 7.7% | 43.1% | 44.6% | 4.6% |
| Purse Seine | 1319 | 100 | .4 | 45.9 | 50.4 | 3.3 |
| Drift Net | 4737 | 100 | 4.3 | 45.6 | 47.1 | 3.1 |
| Set Net | 3056 | 100 | 17.6 | 42.0 | 36.1 | 4.2 |
| Troll | 2409 | 100 | 3.0 | 39.6 | 49.7 | 7.6 |

a/ The numbers in this column add to more than the total because some people held more than one type of gear license.

The data is grouped so broadly that it is not possible to work out a median age for each gear. Still, one can see that the ages of set netters average considerably younger than the ages of drift netters. Possibly the set net fishery is partly worked by kids who grow up to be drift netters.

A higher percentage of trollers are over 65 than is true for any other group.

The second table shows the gear preferences of each age group. Sixty five per cent of the youngest group have set gillnet licenses.

Gear Preferences by Age Group, 1971

| Age Groups | Total Population Numbers | % | Gear Types Purse Seine | Drift Net | Set Net | Troll |
|---|---|---|---|---|---|---|
| All Ages | 10258 | 100% | 11.4% | 41.1% | 26.5 | 20.9% |
| 1 to 17 | 787 | 100 | 0.6 | 24.7 | 65.9% | 8.8 |
| 18 to 39 | 4421 | 100 | 12.1 | 43.1 | 25.7 | 19.1 |
| 40 to 64 | 4579 | 100 | 12.8 | 42.9 | 21.2 | 23.0 |
| 65 & Up | 471 | 100 | 8.6 | 29.1 | 25.7 | 36.7 |

## Turnover Rates

Turnover rates of commercial salmon gear license holders are surprisingly high. Twenty nine percent of gear license holders in 1969 failed to buy licenses in 1970, and 30.6% of 1970 license holders failed to renew in 1971. These rates are based on a count of persons, not on a count of licenses. Hence of all the persons who held licenses of any kind or quantity in 1970, 30.6% failed to buy any license at all in 1971.

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Turnover Rates, 1969 to 1970 and 1970 to 1971

All types of Salmon Gear Licenses
(Table reads across)

| | Total Licenses | Dropped | Attrition Rate | Added | Accession Rate | Total Licenses |
|---|---|---|---|---|---|---|
| 1969 | 9870 | 2863 | 29.0% | 3295 | 33.4% | 10302 '70 |
| 1970 | 10302 | 3156 | 30.6% | 3112 | 30.2% | 10258 '71 |

It can be expected that the drop-out rate of a particular group of license holders will decline in succeeding years. For example, the 1969 group of license holders will not loose members at the rate of twenty nine or thirty percent a year. Two factors will operate here:

1) Some of the '69ers who dropped out in 1970 will come back in later on.
2) A group of persistent license holders will appear from whom attrition is smaller in the third and fourth years than it was in the second year.

At present the only statistics available for a several-year span are for 1969 licenses matched against the 1971 list.

If the 1969 group had continued to lose members at the same rate each year, we would have expected only 4975 of them remaining in 1971 for a total attrition of 50% over a three-year period. Instead, 6147 remained, for an attrition of 37.4% in three years.

Turnover Rates, 1969 to 1971

All Types of Gear Licenses

| Total Licenses 1969 | Dropped | Attrition Rate | Added | Accession Rate | Total License 1971 |
|---|---|---|---|---|---|
| 9870 | 3696 | 37.4% | 4084 | 41.4% | 10,258 |

The subject of long-term attrition rates, and the question of intermittent license holders deserve further computer analysis.

Along the same lines, it would be useful to know the total number of different individuals who have held gear licenses in the last three, five or ten years. And out of that total, now many bought licenses in two or more years? This would give us an idea of the population of persons who could establish a history of past participation in the fishery.

We might also try to identify a population of highly persistant fishermen who appear nearly every year.

## Analysis of Gear License Turnover Rates by Age Groups[1/]

Turnover rates are much higher among younger people. We believe that the turnover rates for age groups shown by our computer program are somewhat inflated. However, the direction of the trend can safely be accepted.

The computer analysis shows among residents under 18, 65% of 1970 licenses were not renewed in 1971. Non-renewal dropped to 32% among residents age 18 to 39, to 22% among those age 40 to 64, and to 26% among those 65 and older.

Among non-residents, 63% of those age 17 or younger holding licenses in 1970 did not renew them in 1971. Non-renewal dropped to 39% among those age 18 to 39, to 25% among those age 40 to 64, and to 36% among those 65 and older.

Over a three-year span, 1969 to 1971, non-renewal rates by age group look like this:

| Age Group | 1 to 17 | 18 to 39 | 40 to 64 | 65 & Up |
|---|---|---|---|---|
| Res. | 60% | 40% | 30% | 32% |
| Non-Res. | 90% | 41% | 29% | 35% |
| All | 81% | 40% | 30% | 32% |

1/ The age categories used in this analysis - 1 to 17, 18 to 39, 40 to 64 and 65 and up are extremely broad. Re-programming of the data should allow an analysis by finer age groups.

Turnover Rates in Different Types of Gear

The lowest turnover rates are found among holders of purse seine licenses. This is probably due in part to the relatively large investment required by this type of boat and gear. Another factor is that very few people under 18 hold purse seine licenses. People under 18 years of age are the most volatite in regard to turnover rates, but only nine people in that age group held seine licenses in 1970.

The highest turnover rates are among set netters and trollers, with drift gillnetters falling somewhore in between.

Again a caveat is required in regard to the turnover rates we received from the computer. In the table below, for instance, the numbers of set licenses shown for 1970 are not quite correct. However, it appears that the turnover rates shown for gears do not seriously deviate from the actual.

Turnover Rates, 1970 to 1971
by Type of Gear[1/]

| Gear | Total Licenses 1970 | Dropped | Attrition Rate | Added | Accession Rate | Total Licenses 1971 |
|---|---|---|---|---|---|---|
| Purse Seine | | | | | | |
| Res. | 944 | 172 | 18.2% | 182 | 19.3% | 954 |
| Non-Res. | 386 | 80 | 20.7 | 59 | 15.3 | 365 |
| All | 1330 | 252 | 18.9 | 241 | 18.1 | 1319 |
| Drift Net | | | | | | |
| Res. | 3193 | 733 | 23.0% | 867 | 27.2% | 3327 |
| Non-Res | 1399 | 348 | 28.9 | 359 | 25.7 | 1410 |
| All | 4592 | 1081 | 23.5 | 1226 | 26.7 | 4737 |
| Set Net | | | | | | |
| Res. | 2703 | 844 | 31.2% | 921 | 34.1% | 2760 |
| Non-Res. | 311 | 151 | 48.6 | 116 | 37.3 | 276 |
| All | 3014 | 995 | 33.0 | 1037 | 34.4 | 3056 |
| Troll | | | | | | |
| Res. | 2265 | 809 | 35.7% | 655 | 28.9% | 2111 |
| Non-Res. | 381 | 196 | 51.4 | 113 | 29.7 | 298 |
| All | 2646 | 1005 | 38.0 | 768 | 29.0 | 2409 |

1/ Fishwheel permits are omitted from this analysis. Their numbers are few and their contribution to the commercial catch is even smaller.

# LIMITED ENTRY PUBLIC PROPOSALS

# M E M O R A N D U M

S. B. 39 H. B. 126

Proposed Amendments
Frank Flavin - Attorney for the Village of South Naknek

Attached find proposed amendments to the Governor's limitation of entry into the fisheries plan. These proposed amendments reflect the desire by many fishermen for more specificity in the commission's powers and duties as well as well as more fishermen input.

The amendments further seek to remove potential economic coersion over indebted fishermen who hold permits by tightening transfer provisions in the bill. Without some amendment the current bill would lead to an eventual migration of permits from indebted fishermen to those fishermen with great personal wealth or strong corporate backing.

Finally, the amendments proposed seek to establish the basis for an "apprenticeship pool" which could provide a crew member or "second son" a chance to eventually gain a permit. This amendment (sec. 260) avoids prior legal problems with this type of plan by putting it in State control and adding training aspects. The addition of this plan could conceivably constitutionally strengthen the original bill by extending the basis for the original granting of permits into the future. Abandoning such criteria and allowing free transfer makes the initial utilization of participation and dependency criteria suspect.

A more detailed memorandum will be forthcoming.

Sec. 16.43.050 QUALIFICATIONS Commission members shall have been commercial fishermen in Alaska.

Sec. 16.43.200 ENTRY PERMIT QUALIFICATIONS
(a) Following the establishment of the maximum number units of gear pursuant to sec. 160 of this chapter, the commission shall adopt regulations for entry permits for each administrative area and for each type of gear. The regulations shall define six priority classifications, with reasonable subclassifications, of similarly situated potential applicants based upon a reasonable balance of the two following standards of preference:

(1) Degree of economic dependence upon the fishery including, but not limited to, considerations of: percentage of income derived from the fishery, alternative occupations held and additional sources of income available, character of alternative occupations, and investment in vessels, gear, equipment and property.

(2) Extent of past participation in the fishery to determine the length, degree, and character of participation in the fishery including subsistence activities.

(b) The commission shall classify applicants on a gear to gear basis within the administrative area and rank each applicant within one of the following six priority classifications based upon the character of the applicant's involvement in the fishery:

(1) Career Fishermen-The fishery constitutes the primary subsistence and/or income source, excluding public assistance income.

(2) Career Fishermen-The fishery constitutes a necessary and substantial subsistence and/or income source.

(3) Alternative Occupation-The fishery provides a substantial income supplement.

(4) Alternative Occupation-The fishery provides a minor or incidental income.

(5) Hobby or Sport-Commercial-The fishery provides an incidental income

(6) Mere License Holder-Essentially no participation in the fishery.

Sec. 16.43.220 ISSUANCE OF ENTRY PERMITS

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(b) The commission shall issue entry permits, for an administrative area and a type of gear, first to all qualified applicants in the highest priority classification, and then to all qualified applicants in each descending priority classification, until the number of entry permits issued equals the maximum number of units of gear established pursuant to secs. 160-170 of this chapter for the administrative area and the type of gear. Except that no applicant falling within the first two priority classifications set out in sec.200 (b) shall be denied a permit and no applicant falling within the third priority classification shall be denied a permit unless there is a prior determination by the commission, the Commissioner of Fish and Game, and the Board of Fish and Game that biological and economic factors justify denial of permits in these classifications. No permit shall be issued an applicant unless he has the present ability and intent to participate actively in the fishery.

Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMIT

...
...
...

(c) Each entry permit is issued for an initial term of one year, and confers upon the permitted a permanent right of renewal. Failure to renew an entry permit annually does not result in the loss of the right to renew the permit upon payment of all accrued annual fees, except that failure to renew an entry permit for a period two years from the date of last renewal shall result in a forfeiture of the entry permit except as waived by the commission on an area basis, or in the case of an individual for good cause shown.

(d) The commission shall establish terms and conditions upon which entry permits may survive the death of the permittee.

(d) An entry permit may not be pledged or hypothecated and is not subject to attachment, distraint, or sale on execution of judgment.

Sec. 16.43.250-260 ALTERNATIVE I.

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that the holder of an entry permit may apply to the commission to transfer his permit to a spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and reissue the entry permit to the transferee.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall [illegible]he relative differences in average efficiency of different [illegible]gear and shall establish transfer ratios between types of [illegible]ch will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY. Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, the commission shall adopt regulations consistent with the purposes of this chapter, providing for the issuance of such permits.

Sec. 16.43.250-260. ALTERNATIVE II

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are nontransferable except that :

(1) The holder of an entry permit may apply to the commission to transfer his permit to his spouse or children if the proposed transferee falls within the highest priority classification pursuant to sec. 200 (a) of this chapter and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee. The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, gear, equipment, and property or lease right pursuant to sec.260 of this chapter.

(b) When otherwise consistent with the purposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260. NEW ENTRY.
(a) Following the issuance of entry permits pursuant to sec.220 the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

Sec. 16.43.250-260 ALTERNATIVE III

Sec. 16.43.250. TRANSFER OF ENTRY PERMITS.
(a) Entry permits are non-transferable except that

(1) The holder of an entry permit may apply to the commission to transfer his permit to spouse or child if the proposed transferee can establish present ability and intent to participate actively in the fishery, and the proposed transfer is otherwise consistent with the purposes of this chapter, the commission shall approve the transfer application and re-issue the entry permit to the transferee.

(2) The holder of an entry permit may apply to the commission for the sale of his permit which may include any reasonably associated vessel, skiff, gear, equipment, and property or lease rights pursuant to sec. 260 of this chapter.

(b) When otherwise consistent with thepurposes of this chapter, the commission may adopt regulations providing for the transfer and reissuance of entry permits within a given administrative area from one type of gear to another type of gear. The regulations shall reflect the relative differences in average efficiency of different types of gear and shall establish transfer ratios between types of gear which will maintain a stable level of fishing within that administrative area.

Sec. 16.43.260 APPLICANT POOL.
(a) Following the issuance of entry permits pursuant to sec. 220 of this chapter the commission shall adopt regulations setting forth the qualifications for applicants for permit transfers or any new entry. The regulations shall define reasonable priority classifications of similarly situated potential applicants based upon a reasonable balance of all the following standards of preference:

(1) Extent of past and present participation in the fishery.

(2) Training pertaining to commercial fishing.

(3) Present ability and intent to participate actively in the fishery.

(b) Whenever additional entry permits become available for issuance, either due to an increase in the maximum number of units of gear pursuant to sec. 170 of this chapter or the forfeiture of existing entry permits pursuant to sec. 230 (c) of this chapter, these permits may be allocated within the highest priority classification by lottery.

(c) Whenever an additional entry permit becomes available through an application for transfer and sale pursuant to sec. 250 (a) (2) the commission shall sell, pursuant to regulations adopted by the commission, the permit and any reasonably associated vessel, skiff, gear, equipment

and lease or property right to the highest bidder upon sealed bid among the highest priority classification of applicants. Except that no such sale shall be consumated unless the highest bid price exceeds the fair marked value of the property offered for sale.

(d) The commission shall prescribe an appropriate fee for sales pursuant to (c) of this section. This fee shall be subtracted from sale proceeds which shall then be dispensed to the transferor.

Bud Morris [illegible] Public Proposals 1973

6-7321

8-9688

RECOMMENDATIONS OF THE COMMITTEE FOR AN EQUITABLE LIMITED ENTRY PROGRAM

We are not satisfied that Senate Bill 39 meets the needs of the people of Alaska. It creates a new commission with new regulations based on nebulous definitions and vague terms.

It will work to the detriment of resident Alaskans by taking them out of the fishery and yet allow non-residents to fish. It does not provide for reimbursements to fishermens' gear and boats if he cannot qualify. It gives the commission power to regulate entry based on their own conclusions or definition, with little recourse to rectify injustices. It does not let us know in advance where we stand in the fishery. It would be almost impossible to reword Senate Bill 39 and still come up with the answers that we believe are necessary. It is our belief that the Limited Entry concept, approved last year, meant to most people "No more gear", not "Knock residents out of the fishery and keep them out".

We hereby affirm our belief in the Limited Entry concept and wish to submit for your consideration the following ideas based upon what we feel would result in a more just and equitable Bill to all concerned.

As we understand it, the State is faced with legal problems in instituting a Limited Entry proposal unless it contains provisions that do not:

1. Discriminate between residents and non-residents.
2. Discriminate between various types and classes of people.
3. Provide for a "Closed To Entry" class of fishermen.

On Page 15 of the cover letter, the Governor states "Any license freeze will PROBABLY be struck down in the courts because the effect is to create a completely closed class of fishermen for a substantial period of time" and with that statement, throw out the freeze proposal.

On Page 14 he states, "The court will also look unfavorably upon any regulatory system which creates a completely closed class of fishermen. Some new entry must be permitted. Therefore I am proposing the administratively controlled transfer or sale of entry rights, which will permit new entry while allowing fishing effort to be held at

constant levels". Unquote.

It would therefore appear that a license freeze proposal which incorporates a means of new entry, should be equally acceptable. We therefore wish to reinstate this concept and suggest the following ideas.

ENTRY PERMIT QUALIFICATIONS

1. An entry permit will be issued upon application only to those who:

   a. Has grossed at least $100.00 per year in the commercial fishery in 1970, 1971 and 1972 fishing seasons. (This will eliminate paper licenses)

   b. Are ready and able to continue fishing.

   c. Or can prove he has an investment in commercial fishing gear prior to December 31, 1972 exceeding $500.00.

2. Permits for more than one type of gear shall be issued upon application providing the fisherman can qualify for each type of gear in paragraph 1 above.

3. We suggest that this Act be administered by an existing State Agency even if it means creating a new Department within such Agency.

4. Permit quotas shall be established by providing the maximum number of permits until it can be shown that either of the following limits is about to be exceeded:

   a. The fishery can no longer be managed on a sustained yield basis.

   b. The average seasonal gross income from the top 50% of the permit holders falls below that of a base level. This base level for each area and each type of gear shall be between 5% and 25% above the three year average seasonal gross income of the top 50% of the fishermen in each area for each type of gear for the 1970, 1971 and 1972 fishing seasons, depending upon the depressed condition of the fishery.

   c. The permit quotas for each area shall in no case fall below 66% of the three year average number of gear licenses issued from 1970 through 1972 in each area without the express permission of the Alaska State Legislature.

5. Each Entry Permit is issued for an initial term of one year, and confers upon the Permittee a permanent right of renewal.

6. Permits must be renewed annually. closed class

7. Permits are not transferable and must be fished by the holder, except a permit is not required of a crewman or other person assisting in the operation of a unit of gear engaged in commercial fishing.

8. The Permittee must have the Entry Permit in his possession at all times when commercial fishing.

9. The Department is charged with record keeping of issued and returned Permits. All Permits revert back to the State in the following events, (except that immediate dependent family (Husband/wife - Son - Daughter - Stepson - Stepdaughter) has the option to retain if it can be shown they are ready, willing and able to continue in the fishery):

a. The Permittee dies.

b. After 2 consecutive years of non-use, unless it can be shown it was caused by circumstances beyond his control.

c. If the holder is convicted three times of illegally fishing. (In this event, immediate family clause does not qualify).

10. By May 1 of each year the Alska Department of Fish and Game shall publish a statistical report on the salmon fishery of the preceeding season including the range of income and the average gross income of the top 50% of permit holders for each type of gear in each area. The report shall also include data concerning escapement, the health of the run, the relative effects of one type of gear on another and other data pertinent to the control of the fishery. longer burden on Dept.

11. Fishermen and persons outside the fishery may present their views to the Alaska Board of Fish and Game in the interest of the best use of the resource.

NEW ENTRY

1. Permits returned to the Department by normal attrition and other, shall be reissued on a 50% basis of permits turned in, - on the type fishery basis, until such time as the unit quota for that type fishery is reached. At that time, all permits will be issued up to said quota for said fishery. The Permit (s) will be issued annually.

2. Permits to be re-issued will be awarded to the applicants with the highest sealed bid.

3. If it is desirable to accelerate the attrition rate, we suggest one or both of the following:

a. The State can offer to purchase the Permittees' fishery investment. In this case the Permit will revert to the State and will not have to be re-issued.

b. The Department of Fish and Game may impose further reductions to the amount of gear the fisherman may fish and the length of the opening.

You will note we do not mention the sale of these Permits. It is our feeling this type of action will lead to speculative efforts, circumvention of concept etc. and is not necessary under this bill.

There are many miscellaneous items not listed here, such as fees, legal references etc. These are easily filled in once the basic concept is approved. This simple, easily administered Limited Entry Program could be placed into effect in 1974.

COMMITTEE NOTES ON SB 39

1. SB 39 is decidedly prejudiced in favor of the people it chooses to include in the commercial fishery. The Bill awards the favored fisherman with a greater potential share of the catch and a permit which in many cases will have a value far exceeding the fisherman's present investment in the fishery. For instance, under SB 39 any fisherman with a modestly equipped older vessel worth about $5,000.00 who depends solely on the fishery for his $6,000.00 of income would certainly receive a permit. Another fisherman with a newer and better equipped vessel worth about $20,000.00 and catches $12,000.00 worth of fish and also works at another job for six months a year may be refused a permit. This fisherman would certainly be willing to pay $5,000.00 to $10,000.00 for a permit to get back into a more promising fishery and probably would have to wait several years for the chance. Why should he be so rewarded for his hard work? Which man would contribute more toward an efficient, professional fishery?

2. By placing a high value on a permit SB 39 allows financially powerful special interest groups, such as fish processors, to greatly influence the price of fish and where they are sold by assisting the fisherman to pay the high cost of a permit as well as the high cost of a vessel and gear. This control by the processors has already occurred to a large degree in Canada for the same obvious reason. By placing no resale value on the permit the fisherman would become more independent of the fish processor. closed class

3. SB 39 has no provision to reimburse the fisherman who will be denied a permit. The State would require the fisherman who is refused a permit to pay the entire price of the Limited Entry Program for the sole benefit of the other fisherman who remains in the fishery.

4. Many of the most knowledgeable, most industrious fishermen have another occupation and are not content to remain idle six to eight months a year. These men own expensive and efficient vessels and account for a large percentage of the catch. It would be an unjust bill which would deny these men their share of the fishery. The number one criteria of SB 39 is the degree of economic dependence on the fishery.

5. It is believed by many that it is unlawful to inflict economic hardship on one-third to one-half of the fishing fleet for the great benefit of the remainder.

6. The value of a fisherman's vessel will be greatly reduced if he is forced out of the fishery in addition to the loss of approximately half his income. These men will sue the State of Alaska for their losses and if successful the State will be required to pay several hundred million dollars including loss of several years income and vessel and gear resale value.

7. How can the State of Alaska force fishermen to experience great financial loss without offering to lessen their burden? Is it not the State which has allowed the fleet to increase to its present size?

8. Are people who live in a proposed Urban Renewal Area or on a proposed highway right of way required to leave their homes without compensation?

9. Farmers are paid not to grow crops. Are fishermen to be deprived of the right to fish, forfeit a lifetime of hard earned experience and expertise, and have their considerable investment diminished by a government regulation?

10. SB 39 has two other glaring defects:

a. It greatly magnifies the problem of too much gear in the water by establishing difficult-to-define criteria for the elimination of the gear.

b. It creates an expensive $400,000.00 a year commission. Each commissioner is paid more than the average seine boat grossed in Southeast Alaska in 1971. ($29,000.00 compared to $23,564.00)

11. A limited entry program can be achieved without a lot of expense and hardship to the fisherman as outlined in the attached committee report.

12. Fishermen's money can be more profitably directed toward an effective salmon propagation program. Many breakthroughs have occurred recently in this field and only need monies and political pressure to become effective in increasing our salmon runs.

3/23/68

JUDICIARY COMMITTEE REPORT

ON

SENATE BILL NO. 344

This bill simply establishes a penalty for persons selling intoxicating liquor in an area where a local option election has made this illegal.

Tom Fink, Chairman

3/19/21

JUDICIARY COMMITTEE REPORT

ON

CS For Senate Bill No.339 am

This bill as amended will allow municipalities to issue revenue bonds providing for the payment of principal and interest from any unpledged revenues of a combined system of public works.

The present law provides that revenue bonds may provide for the repayment only from unpledged revenues of a specific public works.

There is a current problem in the Noma area wherein revenue bonds can be issued if the municipality can pledge the revenues of an entire public works system.

Tom Fink, Chairman

3/22/63

JUDICIARY COMMITTEE REPORT

ON

SENATE BILL NO. 395

This bill amends the Administrative Procedure Act by providing that meetings of a hospital medical staff, or governing body or committee of a hospital, when acting upon matters of professional qualifications, privileges or discipline need not be open to the public. Juries, parole boards, etc., are similarly exempted from the open-meeting requirement.

Tom Fink
Chairman

# A M E N D M E N T

Offered in the HOUSE By the Judiciary Committee

TO: CS FOR HOUSE BILL NO. 92

Page 7, Between lines 3 and 4 insert:

" * Sec. 2. AS 39.25.120 is amended by adding a new paragraph to read:

(7) attorney members of the staff of the public defender agency."

Page 7, line 4: Change "2" to read "3"

# A M E N D M E N T

IN THE HOUSE BY THE JUDICIARY COMMITTEE

TO: House Bill No. 212

Page 1, line 15 after the period, add "However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference."

As a result of the amendments made in the House to CSHB 486, the following amendment to the rehabilitation section should be made:

AMENDMENT

IN THE SENATE

TO: CSHB 486 am

Page 8, Line 24:

Change the period to a comma and add: "if it is his first or second conviction. If it is his third or subsequent conviction he may be committed to the custody of the department for rehabilitative treatment for not more than five years."

Page 12, Line 6:

After "department" insert "of health and welfare". Change the period to a comma and add: "if it is his first or second conviction. If it is his third or subsequent conviction he may be committed to the custody of the department for rehabilitative treatment for not more than five years."

These changes were undoubtedly just overlooked when the other amendments were made.

AMENDMENT

IN THE HOUSE BY THE JUDICIARY COM.

TO: SENATE BILL NO. 347 am

Page 1, Line 10:

After "person" insert "who". After "organization" insert "which".

Page 1, Line 11:

Change "operating" to "operates" and "furnishing" to "furnishes".

Page 1, Line 12:

After "contract" insert "and which does not have a chartered local in this state".

Page 1, Line 18:

Delete sec. 2.

Page 2, Line 1:

Delete the "(a)".

Page 2, Line 2:

Delete ", agent or employee". After "national" delete the comma and insert "or".

Page 2, Line 3:

Delete "or local".

Page 2, Lines 4 - 5:

Delete "to wilfully refuse to aid in, or".

Page 2, Line 6:

Delete "or other unlawful act".

Page 2, Line 9:

Delete subsection (b).

Page 2, Between lines 14 and 15:

Insert: "Sec. 23.40.055. CIVIL ENFORCEMENT. In addition to the criminal penalties provided in sec. 60 of this chapter, the attorney general may enforce the provisions of this chapter by appropriate civil proceedings, including injunctive relief, against threatened, repeated or continuous violations of this chapter or regulations promulgated under it. These proceedings may be brought against an officer, agent or employee of an international, national or local labor organization.

"Sec. 23.40.057. EXEMPTIONS. (a) The commissioner may grant an exemption from the provisions of this chapter to a labor organization which

who reside in Alaska
"(1) has so few ~~maximum~~ members/that chartering and operating a local would work a financial hardship on these members; ~~however, this exemption may not be granted to a labor organization which has 500 or more Alaska residents as members;~~

"(2) maintains local-hire preference provisions in all of its labor-management agreements in the state; and

"(3) maintains provisions in its constitution and bylaws for the election, by and from among the members of the organization who reside in Alaska, of a business agent or other person in charge of hiring hall, dispatch or grievance procedures.

"(b) Exemptions granted under this section shall be applied for and granted on an annual basis in accordance with regulations promulgated by the department. No exemption may be granted under this section to a labor organization which has 500 or more Alaska residents as members."

Page 2, Lines 16 - 17:

Delete "or local".

Page 2, Line 19:

Delete "for each offense".

Page 2, Line 20:

Delete "agent or employee".

Page 2, Line 21:

Delete "or local".

~~XXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

13. The following Permit Fee Schedule is proposed:

| | RESIDENT | NON-RESIDENT |
|---|---|---|
| SEINE | $150.00 | $300.00 |
| GILLNET | 75.00 | 150.00 |
| TROLL | 75.00 | 150.00 |
| SPORT-COMMERCIAL | 25.00 | 50.00 |

14. Advantages of a Gradual Attrition Program:

a. The people who leave the fishery do so voluntarily without suing the State or having financial hardship forced upon them by the State.

b. The fishermen have an opportunity to sell their investment in an active market which is not depressed by a large quantity of excess vessels and equipment.

c. The support of more fishermen is available to increase the salmon runs through an aggressive salmon propagation program.

15. Reasons why Natural Attrition will occur up to (26% per year) (13% after 1/2 permits re-issued).

a. Age. Most fishermen probably are within ages 30 to 60 years with an expectancy of a maximum of 30 years as a permit holder. Each year 3% of the fishermen will leave the fishery for reasons of age.

b. Accidents and poor health.

c. Fishing is a "way of life" as much as a lucrative profession. Some people will become disillusioned by the severity of the life.

d. Some fishermen have short range goals in mind, such as a college education or a quick stake to invest in another livelihood.

e. Many residents of Alaska are transients. Some of these will initially qualify for permits but will move away because they or their families would rather live elsewhere.

f. Other part-timers will advance in their primary profession and will not be able to spare the time for fishing.

g. Some will give up fishing because they will not improve fast enough to justify their continued efforts.

h. Because the salmon fishery has poor years as well as banner years, some

fishermen will give up and sell out after a poor year.

i. Some will meet hardship such as vessels being lost by storms, groundings or overloadings and will be unable to recover.

j. Other reasons not listed.

16. Page 5 of the Governor's letter of January 10, 1973 shows a table of optimum units of gear or permit quotas and total of approximately 9000 (8917) gear units issued in 1971. A 12% per year gradual attrition rate could reduce the fishery to 66% of its present level in four years. It would reduce the critical areas by 50% in six years. By this time the runs should have recovered sufficiently by natural escapement and fishermen funded salmon propagation programs to support gear permits equal to at least 75% of the 1971 level.

17. Induced attrition may be accomplished as follows:

a. The State may make some fishermen "an offer which they cannot refuse". $$$ This buy back program will be financed with revenue from permit fees and the sale by sealed bid of entry permits. The permit fee shall be increased by 100% if necessary. It is estimated that $2,400,000.00 would be generated annually for this program and would retire about 3% of the Net Gear @ $10,000.00 each per year or 6% @ $5,000.00 per year.

b. The amount of gear which each permit holder is allowed to fish may be reduced in critical areas to maintain a sustained yield.

c. The amount of time fishermen may fish a type of gear may be reduced in critical areas to maintain a sustained yield.

place under Comm. Fisheries

18. An aggressive salmon propagation program financed by a bond issue and retired by a 1% raw fish tax shall be started simultaneously with the Limited Entry Program. An annual report shall be issued by the Department of Fish and Game including the amount of funds collected, funds expended the previous season, planned expenditures for the next year, results of the program to date and future objectives. The annual revenue for this program is estimated at approximately $500,000.00. This salmon progagation program is considered to be essential to the legality and constitutionality of the Limited Entry Program because it proves good faith on the part of the State and the fishermen who are protected by the program to work toward improving the fishery. A larger catch would directly lead to an increase in the permit quota and thereby opening

the fishery by requiring the issuance of more permits. A larger catch and the issuance of more permits would also generate an increase in revenue to invest in salmon propagation to further develop the fishery.

19. A positive approach toward improving the fishery would be supported by both sport and commercial fishermen as well as the rest of the State because it would generate more tax revenue and business for fishery related industries such as suppliers, vessel repair facilities and tourism. A positive provision for salmon propagation would greatly improve the attractiveness of a Limited Entry Program to all concerned.

February 21 1973
Statement by J. S. Gaud

POSITION OF THE ASSOCIATION OF PACIFIC FISHERIES ON S.B. NO. 39

The Association of Pacific Fisheries membership consists of salmon processors who purchase and process some 90% of the salmon harvested in Alaskan waters. These companies have a tremendous investment in processing plants, repair facilities, tenders, vessels, supplies, and accounts receivable which are vital to the catching and processing of salmon in Alaska. To our knowledge no authoritative estimate of the investment of Association members in Alaska has been compiled but it is safe to say it runs to hundred of millions of dollars. We are currently in the process of compiling authoritative data on this matter.

Therefore, the Association is vitally concerned with any legislation which would substantially affect the basic, established economics of the salmon fishing and processing industries in Alaska and the investments of our members.

We will not argue the point that in certain fishing areas with some types of gear there are at times more units of gear registered and fishing than are necessary to harvest the run with optimum economic or managerial efficiency. This situation, however, varies markedly from year to year and area to area, and to merely define the extent of the problem becomes tremendously complex as evidenced by the magnitude of the report of the Governor's Study Group on Limited Entry, which we have not had the opportunity to analyze in detail (since it has not been made available to us), but which describes itself as "just a beginning of the analysis that will be required to put a limited entry program to work".

As evidenced by past attempts at legislation and regulation to deal with the problem of limiting entry and reducing the number of participants

in the salmon fisheries, any single piece of legislation raises a large number of questions and problems which are very complex and which are not clearly dealt with in the legislation. Senate Bill No. 39 is no exception in this regard. While the bill raises many complex issues which we have been unable at this point to fully evaluate, we would like to comment on some of the general areas of the bill which appear to be problem areas:

1. The bill makes no provision for compensation of fishermen, vessels and gear which are initially eliminated from the fisheries by the Commission's action and makes no provision for compensation for vessels and other investments which may be eliminated by later actions of the Commission. To put the matter into perspective the following purely hypothetical example might be used:

   a. If the level of gear in Alaska were reduced from the 1971 levels registered, to the optimum units required, as set forth in Governor Egan's letter of transmittal for S.B. No. 39, there would be 519 purse seine, 2327 drift gillnets and 1306 set gillnet units eliminated from the fisheries.

   b. If the average value of these vessels and gear were: $40,000 for purse seines; $15,000 for drift nets; and $3,000 for set nets, the value eliminated would be $20,460,000 of purse seine vessels and gear; $34,905,000 of drift net gear and vessels; and $3,918,000 of set net gear, for a total elimination of $59,583,000 from the salmon fisheries of Alaska and rendered virtually worthless by the initial action of the Commission.

   c. The above example does not include the value of troll, beach seine, etc., gear which could be eliminated. We do not pretend

to say that this would be the result of enactment of S.B. No. 39 or that the values assigned are accurate, but we do say that it presents a multi-million dollar problem which is not given consideration for reasonable compensation for the investments of those eliminated from the fisheries by the actions of the Commission

2. Salmon processors own a significant number of fishing vessels, but more importantly because of the nature of the industry they provide financing to independent fishermen for boats, gear, operating capital, supplies, etc., to enable fishermen to participate in the fisheries when they cannot find other means of financing. Such financial arrangements to fishermen are not limited to processors but involve banks, suppliers of all types from marine supply houses to the local grocery store, insurance brokers, repair yards and the whole range of commercial activity.

The point is that regardless of who has a financial stake in an Alaskan commercial fisherman, his investment is placed in jeopardy by the passage of S.B. No. 39 in its present form unless the person in whom he has an investment is the recipient of an entry permit by action of the Commission. It makes little difference if the investment is secured by a mortgage on a vessel and/or gear, the collateral would be rendered worthless unless the fisherman were given an entry permit. S.B. No. 39 fails to take into account the protection of the interests of legitimate and necessary investors in fishermen and their operations, and we advise that this is another multi-million dollar problem.

3. The fisheries industries of Alaska cannot exist and generate substantial revenues for Alaskans and the State of Alaska without the principal processing facilities being located in Alaska, employing Alaskans and making a basic contribution to the economy of Alaska. The members of the Association of Pacific Fisheries and other processors fill this function by maintaining processing capacity in Alaska sufficient, and often in excess, of that required to process the salmon harvest. As mentioned earlier, these processors have tremendous investments in Alaskan facilities. These investments are difficult to justify except on the basis of maintaining them to be able to process on a profitable basis what can be reasonably expected to be harvested from the fisheries over the time periods of cyclic abundance and shortage from the resources.

The risk involved in maintaining these facilities is seldom appreciated or understood by non-processors. Nor are the economic and political facts of life necessary to maintain this investment often popular in Alaska. However, we submit that few can argue that Alaska is not better off in having a strong processing capacity located in Alaska than to be without this resident processing capacity. Yet the interests of the processing industry are not represented at all in S.B. No. 39. There follow a few of the facts which need be considered in any program to limit entry into Alaska'a salmon fisheries:

a. There exists in Alaska a surplus of processing capacity to handle the "average" salmon run of recent years but capable of handling a maximum reasonable expectation of catch.

b. This capacity is maintained at a very high risk and cost to the processors but we submit it is in the best interests of Alaska that it be maintained.

c. Each processing operation is based on an availability of fish which will on the average provide it with supplies of raw fish which will allow it to process a level of production which will realize a profit to its owners.

In order to maintain a processing facility each processor must be able to convince himself that he has sufficient supplies of raw fish to justify his operation and which will allow him to recover the costs which he has invested in pre-season commitments which are not recoverable unless he obtains a supply of raw fish which is in proportion to his capacity and in relation to the similar circumstances of his competition.

d. Such a "relative position" between processors has evolved through competition among these processors which is constantly changing. The processor who loses production to his competitor must recover it, reduce his investment, or not survive in the business.

The point of all this is that in order to retain needed processing facilities in Alaska, processors must have some assurance that their operations will not be arbitrarily stripped of raw fish supplies due to the inability of one company's fishermen to obtain entry permits while his competitor maintains or increases his availability of fish supplies.

The factor of "relative position" is not considered in S.B. No. 39 and we contend it is of vital importance to maintaining adequate processing capacity in Alaska's salmon industries and that the economic facts of life of the processing industry must be recognized in any piece of legislation being considered by the Legislature in order for a workable program to be developed.

4. No consideration has yet been given to the effect that the passage of S.B. No. 39 will have on the investment of the processing industry in plants, tenders and a complex of other facilities. We urge that these matters be given consideration before legislation is enacted. We are compiling the basic information necessary to the evaluation of processors' investments and will be pleased to to work with the State in analysis of this additional multi-million dollar program.

5. There are a large number of other factors left unanswered by S.B. No. 39 which are beyond the possibility of detailed discussion here but are worthy of mention as problem areas:

a. The economic and social impact of creating an exclusive group of entry permitees with a free market to charge "what the traffic will bear" for permits is not well understood but deserves greater consideration. Numerous examples of problems arising from such systems can be cited and should be examined before such a course of action is adopted by Alaska.

b. The Commission proposed by S.B. No. 39 has such broad discretionary powers that no fisherman, processor, investor, etc., can determine how his fortunes might be affected by the passage of the bill or the actions of the Commission.

c. Creation of a three-man Commission at this point in time, even with a large staff provision, to cope with the tremendous complexities of limited entry and expect them to produce equitable solutions could produce more problems than it will solve.

d. There are other detailed questions raised by S.B. No. 39 which need clarification but which are too numerous to mention here but which will undoubtedly be part of public discussion of the measure.

6. The Association of Pacific Fishries summarizes its position as follows:

a. We do not believe S.B. No. 39 provides reasonable solutions to many of the problems associated with the formulation of a limited entry program in Alaska'a salmon fisheries which will achieve optimum levels of fishing and processing capacity in the best interests of Alaska.

b. The general approach suggested in S.B. No. 39 probably advances toward a system of limiting entry on a more objective basis than has been proposed before in Alaska. Yet we believe that this problem is so complex that it requires additional concerted efforts by all parties concerned in order for a viable, reasonable and equitable program to be developed before legislation is enacted.

c. The Association recognizes that the problem exists and that it needs greater effort to bring to resolution. We have active plans to analyze and document the facts associated with limitation of entry in our segment of the industry in the context of the general framework and concept of S.B. No. 39. We will welcome the opportunity to work with the Legislature, the State Administration, fishermen's groups and any other interested parties in order to gather the basic facts and form the framework for a workable system.

In other words, we recommend that the work of the Governor's Study Group be carried further toward completion before legislation is enacted. We note that the work of this group to date presents a good starting point prepared from State government statistics by State government people. However, we believe that fishermen, processors and other interested parties should have an opportunity to develop and present essential information for incorporation into a framework of law which will provide the greatest opportunity for Alaska'a fisheries to provide the greatest benefits to all of the necessary factors which are involved.

# A COMPARATIVE EXAMINATION OF LIMITED ENTRY REGULATIONS IN THE FISHERIES OF SOUTH AFRICA, JAPAN AND CANADA

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As Alaska approaches implementation of some form of limited entry program to its fisheries, a brief survey of how limited entry has worked in other fisheries may prove instructive. Unfortunately, the literature on the subject is brief with only the Japanese system receiving any extensive documentation as yet. The South African limited entry system has operated long enough so that definite trends have been established but little has been written about it. The Canadian efforts to regulate salmon on their West Coast and lobster in the east are still too new to define definite trends, but some rudimentary observations have been made.

The net effect of all limited entry programs has been to reduce the number of boats in a fleet while increasing their size and fishing capability. This has made it necessary to regulate hold capacity and equipment efficiency in some cases in order to maintain a previously established level of employment in the fishery.

There has been a drastic increase in the ownership of boats by factories in the South African situation, with factory ownership increasing from 33 percent of the fleet in 1955 to 70 percent in 1960. This trend has been accompanied by a reduction in employment in the limited entry fisheries. (Gertenbach, 1973)

As Japanese fisheries in this century have evolved from coastal to off-shore to deep-sea, the regulatory process and limited entry program have evolved with them. Tonnage supplements have been regarded as insuring competition among entrepreneurs and encouraging technological advancement. This has also led to larger and more expensive vessels and thus made it increasingly more difficult to gain the financial backing to enter a fishery. This does not apply to those coastal fisheries where fishing rights exist and where harvest can be undertaken with inexpensive boats and equipment.

The fishing rights are the prime means of protecting local fishermen from the incursions of outside capital. The system of fishermen's associations and cooperatives has been a vital element in the successful implementation of limited entry programs in the coastal fisheries. (Herrington, 1972)

Where the control of pressure on the fishery is tied to the number of boats, it has been necessary to set regulations on gear and size to prevent over-fishing and to maintain equity among the participants in the fishery. Setting vessel size limits inevitably restricts efficiency or causes dangerous situations as owners enlarge fish holds beyond the boat capacity or overload it with equipment. Tonnage supplement systems which control the size of the fleet tonnage but allows individual boats to adjust sizes to take advantage of advances in fishing technology have proven effective in both Japanese and South African systems. (Asada, 1973; Gertenbach, 1973)

In all limited entry fisheries, the effect of the limits has been to increase profits to license holders either in the form of catch increase or an increase in value of the boat, In the Japanese fisheries experience, consideration of license fees as a means of controlling excessive profits has received some scrutiny. An equitable levying of fees can insure equity among different fisheries and help insure that the limited entry system itself does not unduly restrict one segment of the fishing industry while enabling another segment to garner profits in excess of those inherent in the fishery.

Suggestions have been made for both the Japanese system (Asada, 1973) and the Canadian (Sinclair, 1960): that a bid system should be implemented as the most rational means of setting the fee permit price. Once issued under the bid system, the licenses would be transferable among fishermen. Though this system would permit new entrants at every bid period, it was felt that those in the fishery usually would be in a favorable financial position.

In South Africa, where fees are fixed at a fairly high level, the first recession in the pilchard fishery caused a massive revision of licenses from the hands of individual owners to the processing plants. It is likely that under any bid system processors could control the process to a large degree unless bidders were limited to certain groups and individuals.

Of the three nations compared, the Japanese system with its complex system of regulations at every level and its large numbers of cooperatives is probably too different

from Alaskan fisheries to make any particular comparisons. At least, none were apparent in the literature that was reviewed during this study.

The South African fishery, on the other hand, follows the same general economic pattern as Alaskan fisheries and the effect of limited entry in that area might well follow on in Alaska unless steps were taken to inhibit any of the South African results that were considered undesirable for Alaska.

The British Columbian salmon fishery certainly offers many parallels to the Alaskan fishery, but as stated before, limited entry has not been in effect long enough to discern major long range trends. There is a fear that the license limitations on vessels is working to increasing company domination of the fishing fleets, however.

In summary, there is little doubt that limited entry programs make entry into a fishery more difficult financially. Thus, those controlling large aggregates of capital can soon own the greater part of the fishing fleet if no institutional barriers are erected to such development.

It is also apparent that restriction of licenses increases the economic rent of those participants remaining in the fishery. Since the state, by its action, is the creator of this windfall, the question must be answered as to the degree that the state should participate in these increased profits and the method of that participation - whether it should be through bids or increased fees or an additional tax.

There seems to be little doubt that unless institutional

barriers are erected that limited entry programs make entry to a fishery more difficult financially, but that rewards to those individuals who do secure entry increase appreciably over those in the open system.

## A COMPARISON OF SEVERAL FACTORS OF THE LIMITED ENTRY PROGRAMS OF SOUTH AFRICA, JAPAN, AND CANADA

| Factor | South Africa | Japan | Canada |
|---|---|---|---|
| Limits no. boats | Yes | Yes | Yes |
| Limits size of boats | Yes | Yes | Indirectly |
| Limits no. processing plants | Yes | No | No |
| Buy back provision | No | No | Yes |
| License property of holder | No | Yes | No |
| Limits no. fishermen/owners | No | Yes | No |
| Species regulated | Pilchard Maasbanker Mackerel | 45% all fisheries | Salmon Lobster |
| In effect since | 1953* | 1901** | 1968 |
| Free transferability | Yes | No | No |
| **Results** | | | |
| Reduced no. of boats | Yes | Yes | Yes |
| Increased size of boats | Yes | Yes+ | Yes |
| Increase equipment quality | Yes | Yes | Yes |
| Increased factory ownership of vessels | Yes | No | No trend yet |
| Increase value processing licenses | Yes | N.A. | N.A. |

*Limits were set on processors in 1950

** Old Fisheries Law was replaced by present law in 1949 but there was a great deal of carryover between the two laws.

+ Size is now regulated

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January 30, 1973

Box 217
Kenai, Alaska 99611

Sen. C. R. Lewis
Sen. Terry Miller
Sen. Keith Miller
Sen. Ron Rettig
Sen. Lowell Thomas, Jr.
Sen. Don Young
State Capitol
Juneau, Alaska 99801

Gentlemen:

Enclosed is a possible plan that I would like to humbly offer which would, I believe, alleviate the overcrowding in the salmon fisheries without causing injury or financial loss to anyone. This would be in place of Governor Egan's bill and would be far less restrictive and political. (I have been intimately associated with fishing for 20 years; have fished boats and sites; have been U. S. Commissioner and am now Borough Mayor of a fishing area.)

Thank you for your indulgence and hope you will consider this plan.

Sincerely,

Stan Thompson

ST/tb
Enc.

# STAN'S PLAN

To help solve the "limited fisheries" problem, to alleviate the extreme hardships designed into the Governor's bill, to keep the state from stealing from some fishermen to give to others (as is in the present proposed bill) I would like to present the following plan - please note - no one gets hurt nor is "forced" to do anything.

I. STATE OFFERS TO BUY FISH BOATS AND SITES:

- (a) At 2 or 3 times appraised value
  - (1) to cover loss of income, plus value;
  - (2) fishermen agree not to fish for 5 ± years;
- (b) Willing sales only
  - (1) no one must sell.

II. STATE ISSUE LIMITED NUMBER OF NEW LICENSES:

- (a) 2 ± years experience or apprentice;
- (b) Resident and veterans preference;
- (c) Children of fishermen preference.

III. STATE INCREASE LICENSE COSTS:

- (a) Difference in costs to go to special fund to pay for gear, sites, purchases;
- (b) Fishermen remaining should gain and benefit and thus be willing to pay higher licenses;
- (c) In long run should not cost state anything.

IV. EVERYONE GAINS

(a) Fishermen remaining get more fish and less competition;

(b) Fishermen who sell gain as get cash to use elsewhere;

(c) State gains - no long run costs - better fish returns and less problems.

Addendum:

As canneries would be less likely to enter into above program and as some of them have huge fleets of fishing boats they will be required to reduce their fleets by 20% and be reimbursed for this loss.

John Wiese
2140 SUNRISE DRIVE
ANCHORAGE, ALASKA
99504

January 31 1973

The Committee on Resources
Alaska State Senate
Juneau, Alaska 99801

Gentlemen:

This is sent to your committee because you are, presumably, considering SB 39. If it is another committee, please convey it there.

The next issue of ALASKA INDUSTRY includes the article attached. It is in "proof" form. The subject matter bears directly but not exclusively on SB 39 and the matter of limiting entry into the Alaska fisheries.

I am sending you this advance copy for the dual purpose of informing you of the views expressed in it and also to invite your comments for future publication.

There are several points directly concerned with "limited entry" that I did not press in the attached article because of current space requirements but I intend to treat on them in future writings. Like:

* More consideration should be given to simultaneously arranging entry limitation in other (than salmon) species harvestings. Has consideration been directed toward the possible encouragement of utilizing potentially valuable stocks through conditions that might be imposed with entry limitation? An incentive, for example, such as "Get into a new pollock fishing deal and you'll get extra consideration in permission for salmon fishing."

* As long as fish are "common property" and there is a need to restrict their being harvested (for social and/or biological reasons) can a "right" (as different from "privilege") to harvest be handed out, especially if it resembles a "property right" of enduring characteristics? Isn't a ban against this still in the Constitution? Also, how consistent is it to regard commercial fishing as a "right" whereas using the public roads for vehicular traffic is a "privilege" as distinct from a right in Alaska law?

* Is it entirely reasonable to be concerned exclusively with the harvesting sector of fisheries enterprizes without, as a minimum, taking cognizance of effects it is certain to exert in the processor-marketer sector which will require at least regulatory attention?

* As a totally practical political consideration ("political"in this sense not intended to reflect "party" partisanship exclusively) will it be wise to restrict membership on the Entry Commission as narrowly as proposed? It's my conviction that this will be really asking for future troubles, considering especially that radical changes are in process in all fisheries affairs as well as in all natural resource (publicly owned) utilizations.

Sincerely,

John Wiese

FISHERIES 2-2-2-

It is fundamental that competent state authority enunciate this over-all policy which means either a legislative enactment or a statement from the administration with legislative acquiescence.

One feature in Governor William Egan's entry limiting proposal presently before the state Legislature (Senate Bill 39) adds a special urgency for a policy declaration. That feature concerns the proposed functions of a projected Alaska Commercial Fisheries Entry Commission.

It would be endowed with powers of exceptional magnitude. Their exercise would effect the economic well-being of literally thousands and the flow of literally tens of millions of dollars annually.

The guidelines for the commission's operations are so broad and, in some places, subject to differing interpretations that they imply a practical delegation of policy-making powers. The proposed legislation describes its intended function as "regulatory and quasi-judicial," but there would also have to be substantial "quasi-legislating" or policy-making by the commission as an initial step to "regulating" or to "quasi-adjudicating" in order to obtain an effective limitation of entry into fisheries.

Even if this is a politically acceptable situation it still leaves opportunity for a challenge of its legal validity. An adequate policy statement could remedy this.

An instance of the vagueness of SB 39's policy intentions concerns its prescribed "standard" (as set forth in Section 16.43.160) "to sustain a professional fishery."

Definition of this term, which is not contained in SB 39, will require a hefty measure of policy-making, especially considering that variants will obviously be needed in order to fit the vastly differing fishing regions of Alaska and the several "species" fisheries of the state.

Consider this:

SB 39 is to apply exclusively in salmon fishing. Problems in other harvesting enterprises – king crab, herring shrimp and maybe halibut if international controls do not intervene – could receive entry-limiting attention in subsequent legislation but this isn't man-

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INTERPRETATIO)NS DELEG)ATION DEL

INTEND)ED IN– QUA)SI–JUDICIAL'"

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PRESC)RIBED PRE- SECTI)ON SEC– PROFESSIO)NAL

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INTERNATIO)NAL

SUBSE)QUENT SUB MANDAT)ORY' MA

Begin Here

FISHERIES 1-1-1-

By JOHN WIESE

THE STATE of Alaska's objectives relating to its fisheries management are obscure.

Or, if they are clear to any governing element, they have not been adequately communicated so that they are intelligible beyond the restricted circle gifted with an appreciation of their intent.

INTELLIGI)BLE INTEL

Something that is urgently needed – and needed at this time especially – is an over-all fisheries policy declaration that will effectively clear the air.

Actually, this has been needed for a long time. But, with state lawmakers currently processing a proposal to limit entry into the utilization of Alaska fish and related marine stocks, it has become imperative that some forthright answers be provided as a preliminary to legislative action.

LEGISLATI)VE LEGIS–

Answers to questions like these are needed in a policy declaration:

- Precisely what goal or goals are intended from utilization of marine fish stocks in the state?
- From the state standpoint, what is meant by or implied in the term "common property" that is associated with fish stocks? (or, in similar words of the state Constitution, "...Fish...reserved to the people for common use?")

"COM)MON "COM–

"'''FISH'''RESERV)E

- What are the priorities (or, as the Constitution says, "preferential uses") that govern state management of marine stocks; and by what processes can priorities be changed?

PRIOR)ITIES PRI–

- Are there, or should there be, policy differences between management purposes in different regions of the state? Between the various marine species? Between marine stocks and upland wildlife management?

SPECI)ES% –

The policy statement should also deal with programs inherent with policy implementation.

ME)MBER PACI)FIC ALAS)KA'

Recently Elmer Rasmuson, sole member of the International North Pacific Fisheries Commission from Alaska, urged that a specific policy position be formulated by the state as it would concern foreign fishing and boundaries off the state's coasts.

BOUN)DARIES

Other marine stock utilization issues are also in need of solutions that a policy-declaration could serve. For example, recreationalists' campaigns for "fairer shares" of salmon fishing; conflicts provoked by non-marine resource utilization or by pollution threats, etc.

EXA)MPLE: EX–

CONFLI)CTS CON–

Of course, an alternative might be for the "professional" salmon fisherman to take his boat and his status to salmon harvesting on Puget Sound, or on the Columbia River, or on the coasts of Oregon or California when Alaska fishing isn't available. In that case he'd be better off making his headquarters in the more southerly extremity of his annual migration because there'd be improved creature comforts there for himself and his family.

This recital about moving Alaska fishermen Outside isn't an Alaskan goal, obviously. And it isn't very likely to be promoted wittingly by any state agency. Nevertheless the recital serves to demonstrate that the subject of limiting entry into Alaskan fisheries is very much concerned with precise identities of items of state policies. And, if a commission to limit entry is going to function like SB 39 projects, it will either need an intelligible set of guidelines defining state fisheries policy – that is, a fisheries policy declaration in principle as a minimum – or the commission will have to devise law as it proceeds and as its convenience dictates.

Such a procedure will necessitate the commission's assumption of "quasi-legislative" powers as well as the "regulatory and quasi-judicial" authorities assigned to it in SB 39.

The problems that impelled a movement toward limiting entry in Alaska's fisheries come in two categories.

The first group arises from strictly economic situations. They relate to the widespread human urge to "get a piece of the action" and to profit from seemingly abundant but often diminishing stocks of high-valued species like salmon, crabs, scallops, halibut, shrimp.

This attraction is complicated with secondary factors that fringe on the economic but which are actually spin-offs with a cultural coloration. Occurring mostly with salmon harvesting in Alaska, a major instance (but not the only one) are the large numbers of individuals fishing to enjoy a diversion or escape from the confining humdrum of an "eight-to-five" routine of another occupation or sometimes seeking contentment in a living standard that is nowadays regarded as substandard.

The second category of problems

FISH)ING FISH–

DEMON)STRATE

GUIDELI)NES G

COMMI)SSION C

"QUASI–LEGI)SL
"REGUL)ATORY
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MOVE)MENT MC

DIMINISHI)NG I

SPIN–O)FFS SPI
OCCURRI)NG O
HARVESTIN)G I

DIVERSIO)N DI
HUMD)RUM HU

SEEKI)NG SEEK

SUBSTANDAR)D



datory, according to Governor Egan's dissertation that accompanied the bill when it was dropped in the legislative hopper.

"Other important fisheries," the message said, "... may require their own limited entry programs."

This and other language in the governor's message and in the text of SB 39 speaks to the concept that the harvesting of each Alaskan fish species constitutes "a fishery." Does this mean that, as a matter of policy, the state regards it as a valid goal that each such activity shall be an independent "fishery" to be treated without co-ordination with other marine harvests? Has the idea of working to attain diversified industry in fisheries as a means of securing broader employment with a wider spread of operating costs for improved stability been abandoned by the state? If so, how does this shift fit with the pattern of many of the state's best fishing communities and with the trend in the processor-marketer segments of fisheries?

Also, might it not be actual retrogression to "promote" a "professional" fishery in salmon because this tends toward fishermen's personal earnings as well as costs recovery for equipment deriving independently and exclusively from short-termed annual salmon availability?

If it is to be a "professional fishery" it must certainly then be one that yields ample returns from these short-lived salmon seasons to meet operating costs on a stabilized basis plus personal earnings sufficient for a year's living expenses, presumably at a "professional" level.

(An annual "professional" income is usually regarded as $14,000-$15,000 a year and up; a recent study of Alaskan fishing returns showed individual returns – not net incomes but gross returns from fish – to have averaged only about $3,300 a year!)

The typical Alaska region's salmon harvesting time lasts for only about six weeks a year. In some localities it exists for as long as four months with marginal-volumed fishing preceeding and following peak intensities in July and early August; but for practical purposes only a very few "professionals" would find periods for profitable fishing for seasons longer than six or eight weeks.

MES)SAGE MES–

GOVER)NOR'S GOV–

HARVESTIN)G HARVEST–
CONSTIT)UTES CONSTI–

OTH)ER

COMMU)NITIES COM–

FISHERIE)S%

RETROGRES)SION RETRO

AVAILA)BILITY% AVAIL–

EARNI)NGS EARN–
EXPENS)ES' EX–

RETURN)S RE–

MARGINA)L–VOLUMED M

What is needed is a statement that makes it clear what it is the state intends to derive from its fish resources and from the regulation of the harvests of its resources. It is no longer sufficient for popular or political purposes to take refuge in the broad and lofty terms of the state Constitution; their specifically applied intents and purposes are needed.

The message that accompanied SB 39 to the Legislature attributed the major menace of the excess of salmon harvesters to the fishery being "taken over increasingly by moonlighters, sports-commercial, and part-time hobby fishermen." In this recitation is a direct implication of an onus contained in such less-than-"professional" motivations for fishing, as though the individuals involved are guilty of actions that are immoral or at least socially unsavory.

But, without a specific policy commitment in law against "moonlighting" – and especially considering that state actions constantly invite or induce use of wildlife resources for diversions from other occupations – the tone of this presentation is contradictory.

There should be no question that moonlighting and hobby-fishing have added serious complexities to the economics as well as the biological management of salmon fisheries. Nor should there be serious doubt about needs for limiting entry.

However, the appropriateness of delegating the making or altering the state policy that frequently is synonymous with law to a three-man commission without ample guidelines is something else. It wants careful examination before it is accepted as fully proper.

Senate Bill 39's purposes are recited as "to promote the economic health . . . of commercial fishing" and "the conservation and sustained yield management of Alaska's fishery resources," as well as "to prevent economic distress among fishermen." The terms are from portions of the state Constitution.

Other parts of that document dictate that "it is the policy of the state to encourage . . . the development . . . of its resources by making them available for maximum use consistent with the public interest. . .



bolstering a drive for limited entry is really political in the sense that economic and related complexities of fishing have generated excessive difficulties for a bureaucracy charged with regulating the harvests of publicly-owned resources, or, "common" property." It does not simplify this obligation that the dominating principle for this assignment has been accepted, as a matter of priority, as having been "sustained yield" in a rigid formula that disregarded human foibles.

The efforts of government conservationists to regulate the harvesting activities of constantly increasing fishermen types and also trying to maintain their equilibrium in spite of parochial pressures that are often vicious and erupt with accelerating frequency is now regarded as no longer feasible. The traditional "management tools" like restricting harvesting to smaller boats, shorter nets, catch quotas and other efficiency-curtailing devices have not been enough to get the job done.

Remedial alternatives in the Alaska salmon scene concentrate on either the view that "there are too many fishermen for the salmon" or the view that "there are not enough salmon for all would-be fishermen," depending on what partisan element is doing the analyzing.

The "not-enough salmon" enthusiasts urge remedy by embarking on programs they hope will make more salmon. The others call for limited entry which means activating one scheme or another for discriminating between actual or potential fishermen. And some elements advocate a mixture of the two.

However, there is an almost total lack of co-ordination between various proposals which is the obvious product of the absence of an over-all fisheries policy in the state.

It is really not quite true that Alaska has no fisheries policy. There has been a "de facto" policy that is based on tradition, on fragmented legal pronouncements, and too often on partisan political convenience. Even this "de facto" policy has never been intelligently set forth in necessary definitive terms and, besides being obscure, it is constantly being "interpreted" in conflicting and contradictory ways.

This entry-limiting will be the function of its proposed Entry Commission. The bill described the mechanics for commission workings and how the agency will be established in rather elaborate details, including the requirement that the three commissioners shall have qualifications like, one a commercial fisherman (or ex-fisherman) from Alaska, one a "fisheries management specialist" (presumably a Fish & Game staffer), and one an "attorney licensed to practice in Alaska." More legal expertise is assured with provision that the Alaska attorney general shall be legal counsel for the tribunal.

Powers of the Entry Commission would be the establishment of maximum fishing gear volumes for the various regions of Alaska, the establishment of fishing gear permit qualifications for individuals, permit issuance including collection of annual fees of $50 for each permit, arrangements for interim permits and for transfers as well as prescribing regulations and procedures for administration of commission functions.

One section of SB 39 prescribes that the commission shall set fishing gear volumes of effort so that 1) the "income to fishermen . . . is adequate . . . to sustain a professional fishery;" 2) the volume of gear in use does not pose "a substantial risk of impairing sustained yield; 3) there is enough gear in operation "to fully harvest . . . the fishery resources;" and, 4) so that the volume of fishing gear "is reasonable and consistent with purposes" of SB 39.

Provision is also included in the bill for commission to cut or to raise fishing efforts in case of changes in fish stocks, or if market conditions warrant, or if Fish and Game Board regulations induce altered over-all volumes of effort. The bill expresses the idea that if permit holders are required to surrender their fishing "rights" they should be compensated for the losses.

Holders of permanent permits are recognized as having "a personal right" in their status as exclusive fishermen – or, as one of the cadre of fishermen with exclusive status within prescribed areas – and also "a permanent right of renewal."

Employe fishermen would be a different status because they are not required to hold permits.

FUNCTI)ON F

AGEN)CY

REQUIRE)MEN

COMMERC)IAI FRO)M MANAGEM)EN

MAXIMU)M M VARIO)US ESTABLISH)MI QUALIFICATI(

PROCEDUR)ES COMMISSI)ON

"INCOM)E "I ADEQUATE " FISHE)RY:" I

COMPEN)SATI

DIFFE)RENT REQUI)RED F



"The Legislature shall provide for the utilization, development and conservation . . . for the maximum benefit of its people. . .

". . . fish . . . are reserved to the people for common use.

"Fish . . . belonging to the state shall be utilized, developed and maintained on the sustained yield principle subject to preferences among beneficial uses. . .

"No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the state. This section does not restrict the power of the state to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aqua-culture in the state of Alaska."

Also applicable to resource management is, "Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation." And there are other "equal rights" and "due process" parts that also bear on doctrines the effect fisheries policy.

When statehood was accorded to Alaska by Congress there was a proviso that forbade the transfer of management controls from federal to state authorities until assurances were obtained that legislation "has made adequate provision for the administration, management, and conservation of resources in the broad national interest." This might be construed to be a virtual amendment to the state Constitution, especially since it was accepted as a condition of statehood by a referendum of Alaska voters.

What all of these things, plus an added body of national and international law, obviously do is provide constraints on actions by Alaska in its fisheries policy notions, including on notions advanced as proposals by individuals. But they do not provide an answer to state or individual goals as such. Generally they spell out what must not be permitted but they do not help much with determining what will be done.

SB 39 sets forth that it will be "stabilizing the levels of participation" of fishermen. In other words it will limit entry into fisheries, starting with salmon harvesting.

CONSERVATI)ON ' ' ' FOR CO

PEO)PLE

PRIVILE)GE PRIVI–

DISTR)ESS DIS– DEPEN)DENT DE–

MANAGE)MENT MANAGE– GOVERNI)NG GOVERN– RESOUR)CES

DOCTRIN)ES DOC–

MANAGEMEN)T MANAGE–

OBTAIN)ED OB– ADEQU)ATE ADE–

RESOU)RCES INTEREST")" IN–

CONSTIT)UTION' CON– ACCEPTE)D

INTERNATION)AL INTERNA

INDIVI)DUALS' IN–

Arrangements for transferring permits through the commission are also included in the proposal. There is, however, a requirement that permit holders must be working fishermen who are active in operating the gear they have been permitted. This should provide a ban against accumulation of permits that might perpetuate fishing rights into property rights or their equivalent in massive amounts.

SB 39's Section 16.43.200 sets up what guidelines there are for the Entry Commission's discriminating between permit applicants responsibilities. The commission is to frame its own regulations for this function "for each administrative area and for each type of gear."

Such regulations are to define "reasonable priority classifications . . . based on a reasonable balance of . . . 1) degree of economic dependence upon the fishery, 2) extent of past participation in the fishery, and 3) present ability and intent to participate actively in the fishery."

"Priority classification . . . means the allocation of potential or actual permit applicants into reasonable groupings of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the statuatory standards of preference."

More questions are raised by provisions like this (and others in SB 39) than are answered. They emphasize the need for a realistic declaration of Alaska fisheries policy from the state's position. It is needed as a minimal prelude for enacting the substance of SB 39 into statuatory law, and it is needed just about everywhere else in the Alaska fisheries resource management scene.

PERMI)TS PER–

HOW)EVER' HOW–

REGULATI)ONS REGULA–
ADMINI)STRATIVE AD–

"REASO)NABLE "REA–

FISHE)RY' FISH–

ACC)ORDING AC–

PREFE)RENCE"' PREF–

PROVISI)ONS PRO–

POSITIO)N' POSI–

A

Qualifications of limited gear entry into Alaska commercial fisheries.

1. Person who held a gear license and fished that gear license in a designated area once in past 5 years in Alaska.

(Or)-2. Person who ever owned a gear license and fished that gear license in past 4 years and has a ten thousand dollor investment (mortgaged or not) in commercial fishery of license or licenses owned and fished in designated areas.

Reasoning: Any person whom does not meet above criteria could reasonably be determined already out of the fishery. Such criteria as having fished 3 out of past 10 years and absent past 7 years would be considered less dependent and less intent than a person having fished commercially during past 1,2, or 3 yrs.

3. A fishermans outside interest should not concern above criteria . Whether he is a trapper that fished or a fisherman that trapped.

4. Any new entry not qualified on above criteria must purchase from a license holder his license and pay to State tax office the appraised value of the license less 10 percent. Assuming the seller gains 10 percent of the license value. This 10 percent encourages the seller to sell out when he has a boat to sell as he can let the permit go to get the boat sold. Or the seller can sell to the tax office for 90 per cent the assessed license. He can keep his equipment or sell privately.

5. The seller is taxed when he sells a license even when selling to tax office in graduations of degree of years he fished the license. The graduation in degrees spread over 20 years fishing. For each year fished 1/20 th deducted off sellers tax.

Reasoning: The heaviest burden of tax upon new entry. Those that fish longest have lesser taxes. Impossible for a ghost license to make any money. Present holder can't make a fast buck on a license. Gives a short timer invested the opportunity to prove his full intent to be a fisherman. Gives the old timer the incentive to sell out and give the new blood opportunity to fish. Gives the opportunity for a new investor to sell his equipment to a new buyer as this may include his license if he chooses. Encourages people in the industry long time with old slab of a boat to sell out to tax office and this in turn is financed by the change over in the industry mostly by new entries. The seller does not pay tax unless selling to tax office in the graduation scale of 1/20th stated above.

6. Fisherman are taxed according to assessed value of gear license in designated areas annually. This fund is also used for buy back in this designated area. When optimum level reached this tax can be used to further enhancement of the fishery in designated area.

7. After 3 yrs fishing the sellers tax automatically is reduced to 3/5th of assessed value of gear license. (Gains 2/5th assessed value as incentive to sell out.

Reasoning: Allows man in now with investments and recent participation to prove his intent& retrieve his investment. This method prevents short timer gaining return on license value if intent and participation inactive.

8. Sport fishing gear as rod & reel holding a commercial license is based only on attrition rate decrease. Not included on buy-back program. License not transferable. Person must have held commercial license once in past 3 yrs.

reasoning: Allows small income fisherman presently in small resident villages to retain his interest during lifetime. Short time residents leaving state will have higher attrition rate. Allows qualified holders to retrieve their investment without taking away their rights accepted in past. License has no monetary value.

9. Apprenticeship program to add incentive for same:
Person holding apprentice permit has buy in tax reduction of1/10 gear license assessed value per 5 yrs apprentice. Based proportion per annum for participation weekly for weeks of season open. (example: 16 weeks of season and fishes 12 weeks would get credit for 3/4 participation that particular season). This is based on particular gear in particular areas as designated. (Areas to be set forth by law). Apprentice ship is based upon participation within past 4 years. (Eliminates credit for participation beyond 4 years for ones who did not actually enter fishery with full gear license participation).

Ray Mathews
Fisherman

# LIMITED ENTRY CORRESPOND-ENCE

File

3-12-73

Mike

Box 825
Ketchikan, Alaska 99901
March 8, 1973

Senator John Sackett
Pouch V
Alaska Office Building
Juneau, Alaska 99801

Dear Sir:

Re: My thoughts on Limited Entry

The Alaska State Legislature is fast approaching passage of Limited Entry to the Alaska Fisheries and, since I am involved in the fisheries as an Alaska resident troller, I feel it is my duty to express my views on the subject.

So that you may further judge my qualifications to speak on this subject, I am further describing myself as:

1. A resident of the State of Alaska since 1965,
2. A college graduate with Bachelor of Science degrees in both economics and business administration, and
3. A power commercial troller. For the past three years, I have fished five months and worked approximately five months at various accounting jobs each year.

In addition, I have reviewed the Governor's Study in depth and have attended all meetings held on Limited Entry in Ketchikan.

Generally, I feel that Limited Entry as provided in the OS House Bill 126 is a must for Alaska in 1973. I base this opinion on the following observations 1.) the general economic condition of Alaska and 2.) the economic development of the fisheries.

(1) General economic condition of Alaska.

Since receipt of the oil lease monies, the State of Alaska has overextended its revenue generating abilities. The State expected oil royalties to cover this deficit but we now know that this money is not forthcoming. Because of this the State is looking at the probability of being bankrupt within a few years unless additional revenues can be generated from existing state resources. Generally speaking, timber, fishing, and tourism are the major state resources where this revenue can possibly be generated.. Without going into a lengthy discussion of each resource, let me just say that my observations tend to substantiate the feeling that the fisheries holds the greatest potential for increased revenue for the State.

Since the fisheries is in a generally depressed condition (a subject that I will discuss in greater detail later) the State of Alaska is faced with the job of developing this resource to its fullest potential for all the people of Alaska, thereby increasing State revenues and, in general, the economic well being of the residents of this state.

(2) Economic development of the fisheries.

As has been the history of almost every fishery in the world, the Alaska fishery has experienced a boom and depression period. Our present position is that we now have an over-capitalized fishing fleet and processing system. The State is just now starting the long hard job of rebuilding the depleted fisheries resource, but there are certain factors that, if not changed, will prolong this rebuilding job indefinitely if not dealt with now. These factors are:

a.) Overcapitalization of the fishery which in effect creates and perpetuates a run-down, inefficient, non-revenue generating segment of Alaska's economy, and
b.) Depressed incomes of the individuals who are working in the industry. No income means no income tax revenue to the State or the Federal government and, in many cases, adds to an already strained welfare situation.

There are other factors which will make the job of rebuilding the Alaska fisheries difficult (such as exploitation by foreign fleets and natural predation effects on specific fisheries) and these factors will also have to be dealt with. However, we cannot afford to stand back and say that just because these other problems exist, Limited Entry is not needed also.

The old addage that "It takes money to make money" is no truer in private business than it is for the State. It is further true that the State of Alaska cannot in good conscience, for the benefit of all the people of Alaska, expend state funds into hatchery and rehabilitation programs without expecting a fair return on their investment. Present conditions in the fisheries

has proven that this return on investment is not great enough under present conditions to warrant large expenditures by either the Federal government or the State, and I, as a fisherman, do not wish to become a part of another welfare program.

There are, as I see it, two alternatives available to the State to insure that a fair return on its investment is attained.

a.) Initiate a royalty tax on all fish landed in Alaska. This would guarantee a return to the State, but would, as I am sure you realize, compound the present problems of over-capitalization and low income to those who are participating in the fishery. Even after fish production is increased, there would probably be little effect on income levels or capitalization levels because past history has proven that economic return has had little effect on new entry into the fishery. Turnover rates in the fisheries does indicate, however, that ultimately, economic return does play a substantial role in the professionalism of the industry.

b.) The second alternative, that of a limited entry program with a subsequent royalty tax on a portion of each fisherman's increased production, would benefit the State, the people of the State, and fishermen equally. Not only would the individual benefit through a higher income, and the people of Alaska benefit through a more modern, more efficient industry paying taxes, but those who wish to enter the fishery will have a greater opportunity to do so. This is because the fisheries, after it is built to its real potential, would allow a much higher number of participants than a continually depressed fishery that will economically not allow expansion of participation without loss of income.

CS House Bill 126, I feel, is generally close to a workable Limited Entry Law that will be one step in the long hard job of redevelopment of the fisheries for Alaskans. There are some areas of this bill that I feel need additional work. These are:

(1) <u>The Entry Commission.</u>

I would prefer a larger commission ( five or seven members) with fisherman representation and appointed approval by the legislature,

(2) <u>Troll fishery.</u>

I would prefer a division of the troll fishery written into the law, dividing power trollers and other trollers.. In addition, I would prefer that power trollers be removed from the special exemption provided trollers in general (Sec. 16.43.205) and treated equal to the net fishery. This is because I am of the firm belief that if trollers are going to be subjected to the same costs of rehabilitation as discussed earlier, they must be afforded the same protection from over entry as the net fishery.

The troll fishery suffers from a great amount of pressure from two sources. First, there are other fishermen from the net fishery who troll in the spring before their seasons begin, creating an overabundance of gear during April, May, and part of June. Presently this is helping these fishermen survive and is probably economically a good thing, although it is hard on trollers who cannot shift gear as easilly. Secondly, it is the troll fishery that is economically easiest to enter by newcomers who have neither the finances or experience to enter on an economically sound basis. Like many others, I started trolling with a small investment in boat and geat, but found out quickly that the investment in the industry had a direct proportional bearing on my rate of income. Without having been able to increase substantially the size of my boat and investment with money acquired outside of the fishing industry, I would have been bankrupt or out of the business this year.

Possibility of entry into the fishery is a necessity but the State should use Limited Entry to maintain and improve standards of quality in the fishery for all concerned and the Troll Fishery Exemption would defeat this purpose.

I appreciate your indulgence in reading this long winded letter and hope to hear from you concerning any comments which you might have.

Sincerely,

Edward L. Linkous

Edward L. Linkous
Box 825
Ketchikan, Alaska 99901

File

February 28, 1973

Senator Bill Ray
Pouch V
Juneau, Alaska 99801

Dear Senator Ray:

In reference to House Bill No. 126, the fisheries limited entry bill, we the undersigned Hoonah Public School teachers, and other citizens of Hoonah would like to be heard.

First of all we do agree that it is time for the state to do more to promote conservation and sustained yield of Alaska's fishery resource. But we believe our state's efforts should be directed more toward saving Alaska fish for Alaskans; thus more in the interest of all citizens. We strongly question the ability of this bill to prevent economic distress among fishermen and to provide a livelihood for certain fishermen without unjust discrimination. This bill would discriminate against those ambitious enough to work in the winter as well as in the summer.

As for the bill's first priority for entry, the degree of economic dependency we would like to point out that in the outlying communities fishing is about the only summer employment available to certain classes of people. Some of these people, while most of their income may come from winter employment, are very dependent upon the summer fishing supplement.

Another thing that may be a laughing matter to some may be a threat to the very mental health of others. That is the recreational value of all fishing, including commercial, to many Alaskans.

Also, are we to expect other legislation to be forthcoming restricting entry into other fields?

Many of us in Southeast Alaska's small towns and villages are so damned tired of being discriminated against because of our cultural heritage, and economic efficiency, we shudder at the thought of our state "justly" discriminating against us!

Sincerely,

Hoonah High School Teachers
Box 8
Hoonah, Alaska 99829

SIGNATURES IN OPPOSITION TO FISHERIES LIMITED ENTRY BILL

1. Daniel R. Wagner
2. James Hembree
3. Frank Libal
4. John G. McConnell
5. Michael Carey Wilborn
6. Robert Macauley
7. Don Cary
8. James Erickson
9. Ed Kirkpatrick
10. James Erickson Jr.
11. D. L. MacPherson Jr.
12. Tom Budd
13. Jerry Kay
14. Kenneth R. Work
15. Wendy Teuscher
16. Linda M. Wagner
17. Mary L. Landis
18. Georgia A Kirkpatrick
19. Judy Macaulay
20. Aaron D. Clair
21. [illegible]
22. Jodie Williams
23. Kathleen R. Kay
24. Carol A. Hembree

File

3-9-73
SB39

Michael Kelley
Box 976
Boonah, Alaska
March 5th, 1973

Governor William A. Egan
Pouch A
Juneau, Alaska 99801

Dear Governor Egan:

It has been brought to my attention that the lunatic fringe of the local teacher's association drafted and sent to various kepresentatives a rather shrill, nonsensical, and noninformed manifesto, portraying the abuse and deprivation teachers will suffer should Limited Entry as embodied in S.B. No. 39, become a reality.

A brief perusal indicated no mention or concern with the deplorable state of the resource, nor the economic plight of the professional fisherman. The colossal creed of this group of teachers, which blinds them to a reasonable consideration of the entire fisheries picture, and permits them only a myopic view of their own peripheral, parasitic attachment to the fishery, is indeed revolting. It leads one to speculate that if this group spent their time worrying about education rather than fisheries problems, we might have some much needed improvement in the classroom.

My purpose here is not to demean this small local group of teachers--their own actions take care of that adequately--but rather to point out that peripheral, unnecessary segments of the fishery often have the loudest voices. I wish to make it quite clear that in Boonah, the opposition to S.B. No. 39 is very minor. The local A & E, Boonah Fisherman's Association, and the Boonah Advisory Committee, are solidly in support of a very strong bill. I am authorized to speak for the professional fishermen of Boonah, and workers in the industry, and our position is that we want the strongest possible bill at the earliest possible date.

Sincerely,

Michael Kelley

cc to:
James Brooks, Commissioner Fish & Game
Representatives Tom Fink, Joe McGill
Terry Gardiner, & Dick Ellason
Senators Terry Miller & John Sackett

3-14-73
SB 39

File

BRISTOL BAY
AREA DEVELOPMENT
CORPORATION, INC.

DILLINGHAM CENTER
BOX 179
DILLINGHAM, ALASKA 99576
PHONE 907 842 2592

March 10, 1973

Mr. David S. Jackman, Assistant Attorney General
Project Director
LIMITED ENTRY PROGRAM
Juneau, Alaska 99801

Dear Mr. Jackman:

The intent of the limited entry program is to protect 1) the salmon resource by limiting gear 2) the resident fisherman by allowing him to fish before non-residents.

The presient bill does protect these interests:
These are several bad points:

1. Permits can be bought and sold.

2. Canned salmon industry can finance non-residents to buy permits.

3. Canned salmon industry and non-residents have more access to money and credit than residents.

4. Difficult for residents to compete with non-residents when the residents are in debt to the canned salmon industry.

5. Most residents, especially in Bristol Bay, have not developed any credit.

6. Although residents will have permits at the outset it is conceivable that the canned salmon industry will control permits in the future

7. Many of the residents have children who will be eliminated by this act. If no provisions are made to allow children to participate in the fishery, there will be some serious problems.

There are certain studies that have to be made:

1. We must study the credit and finance system, that the canned salmon industry controls.

BRISTOL BAY

AREA DEVELOPMENT

CORPORATION, INC.

DILLINGHAM CENTER
BOX 170
DILLINGHAM ALASKA 99576
PHONE (907) 842-5257

Mr. Davi S. Jackman, Assistant Attorney General
Project Director
LIMITED ENTRY PROGRAM
March 10, 1973



2. We must study other types of transfer - we may want an apprenticeship or point system instead of a money system

The state must study and make available money and credit to Bristol Bay before a buy and sell system.

Sincerely,

BRISTOL BAY AREA DEVELOPMENT CORPORATION

Nick D. Gregory
President

NDG:ck
CC:
Governor Egan
Richard F. Listowski, Chief of Statistical Research
Allan Adasiak, Executive Assistant to the Attorney
Gereral, Project Coordinator-Editor
Representative Joe McGill
Senator John Sacket
Senator Terry Miller

File

TLINGIT & HAIDA INDIANS OF ALASKA

We believe that the concept of a Limited Entry Bill is a must in order to implement a rehabilitation program and to allow the bona fide fishermen to make a decent living, however certain questions and problem areas must be resolved.

## Points to be Considered

1. We believe that a 3 man commission appointed by the Governor is inadequate. We also recommend that there should be a minimum number of 5 members serving on the fisheries commission.

The fisheries commission, we believe should consist of bona fide commercial fishermen.

2. A major concern we have is:

What happens in the event that a cannery wishes to take back a boat from an individual, the cannery could not afford to take back a boat because the skipper would own the permit.

3. Native canneries would be tied down competively with regard to other canneries.

Our native canneries are financed with federal funds and are not permitted to raise salmon prices over private industry.

This would also apply to competative bargining for entry permits to gain additional boats.

4. Another major concern is the "Buy Back Plan". It seems that the major cutbacks will be in your western areas at the present time. Southeastern will in all probability remain at the same level.

The proposed assessment of 7% of the gross income of all fishermen we believe is excessive. We feel that any buy back program should be part of the rehabilitation program and financed in part by the State.

We do not agree that Southeastern should be buying out Bristol Bay boats. This program should be on an area basis.

DIVISION OF STATEWIDE SERVICES

FISHERIES EXTENSION

UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

February 2, 1973

TO: Those concerned with legislation regulating participation in the Alaska commercial fisheries.

When the writers of the U.S. Constitution were designing the national government, James Madison said, "if men were virtuous, there would be no need of government at all". Well, obviously, we find ourselves in need of government, and in this case concerning participation in our fisheries of Alaska, I have found that the people who have seriously tried to consider the immediate, total, and long-range effects of Senate Bill No. 39 on the people of all of Alaska can agree on two things. One, there is a real and critical problem concerning excess participation in many of Alaska's commercial fisheries, and two, this legislation is the most far-reaching and important bill to ever come before any State of Alaska Legislature since Statehood itself. These are honest opinions; the first is obvious; the second must not be underestimated!

Most people associated with the Alaska commercial fisheries recognize the problems stated in the purposes and findings of fact; they recognize the problems, but there are many, perhaps a majority, who feel that the lure of the Alaskan way of life, and the heartfelt rights of men are more important than the economic health and stability of any commercial fishery. It is most likely that a student of economics could persuade these people to accept the fact that the real value to society in dollars and cents rendered by some of our fishery resources is pitifully low when compared with its potential value to society because of the dissipation of that value through the excess use of other resources, namely capital and labor. However, being persuaded of this would not convince them that such economic sense is nearly so vital as what they feel to be the rights of men. In this state and time, there are many different standards for right and wrong, we can all express feelings, idealism, and findings of fault, but these expressions usually represent the very human bias of self-preservation. There is nothing wrong with this but it makes the job of men designing laws governing men critically difficult as James Madison realized so many years ago. The answer may well be that what many people have so long felt to be a right was never really a right of man at all, but a trust to him.

Many people have expressed an interest in seeing this legislation cover more species than just salmon. This is partly because of the fear that a fisherman eliminated from the salmon fishery will transfer his effort to another fishery and create a hardship there. In a few cases this may well be true, but truly I believe that a real salmon fisherman who would be likely to transfer his efforts to another species will not be eliminated from the salmon fishery by the Governor's established criteria.

it seems that our over-exploited fisheries other than salmon lack the vacation aspect and are too expensive to get into efficiently on the basis of speculation. Another reason for wanting to see species other than salmon included is that many other species are in need of fishing participation regulation in all or part of their range; I am not arguing with this but I believe that considering the magnitude of the diverse salmon over-fishing problem, trying to include all species is really an unreasonably large task without precedent. It seems to me that setting up a workable program dealing with salmon is most critical at this time and will lay the groundwork for dealing with other species in the future, and it would really be sad if in your efforts to deal with participation in all fisheries you rendered this legislation ineffective for any fishery.

LEG. INTENT TO PUT SALMON ON PRIORITY BASIS

Now, let's look to the heart of the issue allowing that we accept and remember the original purposes of the bill. There is considerable fear among the people, with whom I have discussed this bill, that the authority of the Commission is too great. I agree, but considering the diversity of Alaska's fisheries, we should realize that the Commission must have broad and flexible authority with some additional constraints. The heart of the bill is in the idea of the Commission making decisions as to who will participate in Alaska's fisheries based upon three criteria. Now, we get into the problem which nearly all of us have when we consider the fisheries of Alaska, that of having a limited area of experience prejudicing our point of view and biasing our decisions. St. Mathew made the profound observation that "to them that hath shall be given and from them that hath not shall be taken away". It has been called the St. Mathew effect, and while we must realize its validity, we must believe that we can temper and control it. The criteria which the Commission is to use are set up to provide for an equitable professional fishery; while they frighten people who probably need not be frightened the criteria are well-founded and will work with perhaps certain qualifications to achieve the original purposes of the bill and yet quell the worries of many of the professional fishermen. I suggest that we consider the concept of professionalism. What is a professional fisherman? What is a professional salmon fisherman? He is a fisherman who fishes. He is a fisherman who catches salmon, and he catches them to sell for economic gain from his salmon catching enterprise!

Now, if we take each of the three criteria individually and examine them with regard to equity and professionalism we are going to hurt many people who enjoy salmon fishing on a large or small scale, but to be effective, this bill must hurt, it might even hurt me and I don't know if it's worth it. The first of the three criteria is: "Degree of economic dependence upon the fishery". This frightens many people who feel that it would possibly unfairly penalize a person who, realizing the short duration of our salmon season, has had the motivation and drive to find other income

sources. To take the extreme I know several fishermen who went teaching as well as teachers who went fishing. Some of the other sources of income for fishermen have been arrived at only after years of dedication, work, and sacrifice. Therefore, obviously this criteria cannot be singularly applied, and to be morally applicable must be qualified. Let's now consider the second of the three criteria which is: "Extent of past participation in the fishery". It is obvious that this must be considered heavily; however, a straight grandfather clause would really destroy the effectiveness of the legislation by cutting out no one and encouraging many who have been in the fishery and are out of it to re-enter when they might not have otherwise; perhaps this would be for the sake of speculation or insurance or self-assertion. Most assuredly, the idea that all people who have, or in the last few years have had a license, which they have fished, be given another in the reliance that attrition will reduce the fleet over next few years is totally absurd. This is because there is a backlog of eligible fishermen who could qualify and would get hold of an old slab or some boat and be ready to go. While perhaps a more politically popular way of limiting new entry into the fishery, that is all that it would do and it would definitely fail to achieve what I perceive to be the intent of the Governor. Past participation must be considered, but to be equitable, it seems wise to qualify it too, relative to the concept of professionalism. The third criteria is: "Present ability and intent to participate actively in the fishery". There will be some problems here where a boat sinks or a gear shed burns or a man is ill, but allowances will undoubtedly be made by the Commission because its members are to be human beings. I would suggest however, to again alleviate worry, that a specific hardship allowance be incorporated in a qualification to this third criteria.

Okey, now I've qualified and qualified and qualified these criteria without putting forth anything concrete. I'll do that here; noting that parenthetical additions are by way of example indicating ball-park figures, not dictating specifics. Hopefully we can here foil the harshness of the St. Mathews effect, at least a little bit:

(1) Degree of economic dependence upon the fishery: A person who has in the years of his past participation in the fishery derived at least 20% (or 25%) of his total earned income from the fishery will satisfy this standard, however the Commission may determine that a lower percentage is acceptable, particularly, but not only, with respect to the fish which were available.

(2) Extent of past participation in the fishery: A person who has in 2 (or 3) of the last 7 (or 10) years actually fished on a day-to-day basis during each of those fishing years for at least 2/3

(or 3/4) of the available fishing days will satisfy this standard, however the Commission may determine that a lower fraction is acceptable, particularly, but not only, with respect to evidence an individual presents relative to weather layups, mechanical breakdowns, and the overlap of two fisheries which the individual participates in.

(3) Present ability and intent to participate actively in the fishery. The Commission will make allowances for hardship cases where the ability and intent were genuine but inadvertantly curtailed.

These criteria will be easier for the professional salmon fisherman to live with and yet allow the Commission to perform its function adequately. They probably won't make me any friends, though perhaps that's life.

Remember, I said that I wasn't sure that this legislation was worth the hurt involved; I am glad someone else is responsible, yet some avenues are open to us to help lessen the hurt and prevent unnecessary problems. Perhaps, to begin with, the members of the Commission should all be social scientists or psychologists with a staff of people satisfying the various other qualifications deemed necessary. If the fleet reduction is accomplished on a 20% a year basis it may be more acceptable, however you don't want to be in the position of the little boy who wanted to dock his dog's tail but not wanting to hurt him, cut off only one inch at a time. This Commission will always leave an air of uncertainty for some fishermen; it does seem advisable that this be minimized. The problem of fisheries paying their own way must be incorporated in any program of compensation for those who are eliminated from the fishery, and realistically some people will be eliminated and should be compensated. Considerable care must be taken to insure that the abuse of such a compensation program is held to a minimum. Another point is that there must be procedures for temporary emergency transfers of permits. It takes a lot of pure guts to recognize that "there comes a time in each man's life when he must take the bull by the tail and face the situation", this is certainly the case in this situation with its imparative urgency. As a person thoroughly immersed in the commercial fishing industry through experience gained in nine years of commercial fishing for salmon, five years of formal training in fisheries biology and wildlife management, some time with the fisheries extension program in Southeast and South Central Alaska, and as a student of marine and fishery economics, I have undoubtedly introduced considerable bias into this note. That I cannot change, but I remain quite willing to discuss this further if I can be of help.

Respectfully,

Donald B. Kalk
Marine Advisory Agent

Mike Whitehead

Anchorage, Alaska
January 23, 19 75

Fisheries Committee
SB - 59
Senator Ed Reed Chairman
Senators, John Stabler, Fred Zharnes
Ray Peratrovich, John Sackett, Joseph Vetsman

Dear Senators,

My name is Mike Whitehead and I live in the Matanuska Susitna Valley area

The Matanuska Susitna Valley does not belong to the individuals they claim they have invested in this area. How many businesses are there that are, that I did industry contributes to Alaska.

The State pay due from William Hurd the Royal year there income to the Permanent Fund and second from the Royal income. The income from the Royal Fund is used by the people

The salmon industry does not have the facilities to handle the large salmon runs. This concerns the fishing & numbers of boats, etc of

there is a large room, to tell
wrath it, decays the species. They
want species freedom and you
to meet the X member of race
they speak fact.

Mr the women, we have
the freedom of sovereign that
to protect us from them and
enemies.

Check out the tapes. They say
the Dot on die be million they
claim they have evidence. You
will be surprised.

Where are you in limited
entry to big petitions, communications
etc... there is no reason as to
why I need the entry in the Johnson
package. I am limited to how I can
serve, they should allow unlimited
be limited as they want and
need of the valuable resources.)
(and as Lyon just doesn't change
them for me)

Between the foreign fleet and
the Johnson indirectly of the issue
of race even have a package on
Supreme of you the two makes
confuse the want and more wrote of

our Salmon fishery. Rent the stock rejects from 1930 to date St alone we enough to pay $5-59. It is due to the Salmon fishery until be planned more to the State, starting in 1934, thereby damaging more protection of this fishery.

You people can see the effect of Alaskans. It is the same thing that is going to happen to Alaskans. Now we have no vote for limited entry and will be represented by all the Alaskans. Please we have no vote on Amendment to abbigage the fishery or to sustain our fishery.

Thank you, in advance, for the early action on this matter.

Sincerely,

Fred Stetson.

Mike Whitehead

Rec'd 2-18-73
SB 39

February 16, 1973

Chairman
Resources Committee
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801

Dear Sir:

As a means of introduction, I am a fisherman's wife as well as a fisherwoman. I have been attending meetings all over Juneau area regarding limited entry. I have also been in round-table discussions, often heated, with my friends and neighbors. In general, I support the idea of limited entry. However, I depart in thoughts with Senate Bill 39 and House Bill 126. I understand that they are being revised, and I would like to add to the mayhem myself.

I cannot support the idea of a Commission. The State of Alaska is trying to cut expenses, so cut them. The Commission is going to get a large salary. The State Department of Fish and Game and the State Department of Internal Revenue should be able to handle this. True, I don't understand the entire structure of the State's Administration, but I can see no reason why two Department can't cooperate. It would not cost nearly as much to give them more clerical support. (Even the Commission is going to have clerical help which will do most of the paperwork). The permits could then be issued with the licenses. This method might help dispense with the fisherman's fear of "politics" taking over selection, which may be a justified fear.

I do not agree with the lottery system at all. Selection should be based upon first issuance to the first fisherman who is qualified. Fishing is an occupation and should be treated as such. Like other job positions, updated applications should be screened and the best qualified applicant who is there first should be considered and given the job. It's unfair to drop a qualified applicant's name, who applied four years ago, into a "hat" with a qualified applicant's name, who applied two weeks prior, and give them an equal "chance". Heavens, fishing is a chancy occupation anyway. And I certainly hope you don't fill other State positions by the lottery system.

It annoys me to hear the statement "...but I have a right to go fishing". Of course, anyone does. An individual can enjoy himself sports fishing and probably catch more than required to feed his family. He has a right to apply for position as a Commerical Fisherman when there is an opening, just as the Commerical Fisherman has a right to apply for a position as school teacher, secretary, executive, or whatever--if he's qualified.

TO: Chairman, Resources Committee

Another thought is there should be some provision for the Vietnam veteran. This man may have entered service right after high school. He's been gone from two to four years and, naturally, could not fish then. When he returns home, he hasn't any money. The Armed Forces are not famous for their wages. He may have to work for two years or more to be able to buy a fishing vessel. I personally don't believe this man should be penalized just because he had to help "Uncle Sam".

For what they're worth, these are just a few of my thoughts on the subject. I have more, but don't want to make this so lenghty it's not read. Thank you for your time and any consideration.

Sincerely yours,

Jeri Museth
(Mrs. Henry A. Museth)
P.O. Box 754
Juneau, Alaska 99801

cc: Chairman, Resources Committee
Alaska State House
cc: United Fishermen of Alaska
cc: SEATA

**WRANGELL VESSEL OWNERS ASS'N.**
Wrangell, Alaska 99929

Secretary CFA
Keith Lekanter
1744 Glacier Ave
Juneau Alaska

Dear Mr. Lekanter:

The Wrangell vessel owners have decided to oppose gear limitation of any kind.

We favor vessel stream improvement and additional hatcheries but would like to see monies spent for fruitful fisheries research.

Sincerely,
Bill Lampe
Secretary
Wrangell Vessel Owners

Your file Votre dossier

Environment Canada / Environnement Canada
Fisheries / Pêches

Our file Notre dossier 41-5-2

1090 West Pender Street,
Vancouver 1, B. C.

VIA AIR MAIL

January 31, 1973.

Mr. Mike Whitehead,
Senate Special Committee on Fisheries,
Pouch V,
JUNEAU, Alaska. 99801

Dear Mr. Whitehead:

In response to your telephone inquiry of last week I am sending along the following documents:

(1) The Fisheries Act.

(2) Pertinent sections of the British Columbia Fishery Regulations pertaining to vessel licencing.

(3) Problems of Over-Expansion in the Salmon Fleet in British Columbia.

(4) Limited Entry in the Salmon Fishery: The British Columbia Experience.

(5) Rationalization of Canada's West Coast Salmon Fishery: An Economic Evaluation.

(6) A Review of the Licenced Fishing Fleet - 1969-1972.

If I can be of any further assistance, please do not hesitate to give me a phone call.

Yours truly,

R. Roberts,
Manager,
Special Economic Programs
and Intelligence Branch

Encl.

# LIMITED ENTRY LEGAL ANALYSIS

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D.C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

# SUPREME COURT OF THE UNITED STATES

No. 185.—October Term, 1969

| | |
|---|---|
| Augie Reetz, Commissioner of Fish and Game for Alaska, et al., Appellants, *v.* John Bozanich et al. | On Appeal From the United States District Court for the District of Alaska. |

[February 25, 1970]

Mr. Justice Douglas delivered the opinion of the Court.

This is an appeal from a three-judge District Court, convened under 28 U. S. C. §§ 2281, 2284, declaring certain fishing laws of Alaska and regulations under them unconstitutional and enjoining their enforcement. 297 F. Supp. 300. We noted probable jurisdiction. 396 U. S. 81.

The laws in question, passed in 1968, concern salmon net gear licenses for commercial fishing, not licenses for other types of salmon fishing. They are challenged because they limit licensees to a defined group of persons. The Act in material part provides: [1]

> "Persons eligible for gear licenses. (a) Except in cases of extreme hardship as defined by the Board of Fish and Game, a salmon net gear license for a specific salmon registration area may be issued only to a person who

[1] Alaska Stat., § 16.05.536 (1968). Subd. (b) of that section specifies the data to be supplied in applications for a gear license. Section 16.05.540 provides that the licensee shall "personally operate or assist in the operation of the licensed fishing gear"; that he shall "personally own or lease the licensed fishing gear"; and that the license is "transferable."

> "(1) has previously held a salmon net gear license for that specific salmon registration area; or
>
> "(2) has, for any three years, held a commercial fishing license and while so licensed actively engaged in commercial fishing in that specific area."

The regulations[2] provide that except in cases of "extreme hardship" . . . a salmon net gear license for a specific salmon registration area may be issued only to a person who:

> "(A) has held in 1965 or subsequent years a salmon net gear license for that specific salmon registration area; or
>
> "(B) has, for any three years since January 1, 1960, held a commercial fishing license and while so licensed actively engaged in commercial fishing in that specific area."

Appellees are nonresidents who applied for commercial salmon net gear licenses. They apparently are experienced net gear salmon fishermen but they cannot qualify for a salmon net gear license to fish in any of the 12 regions or areas described in the Act and the regulations.[4]

Appellees filed a motion for summary judgment on the grounds that the Act and regulation deprived them of their rights under the Equal Protection Clause of the Fourteenth Amendment and also their rights under the Alaska Constitution. That constitution provides in Art. VIII, § 3:

> "Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use."

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[2] Alaska Commercial Fishing Regulations § 102.09 (a) (1969).

[3] As defined in the regulations, *id.*, § 102.09 (a) (2).

[4] While the original complaint challenged the 1968 regulations, it was amended to challenge the 1968 Act and the 1969 regulations under it, which regulated the 1969 fishing season.

And it provides in Art. VIII, § 15:

> "No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State."

Appellants filed a motion to dismiss or alternatively to stay the proceedings in the District Court pending the determination of the Alaska constitutional question by an Alaskan court.

Appellants' motion to dismiss or to stay was denied. Appellee's motion for summary judgment was granted, the three-judge District Court holding that the Act and regulations in question were unconstitutional both under the Equal Protection Clause of the Fourteenth Amendment and under the Constitution of Alaska. 297 F. Supp. 304–307.

This case is virtually on all fours with *City of Meridian* v. *Southern Bell Tel. & Tel. Co.*, 358 U. S. 639, where a single district judge in construing a Mississippi statute held that it violated both the Federal and the State Constitutions. The Court of Appeals affirmed and we vacated its judgment and remanded to the District Court with directions to hold the case while the parties repaired to a state tribunal "for an authoritative declaration of applicable state law." *Id.*, at 640.

We said:

> "Proper exercise of federal jurisdiction requires that controversies involving unsettled questions of state law be decided in the state tribunals preliminary to a federal court's consideration of the underlying federal constitutional questions. . . . That is especially desirable where the questions of state law are enmeshed with the federal questions. . . . Here, the state law problems are delicate ones, the resolution of which is not without substantial difficulty—certainly for a federal court. . . . In such a case, when the state court's interpretation of the

statute or evaluation of its validity under the state constitution may obviate any need to consider its validity under the Federal Constitution, the federal court should hold its hand, lest it render a constitutional decision unnecessarily." *Id.*, at 640–641.

We are advised that the provisions of the Alaska Constitution at issue have never been interpreted by an Alaska court. The District Court, feeling sure of its grounds on the merits, held, however, that this was not a proper case for abstention, saying that "if the question had been presented to an Alaska court, it would have shared our conviction that the challenged gear licensing scheme is not supportable." 297 F. Supp., at 304. The three-judge panel was a distinguished one, two being former Alaska lawyers. And they felt that prompt decision was necessary to avoid the "grave and irreparable" injury to the "economic livelihood" of the appellees which would result, if they could not engage in their occupation "during this year's forthcoming fishing season." *Ibid.*

It is, of course, true that abstention is not necessary whenever a federal court is faced with a question of local law, the classic case being *Meredith* v. *Winter Haven*, 320 U. S. 228, where federal jurisdiction was based on diversity only. Abstention certainly involves duplication of effort and expense and an attendant delay. See *England* v. *Louisiana State Board*, 375 U. S. 411. That is why we have said that this judicially created rule which stems from *Railroad Commission* v. *Pullman Co.*, 312 U. S. 496, should be applied only where "the issue of state law is uncertain." *Harman* v. *Forssenius*, 380 U. S. 528, 534. Moreover, we said in *Zwickler* v. *Koota*, 389 U. S. 241, 248, that abstention was applicable "only in narrowly limited 'special circumstances,'" citing *Propper* v. *Clark*, 337 U. S. 472, 492. In *Zwickler*, a state statute was attacked on the ground that on its face it was repugnant to the First Amendment; and it was con-

ceded that state court construction could not render unnecessary a decision of the First Amendment question. 389 U. S., at 250. A state court decision here, however, could conceivably avoid any decision under the Fourteenth Amendment and would avoid any possible irritant in the federal-state relationship.

The *Pullman* doctrine was based on "the avoidance of needless friction" between federal pronouncements and state policies. 312 U. S., at 500. The instant case is the classic case in that tradition, for here the nub of the whole controversy may be the state constitution. The constitutional provision relates to fish resources, an asset unique in its abundance in Alaska. The statute and regulations relate to that same unique resource, the management of which is a matter of great state concern. We appreciate why the District Court felt concern over the effect of further delay on these plaintiffs, the appellees here; but we have concluded that the first judicial application of these constitutional provisions should properly be by an Alaska court.

We think the federal court should have stayed its hand while the parties repaired to the state courts for a resolution of their state constitutional questions. We accordingly vacate the judgment of the District Court and remand the case for proceedings consistent with this opinion.

*It is so ordered.*

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

JOHN BOZANICH, et al., )

Plaintiffs, ) No. J-5-68

v. )

AUGIE REETZ, Commissioner of Fish and Game for the State of Alaska, et al., ) OPINION

Defendants. )

FILED

FEB 26 1969

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

By _____ Deputy

Before: WALTER ELY, Circuit Judge, and RAYMOND E. PLUMMER and JAMES A. VON DER HEYDT, District Judges.

ELY, Circuit Judge:

Plaintiffs are nonresidents of Alaska. The defendants are those authorities of the State of Alaska charged with the enforcement of Alaska regulations pertaining to fishing rights. The plaintiffs are experienced salmon fishermen, and each has pursued his occupation in certain, although not all, of the coastal waters of Alaska. Those waters are generally divided into twelve fishing regions. In 1968, Alaska adopted a certain statute under which fishing rights in the different regions were thereafter to be regulated by gear licensing requirements.[1/] The word "gear," in its pertinent meaning here, refers to the operating nets employed in the commercial harvesting of salmon. The statute undertook to confer upon the Board of Fish and Game the right to adopt additional regulations pursuant to the statute. The most recent of the regulations, those which are pertinent here,

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1/ Attached as footnote 1/ is chapter 186, S.L.A. 1968.

became effective on February 12, 1969.[2/] From an examination of the germane provisions of the statute, quoted in the margin, it is apparent that none of the plaintiffs could qualify for a salmon net gear license to fish in some of the twelve regions. In fact, their applications for the 1968 fishing season were denied under regulations less restrictive than those most recently issued.

The plaintiffs have argued that the licensing requirements are invalid as violative of both the Constitutions of the United States and the State of Alaska. There is no jurisdictional problem with the amount in controversy, and in light of the substantial federal question, our jurisdiction is initially founded on 28 U.S.C. § 1331(a). Since plaintiffs

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2/ We quote here the relevant extract from the 1969 Commercial Fishing Regulations for the State of Alaska:

"Section 102.09 Salmon Net Gear Licenses.

(a) Persons eligible for salmon net gear licenses.

(1) Except in cases of extreme hardship as defined in Sec. 102.09(a)(2), a salmon net gear license for a specific salmon registration area may be issued only to a person who:

(A) has held in 1969 or subsequent years a salmon net gear license for that specific salmon registration area; or

(B) has, for any three years since January 1, 1960, held a commercial fishing license and while so licensed actively engaged in commercial fishing in that specific area.

(2) Exceptions for extreme hardship:

Upon approval by a Hardship Panel consisting of the Commissioner, the Deputy Commissioner for Commercial Fisheries, and the Director of the Commercial Fisheries Division of the Department of Fish and Game, a salmon net gear license shall be issued as follows:

(A) Serious injury, sickness, or death;

seek a declaration of the unconstitutionality of state laws and an injunction against their enforcement, our three-judge District Court was convened pursuant to 28 U.S.C. §§ 2281, 2284. On February 14, 1969, we conducted a hearing on the defendants' motion to dismiss and motion for summary judgment and the plaintiffs' motions for injunctive relief and for summary judgment. We took the cause under advisement, and our review of the authorities has convinced us that we must deny the defendants' motions and enter summary judgment in favor of the plaintiffs. Our reasons follow.

In their motion to dismiss, the defendants suggested that there is no case or controversy because the issues are moot. This contention is valid in its application to the plaintiffs' original complaint, which challenged the now-expired 1968 regulations under which they were denied licenses for that season. The plaintiffs' amended complaint,

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2/ Continued

> If the head of a household who held a 1968 Alaska salmon net gear license will be prevented from commercial fishing in 1969 because of serious injury, or sickness as certified by a physician, or death, a member of his family, or other individual selected by the family, shall be issued a 1969 salmon net gear license for the same registration area.
>
> (B) Other cases of extreme hardship, including new fisheries, certain military service situations and prolonged illnesses as approved by the Hardship Panel.
>
> A new fishery is a fishery that has developed in a new location where eligible fishermen are insufficient to adequately harvest the resource."

however, deals squarely with the 1969 regulations and statute now in effect and under which they would clearly be prevented from obtaining the gear licenses necessary for utilizing their salmon-catching equipment in certain coastal regions that they desire. Another three-judge court of this District overruled a similar suggestion of mootness and explained its reasoning at length in Brown v. Anderson, 202 F. Supp. 96 (D. Alaska 1962).

The defendants also urge that we abstain from consideration of the issues in light of the questions of state law involved in the case. It is perfectly clear to us that the plaintiffs should not be penalized by our adopting the position that we should abstain from meeting the important constitutional issues presented until the Alaska state courts may at some future time be called upon to analyze the questions. Our abstention would surely deprive the plaintiffs of substantial engagement in their occupation during this year's forthcoming fishing season. This prospective injury to their economic livelihood looms too grave and irreparable to permit delay in the adjudication of their constitutional rights. Moreover, the legal issues presented do not constitute a proper case for application of the doctrine of abstention. The proper disposition of the case on the merits is too clear, and we have absolutely no doubt that, if the question had been presented to an Alaska court, it would have shared our conviction that the challenged gear licensing scheme is not supportable. See the analysis of authorities in Zwickler v. Koota, 389 U.S. 241, 250-51, 88 S. Ct. 391, 19 L. Ed. 2d 444 (1967). In Zwickler, the Supreme Court stated, "We have frequently emphasized that abstention is not to be ordered unless the state statute is of an uncertain nature, and is obviously susceptible of a limiting construction." [Cita-

tions omitted.] 389 U.S. at 251, note 14.

As we interpret the licensing scheme, it violates the equal protection clause of the Fourteenth Amendment of the Constitution of the United States. The only persons that can presently qualify for net-gear licenses are those already vested with the local privilege. To receive a license for a particular fishery, one must have held a gear license in the same region in a year since 1965 or have held a commercial fishing license in that region for any three years since 1960.[3/] An aspiring commercial licensee wishing to participate in salmon fishing may work for a locally licensed employer for three years or may fish for himself but without the necessary net-gear to catch salmon. Thus, if an outsider wishes to fish for salmon in a given year, and in three years to qualify for his own gear license, his chances are wholly dependent upon obtaining employment under a member of that closed class of fishermen who, in the specified past years, possessed the right to fish in the area. Although a state may enact fishing regulations in the legitimate interests of conservation and safety, it may not, to achieve those ends, employ arbitrary and irrational means which create or protect local, monopolistic interests. Under the scheme, entry into the salmon fishing industry is controlled not by the state, but by local fishermen in each

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3/ Commercial Fishing Regulations, section 102.09(a)(1)(A), (B)(1969), note 2, supra. No other entries into the salmon fishing industry in any coastal region are permitted except the narrowly prescribed class of extreme hardship cases as limited in section 102.09(a)(2)(1969), also quoted in note 2, supra. Under this "hardship" provision, a licensee would be empowered to assign his license to anyone, regardless of whether or not the assignee had any fishing experience whatsoever.

area who are eligible for gear licenses and can choose among the commercial fishermen, if any, that they might wish to hire. The power to permit competition cannot be vested in private interests whose own benefit would ordinarily not be served by assisting potential competitors to qualify.

We are convinced that the Alaska scheme cannot meet the equal protection requirements set forth in Morey v. Doud,[4/] wherein the Supreme Court struck down another invidious classification in legislation concerning economic regulation. There, the Supreme Court announced:

> "In determining the constitutionality of the Act's application . . . we start with the established proposition that the 'prohibition of the Equal Protection Clause goes no further than the invidious discrimination.' Williamson v. Lee Optical Co., 348 U.S. 483, 489. The rules for testing a discrimination have been summarized as follows:
>
> > '1. The equal protection clause of the Fourteenth Amendment does not take from the State the power to classify in the adoption of police laws, but admits of the exercise of a wide scope of discretion in that regard, and avoids what is done only when it is without any reasonable basis and therefore is purely arbitrary. 2. A classification having some reasonable basis does not offend against that clause merely because it is not made with mathematical nicety or because in practice it results in some inequality. 3. When the classification in such a law is called in question, if any state of facts reasonably can be conceived that would sustain it, the existence of that state of facts at the time the law was enacted must be assumed. 4. One who assails the classification in such a law must carry the burden of showing that it does not rest upon any reasonable basis, but is essentially arbitrary.' Lindsley v. Natural Carbonic Gas Co., 220 U.S. 61, 78-79.
>
> "To these rules we add the caution that 'Discriminations of an unusual character especially suggest careful consideration to determine whether they are obnoxious to the constitutional provision.'" [Citations omitted.]

354 U.S. at 463-64, citing other controlling authorities;

4/ 354 U.S. 457, 77 S. Ct. 1344, 1 L. Ed. 2d 1485 (1957).

see Mayhue v. City of Plantation, 375 F.2d 447, 450-51 (5th Cir. 1967); cf. Levy v. Louisiana, 391 U.S. 68, 71, 88 S. Ct. 1509, 20 L. Ed. 2d 436 (1968). We can reasonably conceive of no hypothetical state of facts which would justify discrimination in favor of salmon fishers who happened to have held commercial licenses in three years since 1960 or gear licenses in a year since 1965. The defendants suggest that prior experience might be necessary in the interests of safety and conservation management; nevertheless, we perceive no rational basis for the state's placing of selection of the outsiders allowed to gain the necessary "prior experience" in the industry in the hands of private citizens now eligible for the required licenses. The defendants suggest that the necessary experience may be gained by an outsider if he fishes commercially in the area for three years, even though such fishing is not with the net-gear necessary to catch salmon. We cannot understand how the "experience" necessary to fish for salmon might be promoted by requiring the plaintiffs, who are experienced in salmon fishing, or others with no such experience to employ the different techniques incident to fishing for herring or other forms of non-salmon sea life.

Although we would have preferred that the Alaska courts should have had the first opportunity to so hold, we must also now declare that the licensing scheme violates the Alaska Constitution, which, in its Article VIII, provides:

> "Section 3. Common Use. Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.
>
> "Section 15. No Exclusive Right of Fishery. No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State."

The Attorney General of Alaska, in an Opinion directed to the

Commissioner of the Department of Fish and Game, dated February 9, 1968, emphasized the unconstitutionality of a proposed and ... essentially similar licensing requirement which would have restricted area licenses to those license-holders within the same area in the past two years. The Attorney General relied on State ex rel. Bacich v. Huse, 187 Wash. 75, 59 P.2d 1101 (1936), in which 1933 salmon gear licenses were issued only to those who had held licenses in 1931 or 1932. He set forth the legislative history of section 15, supra, demonstrating that the provision was based on section 1 of the White Act of June 6, 1924, 43 Stat. 464, under which Alaska fisheries were regulated prior to Alaska's statehood. The leading case considering the White Act is Hynes v. Grimes Packing Co., 337 U.S. 86, 69 S. Ct. 968, 93 L. Ed. 1231 (1949). The Secretary of the Interior had ordered certain Alaska waters closed to fishing by all except those of the Karluk Indian Reservation and their licensees. The Supreme Court in Hynes held that the White Act prohibited fishing grants to special groups or numbers of people. We read, at 120-22:

> "Congress did not propose that these rich fishing grounds should be monopolized by this defined group. The legislative history of the White Act only emphasizes what the statute clearly says, that is, no special privileges in Alaskan fishing preserves. . . .
>
> "For the conservation of the fisheries, it was recognized that administrative flexibility must be permitted. . . . [W]e are of the opinion that licenses for fishing may be required in areas regulated under the White Act. We think, however, these licenses may be only regulatory in character . . . .
>
> "We find nothing in the White Act that authorizes the Secretary of the Interior to grant reservation occupants the privilege of exclusive commercial fishing rights."

The Attorney General of Alaska also ruled that the Board of Fish and Game could not be given the delegated authority,

in the absence of guiding standards prescribed by other provisions of law, to specify certain prior years as the test for whether salmon gear licenses would be issued. Here, the Board has set specific years in the 1960's, although no guidelines are included in the 1969 statutory scheme. In this connection, it is pertinent to note that the Attorney General's Opinion was explicitly made applicable to section 102.09, the forerunner of the section 102.09 regulations set out in footnote 2, supra.

The Alaska legislature apparently attempted to avoid the impact of Attorney General Boyko's Opinion by ostensibly providing an avenue by which a commercial licensee might, after three years with such an area license, obtain a salmon gear license in the particular area. The fact that he might do so, even though he could never, without the aid of an established net-gear licensee, have previously gained experience in the area with gear essential to commercial salmon fishing does not harmonize with the defendants' argument that the challenged scheme is designed to promote safe operations by experienced fishermen. It appears to us that the "escape" avenue offers nothing beyond an illusory hope to non-established salmon fishermen seeking to ply their trade in a new area.

There is no saving difference between the present licensing scheme and that to which the Attorney General directed his objection. Both would tend to establish monopolistic trade guilds not thought desirable by the framers of Alaska's Constitution. As a properly constituted three-judge court, we have jurisdiction to consider all legal attacks upon the statute. Florida Lime & Avocado Growers, Inc. v. Jacobsen, 362 U.S. 73, 80-81, 80 S. Ct. 568, 4 L. Ed. 2d 568 (1960). We therefore conclude that the 1960

salmon net-gear licensing statute and its consequent regulations cannot survive the requirements of the equal protection clause of the Constitution of the United States or those of the Constitution of Alaska.

In oral argument the defendants argued that summary judgment for the plaintiffs would be improper because the decision of the court might rest upon facts to be proved in plenary proceedings. Pressed for a definition of such anticipated proof, defendants' counsel was unable to specify, with any reasonable precision,, any genuine issue of fact. Moreover, any genuine issue of fact, the resolution of which might control the disposition of the controversy, is required by Rule 5(H)(2)[5/] of this court to be disclosed by written statement not later than three days prior to the hearing on a motion for summary judgment. The defendants did not, within the time allowed by this rule, or ever, file the required statement. This corroborates our conclusion that no genuine disputed issue of fact remains. Counsel did orally suggest that the defendants might offer proof that overriding considerations of conservation inspired the adoption of this challenged regulatory scheme. Such proof, whatever it might be, could not alter the result. However worthy or desirable may have been the motives behind the legislation, they cannot cure the obvious constitutional infirmities.

Accordingly, we deny the defendants' motions to dismiss and for summary judgment. We grant the plaintiffs' motion for summary judgment. The enforcement of the 1969

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5/ This rule, as amended March 1, 1967, reads as follows:

> "(2) Any party opposing the motion [for summary judgment] shall, not later than three (3) days prior to the hearing, serve and file a concise 'statement of genuine issues' setting forth all material facts as to which it is contended there exists a genuine issue necessary to be litigated."

statute and the regulations in question is permanently enjoined. Plaintiffs' counsel will prepare and submit a proposed form of judgment.[6/]

Dated this 26th day of February, 1969.

s/ Walter Ely
United States Circuit Judge

s/ Raymond E. Plummer
United States District Judge

s/ James A. van der Vaart
United States District Judge

Certified to be a true and correct copy of original filed in my office.
Dated _____
J. M. Kendall, Jr., Clerk
By _____ Deputy

6/ Findings of fact and conclusions of law are not required when a disposition is made, such as here, by summary judgment. Fed. R. Civ. P. 52(a). Our opinion recites the essential factual and legal considerations which bear upon the result to which we have been impelled.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Footnote 1/ (Reference page 1)

We set forth here the pertinent statute, chapter 186, S.L.A. 1968.

AN ACT

Relating to persons eligible to obtain gear licenses; and providing for an effective date.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that excessive entry into Alaska fishing areas has resulted in massive accumulations of salmon fishing gear with attendant ever-increasing difficulty in providing for sound conservation and management of the resource.

(b) The legislature further finds that the unrestricted issuance of gear licenses to anyone despite total lack of experience in the particular [illegible] not only been the prime factor tending toward accumulation of excessive gear but also has posed additional management, enforcement, and public safety problems through the lack of familiarity with regulations, waters, and procedures peculiar to the individual area.

(c) In view of the findings in (a) and (b) of this section, it is considered necessary by the legislature to impose experience requirements before issuance of salmon gear licenses to applicants.

* Sec. 2. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.535. PERSONS ELIGIBLE FOR GEAR LICENSES. (a) Except in cases of extreme hardship as defined by the Board of Fish and Game, a salmon net gear license for a specific salmon registration area may be issued only to a person who

(1) has previously held a salmon net gear license for that specific salmon registration area; or

(2) has, for any three years, held a commercial fishing license and shall be licensed actively engaged in commercial fishing in that special area.

(c) An applicant who claims that he is qualified for a gear license under (a)(2) of this section shall submit to the Department of Revenue

(1) an affidavit by the applicant stating that he purchased Alaska commercial fishing licenses for the required three years, and during those years, commercially fished in the specific salmon registration area; the specific years the applicant purchased commercial fishing licenses shall be named in the affidavit; and

(2) either affidavits from two persons holding currently valid gear licenses in the area where the applicant desires to fish stating that the applicant has fished the required time in that area, or for each of three years statements prepared by the applicant, subsequent to the effective date of this section, signed by employees of the Department of Fish and Game certifying that the applicant did report in at a Department of Fish and Game office within the required area during the required three years.

(c) A person who makes a false statement in the affidavits required by (b)(1) and (2) of this section is guilty of a misdemeanor.

* Sec. 3. AS 16.05.340 is amended to read:

Sec. 16.05.340. LIMITATION ON ISSUANCE OF FISHING GEAR LICENSES. The fishing gear licenses mentioned in secs. 550 - 690 of this chapter shall be issued one to the applicant and only for the area in which the applicant qualifies under sec. 510 of this chapter. Each applicant shall personally operate or assist in the operation of the licensed fishing gear. Each applicant for the fishing gear licenses mentioned in secs. 570 and 610 of this chapter shall also personally own or lease the licensed fishing gear. The license is transferable as provided under sec. 570 of this chapter.

* Sec. 4. AS 16.05.350 is amended by adding a new subsection to read:

(12) establish additional qualifications relating to the eligibility requirements for gear licenses.

* Sec. 5. This Act becomes effective on January 1, 1975, unless all or any part of sec. 183.30 of the Fish Fishing Commercial Fishing Regulations is sooner filed in the manner, on which time this Act will become effective immediately.



Approved by governor: April 30, 1974.
Actual effective date: January 1, 1975.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT, AT JUNEAU

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JOHN BOZANICH, et al,

Plaintiffs,

vs.

WALLACE H. NORRENBERG, et al.,

Defendants.

No. 70-389 Civil

MEMORANDUM SUPPLEMENTING THE DECISION

The court having heard arguments of counsel, considered the briefs, and rendered its decision in open court declaring Chapter 136, Session Laws of Alaska 1968 to be in violation of the Constitution of Alaska, hereby supplements its oral decision.

The plaintiffs challenge the constitutionality of Chapter 136, Session Laws of Alaska 1968, which amends AS 16.05.250, 530 and 540 in an action for a declaratory judgment and for a permanent injunction against the enforcement of the session law. The plaintiffs base their challenge to the law on Sections 1 and 7, Article I, and Sections 3, 15, and 17, Article VIII, Constitution of Alaska.

Some of the plaintiffs challenged Ch. 136, SLA 1968 in the Federal District Court and a three judge panel ruled the act was unconstitutional as being in violation of the United States Constitution and the Constitution of Alaska. Bozanich v. Betts, 297 F. Supp. 300 (D. Alaska 1969). The three judge Federal District Court decision was set aside as violating the doctrine of abstention by the United States Supreme Court. Betts v. Bozanich, 397 U.S. 82, 25 L. Ed. 2d 68 (1970). The Supreme Court did not consider the merits of the case but remanded the case to the District Court staying proceedings in order for the parties to litigate the Alaska Constitutional questions in the Alaska courts.

The plaintiffs' motion for summary judgment was granted March 3, 1971, for the reasons set forth in this opinion. The defendants challenged summary judgment being granted for the plaintiffs and moved during the course of the argument on the motion for summary judgment in favor of the defendants.

Ch. 136, SLA 1968 provides:

> Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that excessive entry into Alaska fishing areas has resulted in massive accumulations of salmon fishing gear with attendant ever-increasing difficulty in providing for sound conservation and management of the resource.
>
> (b) The legislature further finds that the uninhibited issuance of gear licenses to anyone despite total lack of experience in the particular area has not only been the prime factor tending toward accumulation of excessive gear but also has posed additional management, enforcement, and public safety problems through the lack of familiarity with regulations, waters, and procedures peculiar to the individual area.
>
> (c) In view of the findings in (a) and (b) of this section, it is considered necessary by the legislature to impose experience requirements before issuance of salmon gear licenses to applicants.
>
> Sec. 2. AS 16.05 is amended by adding a new section to read:
>
> Sec. 16.05.536. PERSONS ELIGIBLE FOR GEAR LICENSES. (a) Except in cases of extreme hardship as defined by the Board of Fish and Game, a salmon net gear license for a specific salmon registration area may be issued only to a person who
>
> (1) has previously held a salmon net gear license for that specific salmon registration area; or
>
> (2) has, for any three years, held a commercial fishing license and while so licensed actively engaged in commercial fishing in that specific area.
>
> (b) An applicant who claims that he is qualified for a gear license under (a)(2) of this section shall submit to the Department of Revenue
>
> (1) an affidavit by the applicant stating that he purchased Alaska commercial fishing licenses for the required three years, and during those years, commercially fished in the specific salmon registration area; the specific years the applicant purchased commercial fishing licenses

shall be named in the affidavit; and

(2) either affidavits from two persons holding currently valid gear licenses in the area where the applicant desires to fish stating that the applicant has fished the required time in that area, or for each of three years statements prepared by the applicant, subsequent to the effective date of this section, signed by employees of the Department of Fish and Game evidencing that the applicant did report in at a Department of Fish and Game office within the required area during the required three years.

(c) A person who makes a false statement in the affidavits required by (b)(1) and (2) of this section is guilty of a misdemeanor.

Sec. 3. AS 16.05.540 is amended to read:

Sec. 16.05.540. LIMITATION ON ISSUANCE OF FISHING GEAR LICENSES. The fishing gear licenses mentioned in secs. 550 - 650 of this chapter shall be issued one to the applicant and only for the area in which the applicant qualifies under sec. 536 of this chapter. Each applicant shall personally operate or assist in the operation of the licenses fishing gear. Each applicant for the fishing gear licenses mentioned in secs. 570 and 580 of this chapter shall also personally own or lease the licenses fishing gear. The license is transferable as provided under sec. 670 of this chapter.

Sec. 4. AS 16.05.250 is amended by adding a new subsection to read:

(12) establish additional qualifications relating to the eligibility requirements for gear licenses.

Sec. 5. This Act becomes effective on January 1, 1969, unless all or any part of sec. 102.09 of the 1968 Alaska Commercial Fishing Regulations is struck down by the courts, at which time this Act will become effective immediately.

The findings of the Legislature concerning the desirability of reducing the amount of fishing gear to promote the conservation and management of the fishery is accepted. Further, the court appreciates the fact that a presumption in favor of constitutionality exists.

The court found no genuine issues of material fact existed. Further, the court determined that the statute violated the equal protection guarantee of Sec. 1, Art. I; the court was provided

of Sec. 3, Art. VIII and the prohibition of an exclusive right or special privilege of the fishery provision of Sec. 15, Art. VIII, Constitution of Alaska.

None of the plaintiffs and persons similarly situated could qualify for a salmon net gear license in some of the salmon registration areas and therefore, they were deprived of a valuable right.

The classification between those who could receive a license for a single salmon registration area and those who could not was arbitrary and constituted an unreasonable classification. The common calling of fishing is a fundamental right and cannot be limited arbitrarily. State ex. rel. Bacich v. Huse, 59 P.2d 1101 (Wash. 1936). The defendants' assertion that one not now eligible for a net gear license may qualify by engaging in commercial fishing for three years in the salmon registration area appears illusory when the facts of commercial fishing in Alaska are considered. See briefs of the parties for a description of the salmon fishery.

The case, Kotch v. Board of River Pilot Commissioners for the Port of New Orleans, 330 U.S. 552, 91 L.Ed. 1093 (1947) upholding the right of the river pilots at New Orleans to limit their number is not controlling in the case at issue. Being a river pilot is more nearly like being a physician or lawyer than is being a fisherman which compares with being a farmer, sailor, teamster, or artisan as the Supreme Court analyzed the facts. In addition, the Supreme Court emphasized that river pilots were in effect, state officials and the State of Louisiana had an anti nepotism statute.

The history of the United States and the growth of commerce included within its boundaries exemplifies the vision the founding fathers of our country had in making the republic a free trade area. Those Alaskans privileged to draft the constitution for

the inchoate state understood the wisdom of insuring equal protection of the laws to each person and preventing limitations on the free exercise of an individual's legitimate initiative. Sec. 1, Art. I, Constitution of Alaska.

Sec. 3, Art. VIII, Constitution of Alaska provides:

> COMMON USE. Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.

Sec. 15, Art. VIII, Constitution of Alaska provides:

> NO EXCLUSIVE RIGHT OF FISHERY. No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State.

It is conceded that the above-quoted constitutional provision was an embodiment of the effect of Section 1 of the White Act of June 6, 1924, 43 Stat. 464 and carried with it the meaning given by the courts. The right to fish commercially is sought to be restricted by the Act and this would in effect grant an exclusive right of fishery which is prohibited. Lyons v. Salmon Packing Co. 337 U.S. 86, 93 L.Ed. 1231, 69 S.Ct. 968 (1949).

The general meaning of the words of the constitutional provision require that no distinction between persons equally situated is to be made with regard to fish in their natural state.

Ch. 136, SLA 1968 has never been enforced because its effect was suspended during the pendency of the proceedings in the United States Courts and the enactment of Ch. 77, SLA 1970.

The court did not have to decide the question of the appropriateness of registration areas nor the due process argument raised by plaintiffs.

The decision of the three judge federal district court was given great weight but was not considered controlling in this case.

DATED this 15th day of March, 1971, at Juneau, Alaska.

Victor D. Carlson
Superior Court Judge

# LIMITED ENTRY GOVERNOR'S TRANSMITTAL LETTER TO LEGISLATURE

WILLIAM A. EGAN
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 10, 1973

The Honorable Terry Miller
President of the Senate
Alaska State Legislature
Juneau, Alaska

Dear Mr. President:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill to regulate entry into Alaska Commercial Fisheries.

The limited entry study that I requested and the Legislature established last summer has more work yet ahead of it, but sufficient research has been completed to recommend a sound basic regulatory program, and to apply that program to the species that need it most -- salmon.

Alaska's salmon resources cannot produce a livelihood for an unlimited number of fishermen, nor can they be successfully managed for maximum sustained yield if utilized by an unlimited number of fishermen. The only alternative to the continuing loss of a healthy professional fishery is the stabilization of entry into the fishery at reasonable levels.

The makeup and traditions of the salmon fishery vary greatly from area to area, but two basic generalizations apply to the whole state:

1) Excessive numbers of fishermen participating in the harvest of salmon have reached acute proportions in almost every area.

2) Without entry limitation the commercial salmon fishery will be taken over increasingly by moonlighters, sport-commercial, and part-time hobby fishermen.

Most past efforts to limit entry have failed because they were stop-gap efforts designed to postpone the problem by creating special licensing preferences, or to offer a

solution applicable to the special problems of only one area. The results were unconstitutional programs that did not satisfy the unique conditions of different fisheries.

Our basic objective has been to develop a constitutional and practical program which can be applied flexibly with fairness to the varied needs and special problems of each fishing area throughout the State, while at the same time offering a permanent solution benefiting the entire State. I believe that this bill does so.

Its overall objective is to stabilize the number of commercial fishermen within each salmon fishing area at a level commensurate with the ability of the resource to provide an adequate livelihood for the fishermen. Its long-range goal is an economically and biologically healthy professional fishery.

The Initial Scope of a Limited Entry Program

Early in the study the decision was made to focus attention on the Alaska salmon fisheries, rather than to deal immediately with the problem of open access in all Alaska fisheries. This was done for several reasons, although it is acknowledged that other important Alaska fisheries, such as king crab and shrimp, are already suffering from too much fishing effort and may require their own limited entry programs in the near future.

It is the State's salmon fisheries that are the main focus of public attention. In terms of income and employment they rank far above any other fishery. Because of their complexity and the growth of fishing pressure on them, the salmon fisheries present the most urgent need for limited entry regulation. Because salmon fishing practices vary greatly from area to area, a limited entry program for salmon will require a fairly general and flexible statewide regulatory framework. Such a broad-based approach will be capable of encompassing other species later when the need arises.

The Problem of Growing Fishing Pressure

Even with substantially improved biological management since Statehood, the salmon fisheries are not as healthy as they can be because a steadily increasing number of fishermen are participating in the harvest. These new

entrants into the fishery have driven the profitability of fishing down to marginal levels for those professional fishermen who must depend upon fishing for a major share of their livelihood.

A disturbing aspect of this general trend is that a substantial number of these new entrants can afford to participate at marginal economic levels because they rely upon other employment for the major source of their livelihood. The character of these new entrants varies. In Bristol Bay it may be the school teacher from Anchorage or the Boeing worker from Seattle; in Southeastern the sport-commercial troller with a well-paid government job; in Cook Inlet, the vacationing set-netter from the lower 48. However, in almost every area these moonlighters are adding substantially to the economic distress of the vocational fishermen who must derive their primary livelihood from fishing.

The main problem with these part-time, avocational fishermen is not their multiple employment. It is that they can afford to participate in the fishery even when it is not profitable, with the effect that average incomes for all fishermen are driven to submarginal levels. If this open entry pattern is allowed to continue, it will mean the eventual economic destruction of Alaska's professional fisheries.

A Brief Survey of the Commercial Salmon Fishery

Alaska's salmon fisheries are divided into geographic regions for management purposes, as the accompanying map shows. The salmon net fisheries (purse seine vessels, drift gill net vessels, and set gill nets), are further tied to registration areas. Every fisherman desiring to fish salmon net gear must register to fish in only one registration area in any given year. The troll fishery is limited almost exclusively to southeastern Alaska, and takes primarily king and silver salmon for the fresh and frozen fish markets.

From the dual perspective of adequate economic return to the fishermen and adequate ability to fully harvest the resource, there are presently too many units of gear in almost every salmon management area in the State. As an indication of where we stand today, the Department of Fish

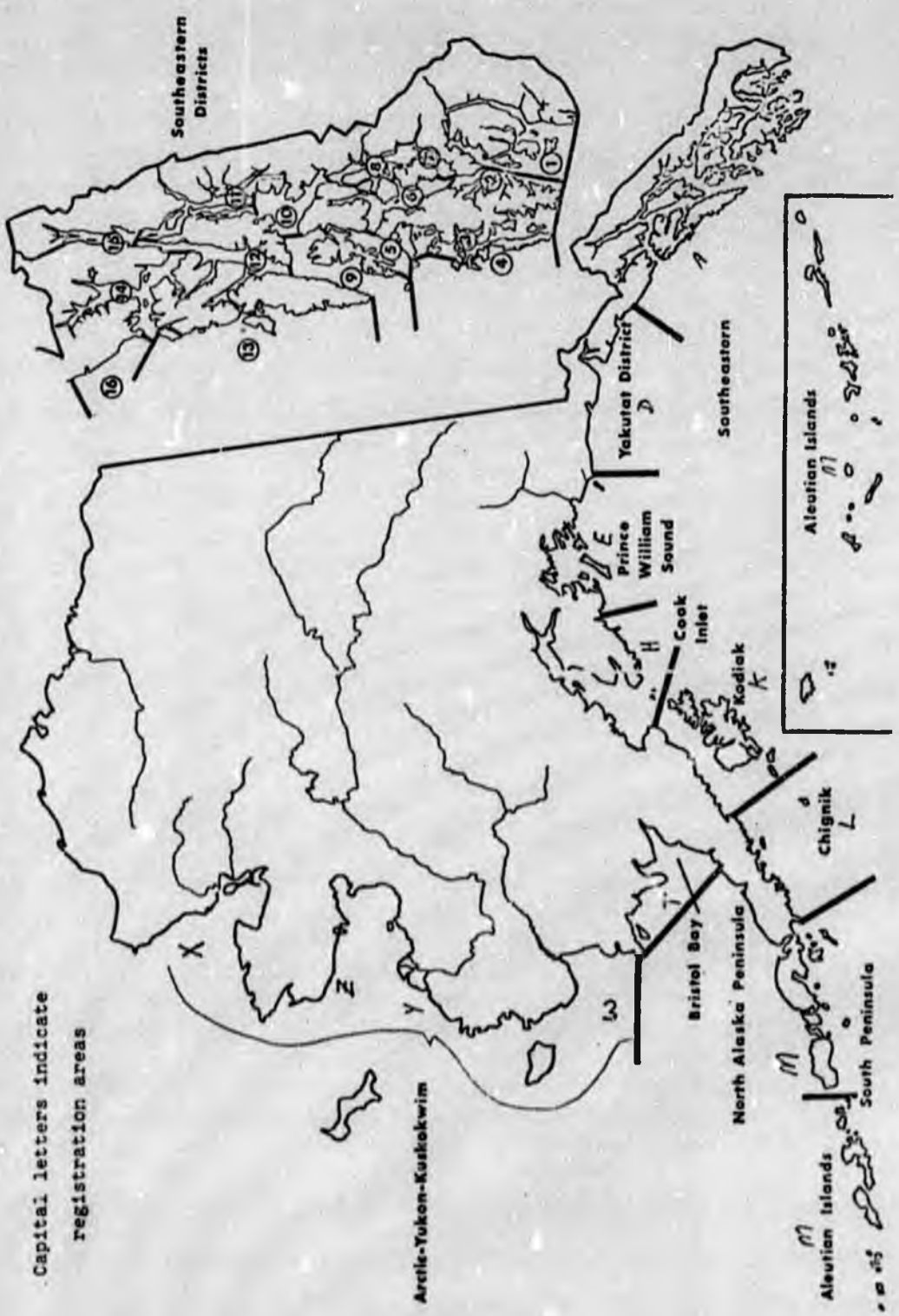


**FIGURE I. Alaska Salmon Management Areas**

and Game has prepared the following table which compares the numbers of units of gear registered in each area with the optimum numbers required to fully harvest the resource. These are rough estimates based on only one factor, but they fairly reflect the general magnitude of the problem. Only net gear is included in these tables; troll gear has not yet been similarly analyzed. If existing levels of gear are substantially above the optimum levels necessary for an economically healthy fishery, as this table indicates, then merely halting any further increase in gear levels will not achieve the basic objectives of a limited entry program -- a moratorium alone will not work.

ALASKA SALMON NET GEAR REGISTRATION
CURRENT AND OPTIMUM LEVELS

| | UNITS REGISTERED IN 1970 | | | UNITS REGISTERED IN 1971 | | | OPTIMUM UNITS REQUIRED | | |
|---|---|---|---|---|---|---|---|---|---|
| | Purse Seines | Drift Gillnets | Set Gillnets | Purse Seines | Drift Gillnets | Set Gillnets | Purse Seines | Drift Gillnets | Set Gillnets |
| SOUTHEASTERN | 422 | 420 | 11 | 358 | 475 | 7 | 300 | 250 | 10 |
| YAKUTAT | - | - | 173 | - | - | 175 | - | - | 100 |
| PRINCE WILLIAM SOUND | 221 | 556 | 39 | 266 | 652 | 14 | 150 | 250 | 15 |
| COOK INLET | 98 | 761 | 769 | 98 | 710 | 731 | 75 | 300 | 475 |
| KODIAK | 403 | - | 226 | 343 | - | 152 | 100 | - | 50 |
| CHIONIK | 69 | - | - | 73 | - | - | 40 | - | - |
| PENINSULA-ALEUTIAN | 118 | 172 | 130 | 141 | 166 | 130 | 95 | 45 | 50 |
| BRISTOL BAY | - | 1913 | 924 | - | 1888 | 859 | - | 1015 | 345 |
| KUSKOKWIM | - | 446 | 76 | - | 501 | 71 | - | 375 | 50 |
| KOTZEBUE | - | - | 82 | - | - | 91 | - | - | 90 |
| YUKON | - | 254 | 490 | - | 295 | 571 | - | 125 | 330 |
| NORTON SOUND | - | - | 128 | - | - | 150 | - | - | 130 |

There are also a growing number of instances where too much concentrated fishing pressure makes sound management of the fishery impossible. This happens in the following way. The salmon net fisheries typically occur near the mouths of the spawning streams where salmon concentrate just prior to their spawning runs upstream. In such situations, allowing for adequate escapement is critical. If excessive amounts of gear are concentrated in the fishing areas, a mistake of only a few hours in the length of a fishing period could make the optimum escapement needed

for an entire run of fish unobtainable and perhaps even wipe out the run. With too much gear in the fishery, fisheries managers have no margin for error in setting their field regulations. This has sometimes resulted in total closures where a manageable harvest by a reasonable number of vessels would otherwise have been acceptable.

Recent figures on license growth and catch data give a general picture of the excessive amount of gear and its distribution throughout the State. An analysis of average annual gross earnings per vessel by registration area and gear type for two recent years gives an approximate idea of income to fishermen. This and other statistical information is still being developed and refined by the limited entry study group.

There are three kinds of license issued for the salmon fishery: First, every person who intends to fish commercially must obtain a personal commercial fishing license; even crewmen must obtain these. Second, all vessels must be licensed by their operators. Third, a gear license must be purchased for every type of gear to be fished (e.g., drift net, purse seine, troll set net, long line, shellfish pots, trawl, etc.)

The following table shows the increase in all types of licenses used in the salmon fishery from 1961-1971:

| | 1961 | 1971 |
|---|---|---|
| Commercial (personal) | 15,697 | 20,564 |
| Vessel | 7,926 | 10,710 |
| Drift Net | 3,022 | 4,779 |
| Set Net | 2,064 | 3,062 |
| Purse Seine | 1,182 | 1,323 |
| Troll | 1,497 | 2,353 |

Here is a resident, non-resident breakout on commercial licenses:

| | total | resident | non-resident |
|---|---|---|---|
| 1961 | 15,697 | 10,106 | 5,591 |
| 1971 | 20,564 | 14,276 | 6,388 |

It is worth noting that the percentage increase in resident licenses is greater than that for non-resident.

Here is a summary breakdown of catch and gear registration information by management area for the last four years. These tables include a resident, non-resident breakout for each type of gear and also show the percentage of the total salmon catch for each area which was taken by each type of gear.

| Southeastern | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch* (millions of fish) | 30.2 | 6.9 | 14.7 | 12.9 |
| purse seines (total units registered) | 498 | 407 | 422 | 358 |
| - resident | 241 | 223 | 216 | 192 |
| - non-resident | 257 | 184 | 206 | 166 |
| - Percentage of total catch | 90% | 74% | 83% | 81% |
| drift gill nets (units registered) | 527 | 395 | 420 | 475 |
| - resident | 286 | 251 | 266 | 320 |
| - non-resident | 241 | 134 | 154 | 155 |
| - Percentage of total catch | 5% | 15% | 12% | 12% |
| troll gear registered** | 2,103 | 2,303 | 2,567 | 2,353 |
| - Percentage of catch*** | 4% | 10% | 4% | 6% |

*A majority of salmon caught in southeastern are pink salmon which fluctuate widely on a two year cycle.
**These troll figures are totals statewide and include the nominal troll fishery in Yakutat and Price William Sound.
***The value of troll catch is much higher than this figure would indicate. In 1971, value to fishermen of troll caught fish was $5.8 million, value to fishermen of all other fish was only $25.6 million.

WILLIAM A. EGAN
GOVERNOR



| Yakutat | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (million of fish) | .22 | .26 | .17 | .26 |
| set gill nets (units registered) | 184 | 182 | 173 | 175 |
| - Percentage of total catch | 85% | 88% | 90% | 96% |
| troll (units Registered) | ? | ? | ? | ? |
| - Percentage of total catch | 15% | 12% | 10% | 4% |

| Prince William Sound* | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 3.8 | 6.3 | 4.5 | 8.9 |
| purse seines (units registered) | 182 | 217 | 221 | 270 |
| - resident | ? | 170 | 178 | 211 |
| - non-resident | ? | 47 | 43 | 59 |
| - %age of total catch | 74% | 84% | 67% | 87% |
| drift gill nets (units registered) | 423 | 510 | 556 | 654 |
| - resident | ? | 384 | 420 | 481 |
| - non-resident | ? | 126 | 136 | 173 |
| - %age of total catch | 25% | 15% | 32% | 11% |

*There is a negligible troll and set net fishery.

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| Cook Inlet | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 5.7 | 1.5 | 3.4 | 1.7 |
| purse seines (units registered) | 92 | 80 | 99 | 84 |
| - resident | ? | 76 | 95 | 81 |
| - non-resident | ? | 4 | 4 | 3 |
| -%age of total catch | 12% | 18% | 24% | 32% |
| drift gill nets (units registered) | 575 | 695 | 761 | 706 |
| - resident | ? | 483 | 537 | 515 |
| - non-resident | ? | 212 | 224 | 191 |
| -%age of total catch | 47% | 50% | 46% | 44% |
| set gill nets (units registered) | 655 | 736 | 769 | 729 |
| - resident | ? | 683 | 704 | 686 |
| - non-resident | ? | 53 | 65 | 43 |
| -%age of total catch | 41 | 32% | 30% | 24% |

| Kodiak* | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 10.3 | 13.7 | 13.9 | 6.4 |
| purse seines (units registered) | 326 | 319 | 365 | 385 |
| - resident | ? | 225 | 253 | 277 |
| - non-resident | ? | 94 | 112 | 108 |
| - %age of total catch | 90% | 95% | 92% | 92% |
| set gill nets (units registered) | 192 | 202 | 226 | 193 |
| - resident | ? | 152 | 166 | 142 |
| - non-resident | ? | 50 | 60 | 51 |
| - %age of total catch | 8% | 5% | 7% | 7% |

*There is a negligible beach seine fishery.

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| Chignik | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 2.4 | 2.2 | 3.1 | 2.0 |
| purse seines (units registered) | 68 | 70 | 69 | 76 |
| - resident | ? | 57 | 57 | 62 |
| - non-resident | ? | 13 | 12 | 14 |
| -%age of total catch | 100% | 100% | 100% | 100% |

| Alaska Peninsula Aleutians* | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 3.6 | 3.2 | 5.5 | 4.0 |
| purse seines (units registered) | 107 | 112 | 118 | 143 |
| - residents | ? | 105 | 102 | 126 |
| - non-residents | ? | 7 | 16 | 17 |
| -%age of total | 76% | 60% | 71% | 66% |
| drift gill nets (units registered) | 123 | 136 | 172 | 169 |
| - residents | ? | 102 | 105 | 116 |
| - non-residents | ? | 34 | 67 | 53 |
| - %age of total catch | 17% | 35% | 25% | 30% |

| | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| set gill nets (units registered) | 120 | 134 | 130 | 132 |
| - residents | ? | 124 | 108 | 117 |
| - non-residents | ? | 10 | 22 | 15 |
| -%age of total catch | 7% | 4% | 4% | 4% |

*There is a negligible beach seine fishery.

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| Bristol Bay | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | 5.3 | 7.2 | 22.1 | 10.4 |
| drift gill nets (units registered) | 1,684 | 1,751 | 1,913 | 1,938 |
| - residents | 973 | 1,005 | 1,083 | 1,073 |
| - non-residents | 711 | 746 | 830 | 865 |
| -%age of total catch | 90% | 88% | 93% | 90% |
| set gill nets (units registered) | 839 | 924 | 924 | 891 |
| - residents | 722 | 759 | 765 | 745 |
| - non-residents | 117 | 165 | 159 | 146 |
| - %age of total catch | 10% | 12% | 7% | 10% |

| Artic-Yukon-Kuskokwim* | 1968 | 1969 | 1970 | 1971 |
|---|---|---|---|---|
| total salmon catch (millions of fish) | .6 | .8 | 1.0 | .9 |
| drift gill nets (units registered) | 572 | 702 | 708 | 810 |
| - residents | ? | 699 | 706 | 797 |
| - non-residents | ? | 3 | 2 | 13 |
| - %age of total catch | 54% | 34% | 30% | 29% |
| set gill nets (units registered) | 598 | 727 | 783 | 902 |
| - residents | ? | 721 | 781 | 889 |
| - non-residents | ? | 6 | 2 | 13 |
| -%age of total catch | 45% | 65% | 69% | 70% |

*There is a negligible commercial take from fishwheels.

The following table gives some indication of the magnitude of depressed fishermen incomes in different areas of the State. This table shows average gross earnings per boat for two recent years. These figures represent gross earnings before expenses and must provide income for the entire crew required to operate a certain type of gear.

## VALUE TO FISHERMEN OF 1970 SALMON CATCH BY REGISTRATION AREA AND GEAR

| SOUTHEASTERN | VALUE (a) | VESSELS FISHING (b) | AVERAGE EARNING PER VESSEL |
|---|---|---|---|
| Trap | $ 70,842 | 4 | $17,710 |
| Purse Seine | 7,706,866 | 405 | 19,029 |
| Drift Gillnet | 2,526,472 | 336 | 7,519 |
| Set Gillnet | 19,844 | 10 | 1,984 |
| Troll | 4,465,162 | 1,894 | 2,358 |
| TOTAL | $14,789,186 | 2,649 | $5,583 |
| (c) Using 1971 percentages where 50% of the Trollers caught only 4% of the total pounds of troll fish in Yakutat and S.E. This adjustment would also increase the S.E. total, average earnings per vessel to about $9,000. | $4,383,786 | 961 | $4,562 |
| YAKUTAT | | | |
| Set Gillnet | $ 250,074 | (d) 143 | $1,749 |
| Troll | 108,019 | 27 | 4,000 |
| TOTAL | $358,193 | 170 | $2,107 |
| PRINCE WILLIAM S. | | | |
| Purse Seine | $2,106,223 | (e) 221 | $9,530 |
| Drift Gillnet | 2,998,957 | (e) 556 | 5,393 |
| Set Gillnet | 68,298 | (e) 39 | 1,751 |
| Troll | 18,871 | 10 | 1,309 |
| TOTAL | $5,186,571 | 826 | $6,279 |
| COOK INLET | | | |
| Purse Seine | $ 529,860 | (e) 99 | $5,352 |
| Drift Gillnet | 1,764,014 | 637 | 2,769 |
| Set Gillnet | 1,176,444 | 522 | 2,254 |
| Troll | 2,574 | 7 | 368 |
| TOTAL | $3,472,892 | 1265 | $2,745 |
| KODIAK | | | |
| Purse Seine | $7,106,563 | (e) 365 | $19,470 |
| Beach Seine | 74,420 | 13 | 5,725 |
| Set Gillnet | 575,275 | 147 | 3,913 |
| TOTAL | $7,756,258 | 525 | $14,774 |
| CHIGNIK | | | |
| Purse Seine | $3,228,966 | (e) 69 | $46,797 |
| TOTAL | $3,228,966 | 69 | $46,797 |
| PENINSULA-ALEUTIANS | | | |
| Purse Seine | $2,707,351 | (e) 118 | $22,944 |
| Drift Gillnet | 1,526,979 | (e) 172 | 8,878 |
| Set Gillnet | 258,270 | (e) 130 | 1,987 |
| TOTAL | $4,492,600 | 420 | $10,697 |
| BRISTOL BAY | | | |
| Drift Gillnet | $25,225,894 | (e) 1,913 | $13,187 |
| Set Gillnet | 1,802,591 | 924 | 1,951 |
| TOTAL | $27,028,485 | 2,837 | $ 9,527 |
| ARCTIC-YUKON-KUSKOKWIM | | | |
| Drift Gillnet | $ 497,656 | 672 | $ 741 |
| Set Gillnet | 656,036 | 783 | 838 |
| Fish Wheel | 1,534 | 9 | 170 |
| TOTAL | $ 1,155,226 | 1,464 | $ 789 |

FOOTNOTES

(a) The value figures generally omit bonuses paid to skipper after pack is sold. However, Prince William Sound and Chignik values include bonuses.
(b) Vessels or traps or set net sites.
(d) Estimated
(e) Units of gear licensed. Number of units actually fished according to ADF&G records appears too high, so licensing figures were used. In the case of Bristol Bay and Aleutians-Peninsula, the units fished were not yet available from fish ticket printouts. In other words we do not yet have a truly reliable count of the number of vessels fishing each type of gear in each area.
(f) Total average earning per vessel column is the number of vessels fishing divided into the value column.

## VALUE TO FISHERMEN OF 1971 SALMON CATCH BY REGISTRATION AREA AND GEAR

| SOUTHEASTERN | VALUE (a) | VESSELS FISHING (b) | AVERAGE EARNING PER VESSEL |
|---|---|---|---|
| Purse Seine | $7,210,450 | 306 | $23,564 |
| Drift Gillnet | 2,568,286 | 347 | 7,401 |
| Set Gillnet | 8,560 | | 951 |
| Troll | 3,737,581 | 1,640 | 2,279 |
| TOTAL | $13,524,877 | 2,302 | $ 5,875 |
| Sport-Commercial Fishery removed from totals. Includes Southeastern and Yakutat catches and vessels. In 1971, 50% of the trollers caught only 4% of the total pounds of troll fish. This adjustment also increases the Southeastern total, average earnings per vessel, to about $9000 | $3,656,878 | 831 | $ 4,401 |
| YAKUTAT | | | |
| Set Gillnet | $ 361,900 | 131 | $ 2,762 |
| Troll | 71,667 | 22 | 3,258 |
| TOTAL | $ 433,567 | 153 | $ 2,834 |
| PRINCE WILLIAM S. | | | |
| Purse Seine | $5,183,683 | 251 | $20,652 |
| Drift Gillnet | 2,233,711 | 551 | 4,054 |
| Troll | 17,259 | 7 | 2,466 |
| TOTAL | $7,434,653 | 809 | $ 9,190 |
| COOK INLET | | | |
| Purse Seine | $ 420,513 | 49 | $ 8,582 |
| Drift Gillnet | 1,090,545 | 463 | 2,355 |
| Set Gillnet | 762,142 | 439 | 1,736 |
| Troll | 11,518 | 4 | 1,150 |
| TOTAL | $2,277,802 | 955 | $ 2,385 |
| KODIAK | | | |
| Purse Seine | $4,654,488 | 417 | $11,162 |
| Hand Purse Seine | 47,943 | 16 | 2,996 |
| Set Gillnet | 390,240 | 132 | 2,956 |
| TOTAL | $5,092,671 | 565 | $ 9,014 |
| CHIGNIK | | | |
| Purse Seine | $2,169,205 | 77 | $28,171 |
| TOTAL | $2,169,205 | 77 | $28,171 |
| PENINSULA-ALEUTIAN | | | |
| Purse Seine | $1,656,176 | 125 | $13,249 |
| Drift Gillnet | 1,285,918 | 141 | $ 9,120 |
| Set Gillnet | 176,349 | 52 | 3,391 |
| TOTAL | $3,118,443 | 318 | $ 9,806 |
| BRISTOL BAY | | | |
| Drift Gillnet | $14,557,610 | (c)1,938 | $ 7,512 |
| Set Gillnet | 1,577,210 | 618 | 2,552 |
| TOTAL | $16,134,820 | 2,556 | $ 6,313 |
| ARCTIC-YUKON-KUSKOKWIM | | | |
| Drift Gillnet | $ 447,874 | 709 | $ 632 |
| Set Gillnet | 935,053 | 790 | 1,184 |
| Fish Wheel | 4,594 | 15 | 306 |
| TOTAL | $1,387,521 | 1,514 | $ 916 |

FOOTNOTES
(a) Same as 1970 table.
(b) Same as 1970 table.
(c) Units of gear licensed. The number of units of gear actually fished, according to ADF&G records appears too high, so licensing figures are used.

Our conclusions from this and other data are that the State's salmon fisheries have too much gear, resulting in depressed and sometimes sub-marginal income for professional fishermen and in impositions on sound management practices. In addition, this and other data suggest strongly that a limited entry program aimed primarily at eliminating "moonlighters" and other part-time fishermen from the salmon fisheries can result in a level of fishing pressure that allows improved management and the development of a professional fishery. Such a program, properly established and implemented, will also work constitutionally to reduce the number of outside participants in the fishery.

Legal and Constitutional Constraints

Neither the State nor the Federal Constitution prohibits a state statutory program regulating access to the commercial fishery, so long as the regulatory classifications established to permit some people to fish and to exclude others are reasonably related to a valid legislative purpose and are fairly applied. The recently adopted amendment to Article VIII, Section 17 of the Alaska Constitution, clearly establishes as a valid legislative purpose the regulation of entry to "prevent economic distress among fishermen."

The Alaska Constitution does not confer on its citizens a constitutional right to fish commercially for salmon. Article VIII, Section 3 reserves the "fish, wildlife and waters" to the people for "common use", but this in no way prohibits legislative regulation of that use. Limiting entry to the salmon fishery is no different in principle than the State's regulation through a permit system of the private appropriation of State waters.

The Federal Constitution will not permit a regulatory program which discriminates unreasonably against non-residents. Particular attention must be paid to the constraint imposed by the commerce clause of the Federal Constitution, under which a legally sound limited entry program cannot unreasonably burden or discriminate against interstate commerce. Any regulatory program which disqualifies non-residents from the fishery solely because they are non-residents, merely to secure an economic advantage for residents, will almost certainly fail in

the courts, as will any clear discrimination in favor of local (intrastate) economic interests at the expense of outside (interstate) economic interests.

The interpretation of the commerce clause in a given situation is primarily a matter of degree and of sufficient justification, in which the courts will be guided by the notion of reasonableness. The prevention of economic distress among fishermen is almost certainly a valid legislative purpose in this situation, and if the same standards for qualification, (for example, degree of dependence on the fishery or past participation in the fishery) are applied equally to resident and non-resident alike, they stand an excellent chance of being upheld in the courts, even though in some instances they may fall more harshly on the non-resident.

The courts will also look unfavorably upon any regulatory system which creates a completely closed class of fishermen. Some new entry must be permitted. Therefore, I am proposing the administratively controlled transfer or sale of entry rights, which will permit new entry while allowing fishing effort to be held at constant levels.

Other Limited Entry Proposals

Before discussing the reasoning that underlies this bill, it may be useful to outline some of the other types of limited entry proposals that concerned Alaskans have been considering. The State's limited entry study group has examined these and other ideas, and it has concluded that most of these approaches bear some of the marks of unsuccessful past efforts in that they seek an immediate solution for just one area rather than a permanent solution for the entire State. In addition, most of these proposals contain serious constitutional defects.

Here are the basic elements of one type of proposal:

1) Freeze the issuance of new gear licenses.

2) Establish optimum amounts of gear for each area necessary to harvest all species (salmon, king crab, halibut, etc.)

3) Allow everyone who ever owned a gear license in under the freeze.

4) Rely on attrition of license holders to eventually reach optimum levels.

5) When optimum levels are reached, make gear license a property right with a 12% royalty to the State.

6) Levy a buy-back assessment on gear licenses to encourage attrition.

There are some sound concepts in this proposal, but also some basic practical and legal defects. Any license freeze will probably be struck down in the courts because the effect is to create a completely closed class of fishermen for a substantial period of time. Letting anyone who had ever held a gear license in at the outset while excluding all new entry is probably constitutionally unacceptable, and also will considerably worsen the very problem it is designed to solve. Creating "grandfather rights" for paper registrants who have never actually fished and for those who have already dropped out of the fishery or are no longer dependent upon it, would greatly inflate participation in the already seriously overcrowded fishery. It would have the effect of penalizing the professional fishermen at the outset. Finally, the notion of a royalty is defective since the State does not own its salmon resource in the same way that it owns its oil or timber.

Another type of proposal is for a sliding scale gear quota in Bristol Bay. By its nature it is aimed at solving the problem for one area only, and in all likelihood, the solution would only be partial and temporary. Here are its basic features:

1) The Fish and Game Board would establish a total gear quota for the area in terms of total fathoms of net required to adequately and safely harvest the resource.

2) Following the close of area registration for a given year, the Board would apportion the total quota among the actual registrants with the effect that larger numbers of registrants will mean each registrant can fish fewer fathoms of net.

3) Local families would be specially benefitted by a provision that gear registrants may jointly operate their individual quotas of gear.

This proposal would improve fishermen incomes only if low net length quotas for a given year discouraged outsiders from coming to Bristol Bay. This is an uncertain assumption for two reasons. First, many of the outsiders are moonlighters who might continue to fish Bristol Bay even without the prospect of high income in a given year. Second, if everyone was operating with the same handicap, the number of fish caught and the efficiency of the fishing effort may not be that well controlled by merely varying the length of the nets. The result may still be too many participants in the fishery. While solutions such as this are of questionable long-term value for Bristol Bay and would be unworkable on a Statewide basis, they are not inconsistent with this bill's goals for the fishery and they may provide a degree of short-term relief for the serious problem of over-fishing in the Bay.

Another limited entry proposal for Bristol Bay contains the following basic provisions:

1) A permanent gear license freeze for Bristol Bay at the level of the previous year.

2) If fishermen's incomes are anticipated to be below the national poverty level for a given year, the Fish and Game Board shall designate such an area a "distressed fishery."

3) In a "distressed fishery" special gear license fees would be levied on the basis of 1% of the value of the salmon sold by a resident, and 3% of the value of the salmon sold by a non-resident.

4) A fisherman who derived more than 75% of his gross income from fishing during the previous year, or who had a gross income of less than $5,000 during the previous year, would be exempted from the special fees.

WILLIAM A. EGAN
GOVERNOR



This proposal has the constitutional liabilities of any license freeze as discussed above. Furthermore, a freeze at the present level would not offer much of a practical solution for Bristol Bay, because that area, particularly, suffers presently from a great excess of gear. The proposed license fees almost certainly would be held by the courts to discriminate unconstitutionally against interstate commerce.

One final type of proposal which has been discussed recently would create a gear licensing preference for watershed or registration area residents. Even though such a preference would not discriminate directly against non-residents of the State, the overall effect would be the total exclusion of non-residents of the State from the fishery. Such a regulation would have virtually no chance of survival in the courts. Furthermore, such a proposal would not really solve the limited entry problem. There might soon be too many fishermen drawn solely from residents of the watershed or area, particularly in areas like Cook Inlet and Southeastern. Even more important, this approach does not address the problem of the moonlighters and part-time fishermen who threaten the future of the professional fishery.

I am heartened by the strong spirit of good faith and concern that has prompted various Alaskans to bend their efforts toward thinking of limited entry programs for our State's fisheries. My motive in noting shortcomings in some of these proposals is simply to indicate pitfalls that must be avoided in developing a legally sound, workable limited entry program for all the fisheries of our State. To do so, we must work together, and these proposals for limited entry indicate that Alaskans are in important agreement on the basic objectives.

Proposal for Limited Entry Program

The bill I am submitting today embodies my recommendation for a limited entry program. The reasoning behind the basic features of it is as follows:

The bill establishes a regulatory and quasi-judicial commission which would administer an entry permit system for the State's salmon fisheries. The basic problem of

too much gear varies widely in its dimensions and particulars from area to area. Trying to decide directly in the language of a statute which particular individuals will be permitted to fish, and which individuals will be excluded, is hopelessly inadequate, both legally and practically. A full-time regulatory commission is the only way to apply general legislative standards to each area and type of gear with fairness to all areas.

The commission approach has the added advantage of being easier to defend legally. As long as the statutory purpose and standards are valid, the point of legal attack would be a particular regulation or application of a statutory standard by the commission. Such specific points are far easier to defend and a loss on a particular commission action would not jeopardize the validity of the basic regulatory program, even though it may initially require minor readjustments in regulatory strategy.

The bill's legislative standards of preference for entry permits will require findings of fact regarding an applicant's degree of economic dependence upon the fishery and his extent of past participation in the fishery. Such facts must be established fairly and sufficiently in order to avoid abuses of the system that would be unfair to all fishermen. Provisions concerning hearings and appeals will safeguard the rights of individual applicants for entry permits.

The commission approach also has the advantage of permitting the Legislature to add other species such as king crab or shrimp to the entry limitation program when the need is shown.

The commission will be made up of a fisheries management specialist, a lawyer, a commercial fisherman, plus the staff for necessary research and for the implementation of the program as it applies to salmon. Because of the complexity of the fishery and the potential economic impacts of various decisions, I feel this would require an initial appropriation of approximately $400,000. Provision has been made for the work of the commission to be self-supporting, through the assessment of permit fees, once the permit system is functioning. After limited entry programs are established in the State's principal fisheries, some of the permit revenue would then go to the general fund.

This bill does not require a license freeze or license moratorium. Such a feature would be on extremely weak legal grounds and there is no practical necessity for it. The commission is charged with issuing a limited number of entry permits according to preferences among applicants based primarily upon past participation and economic dependence. No new entrant would be able to put himself in a more preferred position than a presently established fisherman under such standards. Therefore, pending the issuance of permanent entry permits the commission is authorized to issue interim entry permits to any bona fide applicant. Such interim permits will confer no special claim on a permanent entry permit; they will not amount to a "grandfather right." For this reason, the rush of speculative applicants wanting to be "grandfathered in" should be avoided. The standard that applicants be ready, willing and able to fish will also help to quell any rush of applicants, and it will eliminate the holders of "paper licenses."

There are several reasons for not implementing an entry permit program through the existing licensing system. To begin with, the commercial fishing license system serves all species, not just salmon. Certain types of gear licenses are peculiar to salmon, but using gear licenses as a basis for entry limitation would mean breaking part of the licensing system away from the whole, and would be cumbersome to administer. Furthermore, licensing is an annual event for revenue purposes, and the legal assumptions underlying a license differ substantially from the entry permit, which carries with it the permanent right of renewal.

The desire to protect any "grandfather rights" which might be subsequently conferred by the Legislature has made a bad situation worse in many areas by encouraging some people to fish who might otherwise sit a season out or fish for different species during low run years. The entry permit program will alleviate this particular problem. It does not require a permit holder to fish every year in order to maintain his right to fish, although after five years of abstention his permit would revert to the commission. The result will be a benefit to those actually fishing during low run years.

The bill also allows a fisherman to hold more than one entry permit so that he may fish different types of gear and different species. However, it imposes a practical limit on the holding of multiple permits since a fisherman may fish only one legal unit of gear at any given time, and he may not delegate his right to fish a unit of gear to another person.

One last feature of the bill which requires explanation is the transferability of entry permits. Initially, entry permits to a given fishery will not "cost" anything other than the permit fee, but since the number of permits will be limited, they will acquire a value. Transferability allows entry permits to be bought and sold on the market, but it will not permit a speculative market to develop. An entry permit will confer upon the holder a personal right to operate a unit of gear in the salmon fishery. Individuals may sell and transfer permits, but a permit would have no real value to one not using it to fish. Transferability will allow some individuals to change location or fish more types of gear by acquiring more than one permit. This feature is aimed at encouraging a flexible growth and professionalization of the fishery and will have more application as additional species come under the jurisdiction of the commission. A permit-holder cannot hire an agent to fish his permit, therefore the processors cannot control the fishery through such a permit system and monopoly tendencies by processors or fishermen are avoided. Transferability will also allow permits to be passed on within a family, and can be used to allow a fisherman to sell out of one area and move into another without upsetting the total amount of gear in each area.

The bill calls for a January 1, 1974 deadline by which the commission must issue interim entry permits. Since these are available to anyone ready, willing and able to fish, this step in the permit procedure should cause no significant disturbance to the 1974 commercial fishing season. It simply allows the commission to establish a system for issuing permits, and it eliminates "paper license" holders prior to the 1974 fishing season. The commission's principal work for some time will be to gather and analyze the data necessary for establishing regulations to determine priority categories for the

reissuance of permanent entry permits. After that it must receive applications, and gather and evaluate evidence of qualifications before actually issuing permanent entry permits. Recognizing the size and complexity of the salmon fishery, it is my optimistic hope that, at the soonest, the commission may be able to make final decisions regarding the issuance of permanent entry permits for at least some areas in early 1975.

Effect Upon the Fishermen and the Processing Industry

The proposal presented here would result in the exclusion over a few years time of some resident and non-resident fishermen presently fishing in some areas of the State. The individuals excluded would be those least dependent upon the fishery for their livelihood, and those with the shortest history of participation in the fishery, as determined by the commission. The commission's task would be complex and difficult, but the only alternative is the economic destitution of a much larger number of fishermen. The burden of exclusion should fall mostly upon the part-time fishermen with alternative primary sources of livelihood.

Another class of fishermen who would probably fail to qualify for entry permits are those who have not paid State income tax during recent years. Income tax records will be a prime source of evidence for use in the commission's determination of an applicant's qualifications. Tax records should accurately reflect one measure of economic dependence, and verify active participation in the fishery. Preliminary research indicates that in 1969 almost 30% of those individuals holding vessel operators licenses for that year either failed to file a tax return at all (more than 20%) or failed to report any income (profit and loss statement) from fishing. It seems reasonable to expect that individuals in present violation of State tax laws will either fail to make application for an entry permit, or if applying will have great difficulty in qualifying for one.

A statewide entry limitation program for the salmon fishery will also have a noticeable impact upon the salmon processing industry. The primary reason for this is that the bargaining position of fishermen, both individually and collectively, will be greatly improved in the long run. However, there is no reason why this

limited entry program should disrupt the established patterns for the 1973 and 1974 fishing seasons. Canneries will continue to stake individual fishermen in return for their share of the catch. Once permanent entry permits are issued, though, the processors will be limited to those fishermen holding permits, plus their crews, and since an entry permit can only be held by a fisherman, it cannot fall under the legal control of a processing company or its agents.

Report to the Legislature

The limited entry study group is now preparing a comprehensive report to be presented to the Legislature in the next few weeks on the results of its work so far. The group will also continue over the next six months to develop and refine the proposals and analysis discussed here, building on the sound concepts already established. One example of work underway is an extensive survey of the present and potential involvement of Alaska natives in the commercial salmon fishery. This study will take until late spring to complete and is important to any sound evaluation of the human impacts of limited entry.

In addition to the establishment of the commission, I recommend continuing the work of this limited entry study group beyond fiscal 1973. The work regarding salmon which has been started should be completed; there is much basic information that has never been collected and organized regarding this fishery that would be extremely important for the implementation of any limited entry program. There is also a longer-range need to study the desirability of limited entry in other Alaskan fisheries, such as king crab and shrimp, where a pattern of excessive participation has developed.

To summarize, this bill provides a means for regulating entry into Alaska's commercial fisheries. While it has been designed to have broad applicability, it is directed initially at limiting entry into the State's salmon fisheries because the need for effective action there is greatest. Implementation of the bill will allow better management of the fisheries, and it will allow the opportunity for growth, diversification and modernization of

WILLIAM A. EGAN
GOVERNOR



the fishing fleet. Most important, it will improve the lot of the fisherman, allowing him stable livelihood from commercial fishing.

Sincerely,

William A. Egan
Governor

Misc.

3/26-27/73 I final draft

Side 1

000 - 44 INTRO

45 - Dave Jackman, recap and summary
& Bill

144 - use right - has no obligation to compensate
on property

270 - cut off date discussion by Jackman

615 - 73 season discussion

74 season compared future

621 - if limit use permit was so fishery
would not be closed arbitrarily during
74 season

683 - Beach Seine / Purse Seine - Richey

Side 2

000 - discussion of income tax law

050 - Buyback

756 - End

III - 26-VI/73 Final Drafts

000 - Property + taxation

154 - Optimum numbers

185 - Fletcher insists on availability of alternative occupation

282 - rate of return for "reasonable" similar to wage and other

422 - discussion of economic efficiency
Hammond - Palmer - Fletcher - Sachman
(in relation to optimum numbers)

687 Hammond on bidding + buy back program

SIDE II

000 - Buy-Back

51 - discussion of issue more permits

74 - transfer

275 - transfer of permits - mortgage and encumbrances

650 - Hammond on Transfers
transfers only for those below optimum #

IV 26-27/73

Side 1

IV ax-Tillion on a means of quick reduction to optimum numbers by means of tranfers
A + B permit

91 - Types of commissions that would be allowed

139 - economic vested interest and permit holders
Clear that this would apply to aquire a permit

235 - entry permit, commissions could hold

300's - designate ~~fish~~ species (p. 3 #5 of bill)

410 - hyphenate interim-use

460 - transfer - gear to gear transfers

Side 2

110 - discussion of cut off date relevant to fishers
140 having limited entry in late years - ADASIAK JACKMAN, PRINCE and others (Fletcher)
prevent load year rush
Fletcher - as to have a little retroactivity as a lot of the law does

245 - Hardship standards and exceeding max No.

400's minty clamfecation
and maximum number — grandfather right

VI 26-27

(Sonic) SIDE 1

000 - Buy Back

083 - back to interim - use permit question - leaving open during time ~~f~~ before entire permit are waived - confine to those that actually want to go fishing

↓ hardship standards

End

Side 2 - interim use permit and "severely impaired" fisheries. Letter on legislative

129 - discussion of gear license holders U.S. commercial license

200 - military service

↓ gear license holders only may apply

300 13 transfer of permit from store Not safety - minor econ. hardship

650 - fair mkt value for such transfers

COMMITTEE TAPES INVENTORY COMMITTEE:

YEAR 1973 Page

Misc. Information: CSSB39 Limited Entry: Special Committee on Fisheries

| TAPE # | DATE | BILL NUMBER/SIGNIFICANT INFORMATION |
|---|---|---|
| 1 | 1/24 | Public Hearing |
| 2 | 1/30 | Work Session |
| 3-4 | 2/5 | Work Session |
| 5 | 2/6 | Work Session |
| 6-7 | 2/9 | Work Session |
| 8-9 | 2/13 | Work Session |
| 10 | 2/16 | Work Session |
| 11 | 2/21 | Public Hearing; Industry Testimony |
| 12-15 | 2/22 | Work Session, Prof. Fletcher |
| 16 | 3/2 | Work Session |
| 17 | 3/6 | Work Session |
| 18 | 3/9 | Work Session, Fletcher proposal |
| 19-20 | 3/13 | Public Hearing - UFA Testimony |
| 21-22 | 3/20 | Public Hearing |
| 23-28 | 3/26-27 | Work Session - Final Draft |
| 29 | 3/30 | Final Committee Meeting |
| 30-32 | 1/29 | House Resources Hearing HB126 |

TAPE V II/6 CSSB 39: Final Draft Meetings 3/26-27/73

Side 1:

This side was primiarily involved with discussing the buy-back program.

85-100

090 Some reference is made to putting a lid on the gear now.

105-210 Primarily John Radars comments on the improbability of completing a program within the year other than to allow a grandfathering type provision. He also felt that any other program would be hampered with trying to define hardship. Radar wanted to give everyone a permit this year and than work down. Responses were made that most fishermen oppose this type of proposal.

Side 2:

202 Some feeling that the Commission would have to pay for all those who did not get in.

270-295

275 Some mention is made over the concern for a flooding in of applicants this year. A large concern.

350 It was implied that maximum numbers were to be set as soon as the Commission was established. Also that the Commission would have the discretion to set maximum numbers immediately for those fisheries that are in need of it.

Ray Pastorino

TAPE I 3/2/73 Work Session:

Side 1:

023 Standards for establishing optimum units of gear. Discussion on expanding the powers of the Commission to raise or lower optimum numbers on other that a long range basis.

378 Inference that the primary and immediate concern was for the Salmon fisheries.

423 Specific qualifications of applicants - Discussion of availability of alternative occupations and the cost of living index.

Side 2:

The content of this side is primarily aimed at the question of availability of alternative occupations, transferability of permits and the Hammond proposal to let everybody in for the coming year. There is also a great deal of discussion about how best to exclude non-residents in a legal manner. I would not recommend using this tape for anything.

TAPE II 3/6/73 Work Session:

Side 1:

This side begins with a reading of House changes and recommendations on the original bill. Included therein was a proposal to establish a seperate program for the troll fishery. Said program would distinquish between hand and power troll and would award permits to any power troller who had fished at least one out of the last three years.

X
281— end

281-305 Question alluded to of whether or not to allow full entry in 1973, and to establish controls subsequent to the time at which hard data would be available to determine what the impact of gear levels would be. It was felt at the time that there was no way that they could calculate those applicants who would transfer their permits and which would hold on to them for speculative purposes. At 322 a request is made to contact the ADF&G to find out what statistics were available. These results were read to the committe subsequently, and shortly thereafter it appears that the meeting broke up.

Side 2: Blank

TAPE III 3/9/73 Work Session - Fletcher P[illegible]sal

Side 1:

070 A question arose in reference to establishing maximum numbers for the fisheries. It was flet that maximum numbers would be established by the commission as they considered each fishery. No final decision was made, it was shelfed.

135 Expiration of interim-use permits, considered at this time to be left to the discretion of the Commission.

165-400 General discussion on the standards for initial issuance of entry permits.

525 Reference is made to those individuals who just bought gear licenses in 1972 who had crewed in all years prior to that time, and to what catagorie of hardship they would be classified.

565-625 If an entry permit is denied to an eligible applicant full compensation will be made for the loss in economic value of his investment. Reasonable compensation for direct economic loss was discussed for perhaps 15 minutes. It was felt that the Commission should make said compensation within a two year period of time.

Side 2:

100 Reference is made to those circumstances when one gear operator may operate the gear of a vessel other than his own, to eliviate hard circumstances.

TAPE IV 3/26-27/73 Final Draft Meetings I/6

Side 1:

This tape was primarily directed at discussing the ramifications of transferability and re-issuance of permits under the Jackman proposal and an earlier version which would place applicants into one or another of several catagories based upon hardship. These programs were contrasted with a possible moratorium.

Side 2:

065 Discussion about who will be cut by the hardship classifications, especially those in catagories 1, 2, and 3.

315 A brief reference was made to imposing a non-transferable permit to those fisherman who have never held a gear license before who are just now getting into the fishing effort.

450-600 Free transferability of permits is discussed along with the Buy Back program.

Rivera

~~V~~ 26-27 Final draft

Side 1

Palmer / Fletcher / Jackman / ADJOURN

000 - continued discussion of hardship

200's - optimum numbers

336 Closing - never have a closed period
suggested putting notice on the
360 interim-use permit

390 propaganda to stop influx of gear

400's continued discussion of allowing interim-use permit in fisheries in relation to cut-off date

Fletcher maintains these are non-legal barriers

500's Continued discussion of qualification date.

several points on legal attack - qualification date

SIDE 2

000 MAXimum number - discussion

100's Fishers that will have L.E. in the
200's future

350's Buy-back

450's Burbach - whether to purchase boat or
500's not

↓ give salvage value only - Jackman

END Buy back

# A PERFORMANCE REVIEW
# OF THE
# OFFICE OF THE GOVERNOR
# COMMERCIAL FISHERIES ENTRY COMMISSION
# (and related aspects of)
# THE DEPARTMENT OF FISH AND GAME
# AND
# THE DEPARTMENT OF PUBLIC SAFETY

May 15, 1979

referenced 37 (a)

| | |
|---|---|
| Governor, State of Alaska | Jay S. Hammond |

Commercial Fisheries Entry Commission

| | |
|---|---|
| Commissioner | Robert J. Simon |
| Commissioner | John Williams |
| Commissioner | (Vacant) |
| Commissioner, Department of Fish and Game | Ronald O. Skoog |
| Commissioner, Department of Public Safety | William R. Nix |

Cook Inlet areas. The Board of Fisheries has decided to retain the prohibition against fishing more than one salmon registration area per year until such time as the number of units of gear in the salmon net fisheries has been reduced to an optimum number. During the past six years there have been only four public proposals to delete the single area requirement. The user groups were evenly divided on the issue and the Board rejected the proposals.

A buy-back program that allows a fisherman to retain only single area permits may not be in his best interest. It would lock him into that fishery, whereas under existing regulations he has the flexibility of deciding what area he wants to fish for that year.

Recommendation No. 11

The Board of Fisheries should avoid establishing regulations and policies for which the major purpose is to allocate fisheries resources between different commercial fisheries.

In Recommendation No. 11 the Division of Legislative Audit suggests that the Board of Fisheries should avoid establishing regulations and policies for which the major purpose is to allocate fisheries resources between different commercial fisheries. An opinion from the Division of Legal Services, Legislative Affairs, goes even further. It suggests that the Board's authority is confined to biological development and conservation issues. The purpose of this reply is to dissent from the Division of Legislative Audit's formal recommendation and to refute the legal conclusion upon which it rests.

The organic statutes for the Board of Fisheries (AS 16.05.221,.251) state that the Board is established for two purposes: "the conservation and development of the fishery resources of the state." To accomplish those purposes, the Board is granted the power to make regulations (AS 16.05.251). At least twice annually, the Board of Fisheries goes through extensive public hearings in order to promulgate the regulations it considers advisable to effectuate the purposes for which the Legislature created the Board (AS 44.62.010 et. seq.). The powers which the Legislature granted to the Board of Fisheries are far-reaching (AS 16.05.251). A comprehensive and detailed review of those powers is beyond the scope of this response.

The Board of Fisheries is the primary regulatory agency for the conservation and development of the State's fishery resources. The Commissioner, Alaska Department of Fish and Game, also enjoys certain regulatory powers (AS 16.05.010, .020(2),(3), 16.05.050,.060,.270) but his role is generally that of the chief executive officer of the Department of Fish and Game. The Board of Fisheries may properly be seen as the regulatory arm of the Executive Branch for fishery resources.

In their exercise of rule-making authority, the Board of Fisheries is obligated to follow applicable Alaska Statutes and the Alaska Constitution. The statutes most germane to the role of the Board have been mentioned above. The discussion which follows will concern itself exclusively with the mandates of the Alaska Constitution.

# LIMITED ENTRY

(1.) H. Resources Committee 1973 - papers on file: CSHB126 - 3 folders
CSSB39 - 15 folders

(2.) Cassette tapes "Work session" CSSB39 Limited Entry: Spec. Comm. on Fisheries
(Att'y General's office/Archives have some tapes on this)
29 cassettes in library under general topic.

(3.) Limited Entry - Joint Interim Committee 1978-1979

(4.) LAA file:
Report on the meetings of the House Interim Committee on Fisheries and the Senate Special Comm. on Fisheries
Sept. Dec. 1973 LAA.

1977 amendments - look up

~~2-12-73~~ V 2-9-73 I Side 1 254 → 333 touches on cutoff date

~~Hhhh~~ Numbers are for sony Digital Counter

~~9~~ 2-~~9~~-73 I Side 1 ~~3~~ 3067 to 333

Paddy Try to work in B/B only,
Tillion
Palmer discussed [illegible] that w/out gear
Gardner
Flavin just talked about 5 in 68 + % of gear skyrocketed.

→ 254 – Gardiner what would be the matter with... ~~Zeff~~ through

290 – DSI. not by gear, hand troll separate.

640? → 021 of side 2 Separate spool on – hand troll from power troll –
(65) Palmer – were going to do that anyway
(confusion between ~~Flavin~~ Tillion + hand troll)
to end – Tillion – you have to have 1 power troll and 2 ... 1 up between sides but

Flip to side 2
~~to back side 1~~ Tillion later – make sure that when they sell that license it can only go to a troll boat operation!
Kelley – almost impossible to pull out hand troll ...? (vague)

1200 Tillion – the hand troll fishery shall not be considered part of the gillnet or power troll fishery + long surrounding on both sides

2

2-13-73
I side 2

Ntlg. (discuss on transferability)

2-13-73 II side 1

008 more transfer discuss

017 DSJ even dep despite caution favorable, we hope constitutionly.

170-191 ? Always have some pro who felt by wayside, fishery might now.

2-13-73 I side 1

000 Transferability + alternatives discussion.

Lottery, Flexing parts for minimize tying to lottery.

375-Daniel; buyback reverts effect initial windfall gain. (what about non-buyback fisheries)

410 - Reder - windfall gain to (at present) of fishers. Can/can't be to pay for res.

2-13-73 I side 2

000 → transferbly, lottery, skilled.

(3)

2-13-73 I side 2

265 → transfbty + elts

285 Plows explaining how gears will be reduced
some ref in initial packet.
(the ? safety.) (might be
tchg ref to experience with
as something from earlier discussion)

2-13-73 II side 1

nthg Public testimony on
various aspects of bill.

FB

| | Tapes: | date | |
|---|---|---|---|
| ✓ | I/1 | 1/30/73 | ✓ Side 2; 510ff inferred need for date; no specific discussion |
| ✓ | I/2 | 2/5/73 | — 0 — |
| ✓ | II/2 | 2/5/73 | Side 1: 135ff specific discussion of date<br>Side 2: blank |
| ✓ | I/1 | 2/6/73 | Side 1: — 0 —<br>Side 2: — 0 — |

---

I/1 1/30/73

ft Side 1
000 start Species

Commissioners: appointment & removal, qualifications

Limiting units of gear

end 765
Side 2
000 Applications & appeals

Tax delinquencies

Level of gear & reductions - buyback

510- Recent boat buyers problem if they don't get permits, mention of existing 2/10 prior years & years prior to enactment - & qualification date inferred.

648 end side 2

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I/2 2/5/73

Side 1
000 start Econ dep & past participation - & Categories

762 end Methods of reduction of # ## buyback

Side 2

000 start buyback & assessments; economics - thru bill

425 "species" included; Commissioners;

770 end.

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II/2 2/5/73

Side 1
000 135 Qualifs as of 1972, not 72, etc. Effective date req. Debate on closing class. When date should be [349 blank - 755]

Side 2
000 - 760 blank

I/1 2/6/73

Side 1
000 -

Jackman
Rader
Jael (Bennett)
Dean Paddock
Flavin

750 end ~~103~~ Compensation, Classifications
transfers (725 - 750 end)

Side 2
000

transfers (000 - ) & 5 year moratorium
assesments

667 end

667 - 760 blank