

SCOMM

#31:3

_____: ...it does look like we are going to have to meet in the evening most of the time to get our work done. There are just too many conflicts otherwise. Mike, you've been working so much on this, you are probably much more familiar with our proposal than I am at this point, why don't you go ahead and point out the main things that we have changed and anytime anybody's got a question or a comment, why just ask it.

_____: Jim, do you have an extra copy?

_____: Yes. This is not a formal meeting at all. This is just a get-together, a work session to kick this thing around and see what kind of ideas we have for the bill. What we think needs to be in it. Whether this meets some of our objectives or not.

_____: These are the ones from Legal Services?

_____: Right, Legal Services, and then the Buy Back.

_____: _____ Legal Services in this package?

_____: Yea, right on the second one that looks like it is a piece of the bill starting off with "Applicant Pool" at the top of the line. That's from Legal Services. It wasn't checked back. It has one problem constitutionally according to the Attorney Generals office.

_____: I think it would be easier at this point just to work through the Governor's Bill that has the additions on it. Most of those additions and deletions and everything should go pretty rapidly. Then if we have any problem, get

to the Buy Back assessment and then this Legal Services language. The first change is on page two. To include all commercial species, this is pretty much a feeling of a number of people. There is one problem with halibut.

_____: I'd say you should include species, but you might not be able to shut off the licenses, but you should take it under. But until we can negotiate a deal with Canada that equitably divides the catch, any effort we reduce just will mean a greater catch for the Canadians. They _____ limited entry on their salmon. And what they have done is they found that modernizes their _____ of salmon vessels and puts them into a trolling fleet, and they have gone up to 60% of the catch on trolling where they were 40% here about four years ago.

_____: How does everybody envision this happening with the growing fishery that hasn't been harvested up to that time. The commission will just automatically issue them up until the point in time when they thought that there was some problem?

_____: No.

_____: Or until Fish and Game thought there was some problem?

_____: They would try to estimate how many the fishery could handle.

_____: Well, take black cod in Southeast Alaska. There is no way of estimating because nobody, right now, it is

going to just burst wide open, because everybody is buying pots to go black cod fishing with pots.

_____: Well, I'll tell you, with the harvest of black cod, the unit effort has already leveled out.

_____: No. That's in the northern half of Southeast. Nobody harvests below Petersburg. And these guys, they are going to start going out. Dixon Entrance is probably one of the richest areas of black cod in the whole west coast and that is only being fished by the Japanese and other people. So they are going to start moving out beyond the three miles and stuff like that. I don't know how you reason this out as being _____ until some point when for some reason somebody thinks there is a need.

_____: Well, if you don't think there is a danger now you haven't studied the _____ coast. The impact in the north, to call one stock.

_____: He is asking, how do you ensure?

_____: Well, the thing is that you... Unless you have a treaty that protects your half, you are liable to have more entries that you want before you can shut off. But I say you certainly want to shut off your territorial water.

_____: Well, on page five anyway, we talk about standards at the bottom of that and you say you mention a number of units of gear, or each type of gear, and for each administrative unit. So be established by the commission based upon the number of units of gear necessary to harvest peak runs based

on a six days a week fishery, and for as long a season as is feasible. So when it is a new fishery opening up, they can establish the maximum amount of gear necessary to harvest that fishery. To the best of their knowledge. Now it also provides, on page six, that they can increase the maximum number of units of gear, when certain all these things have happened. We did not give them the power to decrease. If we did that we would be right back to where we are in the beginning. Does that answer your questions, Terry, at all?

TERRY_____: Yea. I'm just not sure that I... (Indiscernible) There is only one guy who has been black cod fishing in the whole... (Indiscernible) Now say, 30 guys are going to go in. Well, if I were on the commission I wouldn't have any idea what is there. You would have to say, well, only fifteen guys can go in.

_____: You might add on the side of conservation for a change. I'd like to see somebody go that.

_____: Go easy and gradually give..(indiscernible)

TERRY_____: Well, see, none of these guys participated in the black cod fishery, so you would just have to have a lottery I guess. And the way black cod season is, it is almost year around too. And so, I just couldn't see it working as well.

_____: It is really not our worry because it doesn't leave _____ that very plainly to the commission. If

If you don't want the commission, then I'll have to figure that out. By then we need a biological staff.

_____: Okay.

_____: Did you get all the copies?

_____: I gues so.

_____: Okay, well I think maybe he has got some more stuff.

_____: I'm sorry I'm late, I really thought it was tomorrow night.

_____: What happened to Mike?

_____: He got called out.

_____: We just finished on page two...

_____: I have a question Bob. When you take all commercial species does that include everything? Crab, shrimp?

_____: Crab, shrimp, sea urchines.

_____: Anything _____. See, if we limited our south fleet to four boats, they could have fished forever. Allowing the over supply wiped us out.

_____: Are you going to run off?

_____: (Indiscernible)

_____: Okay. Now, while it includes all commercial species here, we don't lay out guidelines or specific means by which we determine who will be qualified to fish, other than in the salmon net fishery in this bill. We may want to include some standards or some specifications for shrimp and crab here, but these other things we leave to the

commission. But because we have included all species, it does give them the power to set up some standards.

_____: You say _____ that they might set up standards that are not in compliance with what we might have them do...Do you see any possibilities? I don't know anything about the fisheries of shrimp?

_____: Well, I think we have given them... We have said as I _____ on page five, the bill is set for a maximum amount of gear in relation to what is needed to harvest it and so on. And we give them broad guidelines and all we can do is give them a chance to make it work, and if they don't, then we'll come back and amend. But we do have time to do that for these other species. The salmon we have got to do something about now. As I see it.

_____: Well, I tell you, for shrimp and crab you have got to do something now. Because there is a few areas that the shrimp are not maximized yet. But in the Kodiak area they have already overharvested. In my area they are right up to peak. In otherwords, anything in addition is going to hurt. And so you have got to cover it. It is like, you wouldn't to leave out the northern part of Alaska today because this is the one place that you probably could stand a little bit of an increase, you know, in some of the areas, but not much more, before you would be facing the same problem there as we are facing here. So now is the time. It would be painless to do it up there

because you wouldn't have to take anybody's license.

_____: Okay. Well let's see how we are going to try to do it as far as salmon is concerned and then we will see if that same method will fit _____. Joe, anytime you have any comments, please don't hesitate. Again, this is not a formal meeting. We are just trying to work this thing around.

_____: Well at this point I have a lot of questions. I don't really know what you are doing.

_____: Okay.

_____: _____ whether or not you are going to rule anybody out of the fishery right off the bat? Or let them die a slow death.

_____: Again, we will have to debate that issue when we get there. And we haven't gotten there yet. So let's hold off on that for just a little bit. We are down to term of office, I think, on page two. Why don't you go ahead Mike?

MIKE _____: From the USA meeting and all the other hearings we had here, the fishermen are scared to death of the commission. And the politics involved. Everyone seems to have felt that it was a good idea to stagger the term of office and there was a great deal of comment about the governor's act _____ the Board of Fish and Game here in the past, and its removal only for cause. And it was suggested that the commissioners could only be removed

for _____.

_____: The point being that the Board of Fish and Game members can supposedly only be removed for cause, but we have seen what has happened in the past, therefore, they want to tie it down more strictly. Is malfeasance adequate or do we need that term malfeasance, or misfeasance?

_____: I think both terms perhaps should be in there.

_____: Okay.

_____: Usually it is misfeasance and nonfeasance. I'm not sure whether malfeasance might be the same as misfeasance.

_____: Well would you check into the proper language.

_____: The staff could work it out. It is just that they didn't want them removable for anything except gross violation of their job. And if you don't want this, bring that issue up now, where the actual terminology could be left to the staff.

_____: Yes. I might point out to the committee members that this is -- there has been no attempt to use proper legal language. We are just trying for context and ideas.

_____: Alright. Well, what do you think, first of all, about the concept of staggered terms? Do you think that is important?

_____: Yes.

_____: What do you think about the concept of more... of tying this down to more than just removal for cause? That there has got to be some malfeasance or misfeasance

or whatever the terminology winds up being, in office before they can be removed?

_____: Do you have three year terms?

_____: Well, four year terms. Except the first ones.

_____: Except the first ones. But even for governor, now, actually when you have got, one, two and three year terms as well as the four year terms, probably, well, there is only three members...

_____: One for two, one for two, one for four. Joe?

JOE _____: I just wanted to ask Mike or whoever put that word in, what is the difference between cause and malfeasance?

_____: I don't know. Now this is language that Adasiak....

_____: I can answer that one. What the rule was when they removed the Fish and Game Board for cause, they just said because the Governor didn't like his looks.

_____: Well, that just at the pleasure of the Governor.

_____: No. The Board of Fish and Game is not at the pleasure of the Governor because he was removed for cause. And he says, because I didn't like the rulings they make.

_____: And that was the cause?

_____: That was the cause and they removed them.

_____: (Indiscernible -- several speaking at once)

_____: Hickie is the one who did it. He said, because I don't like the way they are doing their job.

_____: Well isn't this whole point a very good one, that in other places we do have cause defined?

_____: Yes. If you want to you can. Again, I would say why not leave that to the staff to decide whether we want them nonremovable except for a gross violation of their trust.

_____: It can't be just at the whim. And use cause as an excuse. Okay. Are we generally in agreement with that concept then?

_____: Well, I have a reservation Mr. Chairman. Of course there is the other side of the coin too. _____ could make a mistake and we could make a mistake in confirming somebody. And you don't want to make it impossible to get him out of there.

_____: The only way you can -- the legislature can overrule anything they do by concurrent resolution, even if they couldn't remove him. You always have the legislative route.

_____: Does this commission (indiscernible)

_____: Yes. I hope that there are no fishermen on it really. I'd just as soon not...

_____: Is that what everybody seems to think is best, just a three man committee?

_____: I don't know. But it ranges all the way from five to three, some want area representation, I think actually that is the one thing that Joe McGill and I are agreed on. He says, for God's sake keep the fishermen off it. They have such a narrow, prejudice view, that you are much better off to let a commission like this operate. In fact, I would

suggest that we spell into it that no one serving on the commission may own any interest in either a fishing operation or a processing operation.

_____: What about somebody with a fisheries background?
I think there are people around that have some background, not biology but...

_____: Give _____ credit for a little bit of brains, you know.

_____: We do that so often and are disappointed too.

_____: (Indiscernible -- several talking at once)

_____: Mark, you know that if you look at things that have happened on the Fish and Game Board, that's scary.

_____: It sure is.

_____: This is why I think, in there you have a vested interest built in between sport and commercial and all that. And I'd say that that is the mistake.

_____: Actually, I think regarding the Fish and Game Board, you are looking at a Board more like Public Utilities.

_____: This is what it is. Quasi judicial.

_____: You mean something like CUD?

_____: Couldn't we say ICC? They administer fairly nice. CUD is a bumble.

_____: Are we squared around on the _____ terms?

_____: Why don't we go on to page three and 050 when we talk about qualifications. I wonder if we shouldn't leave the language we have but simply add the kinds of

things the claimant is talking about. The fishermen shall have at the present time no interest in any operation or something of that nature, put in that kind of language.

_____: I would go even further, I would say that he requires an attorney, that you shouldn't require an attorney, you shouldn't require a fisherman. They can hire that. Why should one of them have to be an attorney? You know?

_____: Okay.

_____: The Game Commission has been the brunt of that mistake. However, ones that are fairly small, and have somebody that is not directly involved...

_____: Well, are you saying to just simply strike out the qualifications?

_____: Three men who don't have a material interest in the industry.

_____: How are you going to write the qualifications? That he has to go through college? Or that...

_____: No, just say that the person shall not have any interest in, as we said before, in...

_____: Yes. But what I'm saying is that they shouldn't...

_____: ...cannery or fishing.

_____: It doesn't have to be an attorney. He doesn't have to be a fisheries specialist.

_____: Not have to be - he should not be.

_____: Well, I would say off-hand, that if he wanted to pick an attorney, fine. But you shouldn't say that it has to be an attorney or has to be a fisherman, remove that

requirement of what it has to be. Because they can hire that.

_____: Well, I don't know. Maybe... That's how it should, but if you look at what happened. The governor _____ there wasn't anything that anybody seems to agree with, specially the fishermen, that probably (indiscernible)

_____: It does apply.

_____: You know the three who wrote it? They put a lot of work in it, but don't pull that. Not three guys drug off the street. The thing is you took an attorney that know nothing about fish. You took Hickie's old press man, Al Adasiak, and you took Litowski, a young kid that don't... this was his first crack at anything, you know. And they did it fine. But I'm saying you just pull three men off the street.

_____: I think they had a little more qualifications than that.

_____: Well, give the Governor that much credit that he is not going to put a moron on. Because he didn't put a moron on the bunch who wrote the bill.

_____: Terry, do you think that sentence that one member shall have been a commercial fisherman, should stay there?

_____: (Indiscernible -- several talking)

_____: I think if you just that someone who has a background in commercial fisheries, but not in the fishery now.

_____: Do you really want to tie it down at all?
_____: I don't know.. it's too early for me to tell yet.
_____: I'd rather not tie it down for the fisherman
or the lawyer.

_____: On the other hand, you want three professional
board members.

_____: Yes. I don't think you get the manager of the
Prince Rupert Fishery Cooperative is a retired wheat farmer
as was your general manager previous to that. They wanted
somebody who did not want have a fisheries background because
it automatically prejudices them. And that is the most
successful coop on the Pacific Coast.

_____: Well, this comes up to the basic premis of
this whole bill. We are not talking about fish. We are
not talking about commercial fish. We are talking about
economic need of a resource. That has nothing to do with
the amount of fish necessarily. It is just a product.
You have to understand the product. The question is in
terms of weeding out a mass of people who are harvesting
that product. Whether it is wheat, whether it is fish or
moose.

_____: And really the fishery is so diverse that no one
commercial fisherman is going to be able to understand
necessarily, from his previous experience, the fishing
situations in all these various areas of the state. So
you are almost as well starting from scratch with somebody
that knows nothing about any of them.

_____: If I was to list three that I wanted, it would be three bankers whose banks made no loans in the commercial fisheries area.

_____: Mr. Chairman, I would think that your people ought to have some background, some kind of expertise, to know what the hell they are dealing with.

_____: They probably will...

_____: If it is in the past tense. Just simply put in, one shall have been but is not currently a commercial fisherman.

_____: Then would you want to leave the lawyer in too? The one who has to be a lawyer? That puts it down to a pretty small, elite group. Or can you just hire the lawyer for legal talent?

_____: Most attorneys are prostitutes to begin with.
(Laughing by all -- several talking at once)

BILL _____: Something that was suggested down here when I had all these fishermen together was perhaps we might get two men from an area being considered not having boating rights however.

_____: (Indiscernible)

_____: I would really prefer not to have fishermen anywhere near the _____ myself.

_____: I don't think you are going to be able to sell that though. Don't you really think the people are going to say, hey, this commission is going to be so important

to fisheries, that somebody has got to be there who really has some experience in fisheries?

_____: I would much rather have no one from the fisheries industry unless -- I would be happy if I thought the fishing man was going to be a year round commercial oriented fisherman, a twelve month a year man. But rather than risk getting a summertime commercial fisherman, I would rather have none. And I think each area would say, rather than having a man from some other area, I'd rather have a man that didn't have any. And you can't have one from all areas.

_____: But again, I think...

_____: I mean for western Alaska to have a Southeastern fisherman is terrifying because they have an attachment to Seattle.

_____: Let me ask you something. Don't you think in all reality the Governor is going to appoint this thing -- he'll ... (table thumping -- can't hear)

_____: The governor has agreed to it so why worry.

_____: Yea, the governor doesn't really mind. Why don't you just say, put in the spot that you can have -- Leave three commissioners who have no monetary, no vested interest in any aspect of the Alaskan fisheries.

_____: Which means if a guy has his son fishing his boat, he can't serve.

_____: I don't mean that at all.

_____: That is a vested interest.

_____: Oh, come on now.

_____: You bet your life it is.

_____: If you are engaged full time in that statue business and Willy has got a boat out for fishery, you do not have any vested interest in the fishery.

_____: I didn't say that. If he is fishing my boat. If it is his own boat, okay, fine. But if it is my boat, that is a vested interest because I'm going to get a share of what he catches.

_____: Okay. I didn't understand. Alright, what is your feeling?

_____: I'd say take it out.

_____: Too many windmills -- leave it the way it is. The hell with it. Let the governor do it. If he does it wrong, pass a resolution like Clem says.

_____: George?

George_____: Well you have the option to evaluate the qualifications.

_____: Without qualifications he has flexibility. With qualifications he has none.

_____: I tend to agree with _____ on that (indiscernible)

_____: Alright. Apparently the weight of the majority at this point is the idea that we simply provide three people with the language under the old. They have no vested interest in the commercial fishery. And we do not specify any other qualifications. This is, again, not formal

and the committee as a whole appear -- something that we will bring up for a vote at that time and get an official committee position on it. For a substitute to be drawn up, we'll go that route then at this point.

_____: It seems to me it would be more expensive that way though.

_____: If you do what?

_____: Not to require expertise -- er the commercial fishermen on the fisheries management studies. You are going to find there that they are going to _____.

_____: I think that they are going to have to pick up staff anyway. Because no one man would know the fishery that complete. I have been in the fishery since I was a little kid. There are too many gaps.

_____: The attorney is probably going to have... The individual board members, commission members, will have so much to do that the attorney member can't really be the guy that's practicing law for the commission anyway.

_____: You would have to have staff, you know.

_____: This is line 14, page three. The idea that the commission may retain additional legal counsel in addition to the services of the Attorney General as they feel the need.

_____: The Board has really been hamstrung. The Fish and Game Board, by not having legal counsel when it needed it.

_____: I thought they had an attorney down there?

_____ : No. Only part time. In and out. It has just been really...

_____ : They need a secretary of their own and there isn't any way to (several talking at once)

_____ : This is so that they can retain in-house counsel?

_____ : Yet, you are regulating \$190 million industry and it had better be a good one.

_____ : We have some more important things to get to here so we better move. Any objections to the change on line 14? Alright, go ahead.

_____ : On the bottom of page three, delete "Establish qualifications for issuance of entry permits to gear operators." That's taken care of later on in the bill.

_____ : In other words, we are leading the powers, all the rest of them, to the commission, except for this one specific one, deciding who is going to be in and who is going to be out. And that we put in the bill itself.

_____ : (Indiscernible)

_____ : On page three, we take that power away from the commission.

_____ : Okay. Line 29, page five. Maximum number of units of gear for each type of gear and _____ shall be established by the commission based on the number of units of gear necessary to harvest peak runs based on the six day per week fishery and for as long a season as is feasible. With deletions then, all the way

down to line 73. I guess is a deletion.

_____: So this is the one standard on which the commission is going to decide what the maximum number of units of gear to an area shall be. Simply what is necessary to adequately harvest the run in a peak year based on a six day a week fishery and for a reasonable length season.

_____: Mr. Chairman. What happens if it is not a peak year? What do they do then? Have too much gear?

_____: Well what they will have to do is shorten the seasons and so forth. Like they do all the time now.

_____: Yes. Instead of six -- in order to keep from having an over-harvest, they will have to reduce the amount of time the gear is fishing.

_____: This is the basis for the governor's opting levels, is peak years. And they realize in the low years they are still going to have this problem.

_____: This is a major decision now, about whether you wish to reduce the fishery only to a level of an adequate make-work program or whether you want to reduce it like you did in the oil industry, to a paying operation that can pay us substantial amounts in state taxes. And I would say, off hand, that anyone -- this is a policy decision that you got into some fairly substantial one at this point. Whether you want to _____ in any other factors besides just making the industry healthy. I'd opt

for this because I've seen what it is like on the other coast of the United States. And how we have allowed ourselves to get in the position to where we are buying 70% of our fish. But you know, if it is somebody's work project, it will never get down to where it should be.

_____: I'd be curious. Are you anticipating a slow approach to this or a reduction in a very short period of time?

_____: I would want a very slow approach. I would say 15 to 20 years to reach that level.

_____: _____ that long, do you think?
(indiscernible) six days (indiscernible)

_____: this will apply to more than just the salmon. And I just wondered how much (indiscernible)...when you start getting into other things that really aren't at all concerned with the fishing like trolling, you maybe have to fish fourteen days or halibut or something. (indiscernible)

_____: Where do you see a problem with the troll fleet?
I don't understand that.

_____: They don't base their season on so many days per week. They just fish whenever they want.

_____: Well, that is the point. We are trying to make the thing a full time fishery.

_____: They are based on seven days a week now.

_____: The optimum number -- One of the things is the troll fishery is one that you can't shut off, just like

the halibut fishery, because the Canadians would just flat, would not apply on troll. You know, they are just going to wipe us out if we don't get into something that's... So that is one of the fisheries you can't shut down now anyway because we haven't put our maximum out there.

_____: What I mean is that the troll fleet is based on seven days a week, and you are changing it -- actually you may increase the fleet by saying it is a six day week.

_____: You are saying that...(indiscernible)

_____: Six day week season makes sense for the net fisheries for salmon but I...

_____: He's right. But you might just say, using, necessary to harvest the optimum amount of gear necessary to harvest peak runs and just delete based on a six day week fishery. Based on the necessity to harvest peak runs in an orderly manner and for as long a session as possible. I will go with that one because of the troll fishery. The fact that there might be times when we want to fish them seven days a week.

_____: Do we get into bottom fisheries. crab...

_____: (Indiscernible - several talking)

_____: Well somewhere back in here you are going to have to shut off the new entry and figure out a method of reducing.

_____: Well, what do you think about that _____ event. Based on the number of units of gear necessary to

harvest pink run in an orderly manner and for as long a season as is feasible.

_____: Just in an orderly manner. I don't think we need to add anything else.

_____: If I may interject something. Why don't we just _____ that after pink runs. That would take care of all that.

_____: Well, okay. Because for instance, you can take the run in the peak (Cough) rural end of Cook Inlet and you could wait until those fish were schooled out at the mouths of these rivers. And then you could take a very small amount of gear, relatively speaking, and just sope those fish up like a sponge, right off the river mouths. This would not be good from a conservation standpoint at all. For the canneries or for anybody else. The canneries would be glutted. The fish would get into poor condition, a lot of them. The fish would already be in poor condition because they are so much closer to fresh water. On the other hand, if you start harvesting them down here, in an orderly manner, as soon as _____ come available, and harvest them all the way thro. _____ then you would have a far better quality of product and everything would work a lot better. So this is what we are talking about. That is the reason for the language, and for as long a season as is feasible too. Stretch that thing out. Now maybe it is inherent in the language "in an orderly manner"

And the Department recognizes, I think, that language,
"to an orderly harvest" here. Excuse me. What, John?

JOHN _____: No, that's okay. Fine.

_____: Well, okay. We are at a point then where we
either make a decision. Do we want to use this as the...

Mike, have you got copies of the bill? Okay.

_____: (Indiscernible) What is the definition of
optimum?

_____: Where are we using it?

_____: Are we using it at all? This is the question.

_____: Whether we are using it at all?

_____: The number of units it would be necessary to
harvest peak runs based on peak runs.

_____: In an orderly manner.

_____: In an orderly manner, yes.

_____: For as long a season as is feasible?

_____: I think probably not. Why don't we investigate...

Why don't you do that Mike? Would you check with the
department and see whether they feel that to accomplish
the purpose, and you know what it is, that additional
language is necessary or if "in an orderly manner" is
specific enough for them?

_____: It should be. God Almighty, it should be.

_____: That gets rid of your worry then Terry?

TERRY _____: Yes.

_____: Okay. Any trouble with that concept then? On the language that we have so far.

_____: (Indiscernible) a regular and seasonal method or in an orderly manner.

_____: Well, I don't know. Let's check on that and find out and that's something we can come back to the next time around here. Okay. We are on page six. Go ahead Mike.

MIKE - ____: Line 19, delete "or decrease." The commission may increase the maximum _____ of gear for the type of gear in administrative area. This was deleted. Because of the life or death ability of the commission and if there is a need based on any of these things to decrease, to establish volunteer _____, biologic condition of the fishery, establish long term change in market conditions, those can be regulated by the board as they do now, just by limiting time or gear. So the commission doesn't have the ability to knock people out.

_____: As I recall reading down this cover letter, it is pointed that there is so much here and so many fishermen that it gets to the point that even one element could be disastrous to the whole fishery. And it is impossible to manage it on that basis that you are speaking of here. Could that occur in this case?

_____: Well, we are going to later, in the bill itself, reduce the amount of gear, provide ways for which it shall

further _____ over a period of time. But what we are saying here is that the commission can't do that. The legislature has got to do it.

_____: I understand that. We have got to do it in this bill.

_____: Yes.

_____: In other words, we have got two solutions here that are printed up at the end of the bill, Lowell. One is a buy back, to buy out those when they are willing to sell, whatever it takes. The other is an attrition method. The attrition method has one problem, the Attorney Generals's office says it will be denied all new entry. You've got yourself into a constitutional box. On the other hand, if you get in, you must buy somebody else out, this in effect, at least puts a moratorium on an increased amount. But it doesn't stop new entry. But then, of course, you have inflated the value of the licenses. So that is at the end of the bill. That is one of the stickiest problems and that we haven't gotten to yet here.

_____: That's another question I had.

(Several talking)

_____: No, I just recall that that point was made, that we have so much here and so few fish than even if they limited it to one day or one hour, it could still dessimate the whole fishery because they simply couldn't count, supervise the fishery that closely.

_____: That is the major reason that you have to embark on a limited entry proposal.

_____: Now wait a minute now. I don't understand it here. Because if you are not going to give them the power to decrease the units of gear, and if you had this situation, had very few fish and a hell of a lot of gear relatively speaking,

_____: You would have to shut it down. Fish and Game would have to shut it down. Fish and Game has the right to reduce the amount of gear individual fishermen..... That's different. You are just not giving the commission the power to say, you can fish and he can't. But that is the only power you are taking away from them. The arbitrary decision, if there is an arbitrary decision to make, somewhere at the end of the bill, when we decide which route we go, we make that arbitrary decision so that a fisherman can merely look at the bill and tell whether he is in or out.

_____: Well, are you saying then, in answer to my question, that if the situation is so critical that the board says no fishing whatsoever. We can't even let you fish for two hours.

_____: Not only the board but the commissioner in an hours time, can _____ the whole thing. The emergency closure, if we reach that point, where it is so critical...

_____: You are able to do it?

_____: Yes.

_____: Or he could reduce the amount of gear down to such a small amount that it could...

_____: You are saying that instead of 160 fathoms of gear you are limited then to 10,000.

_____: You mean the commissioner of Fish and Game can do that?

_____: The commissioner of Fish and Game can set the time down. The Board can set the amount of gear down, if there is any advance warning. The commissioner has the power to open and close.

_____: The board can limit the gear but this group can't.

_____: That's right. That is still a function of the Board of Fish and Game.

_____: The board of Bristol Bay this year, instead of fishing 150 fathoms of gear on, they are only able to fish 30 fathoms of gear, through this body.

_____: I think a question now, in terms of your _____ is that if we put a moritorium on at this point in time, is Fish and Game board going to decrease the amount of days or the gear to fish. At this point in time to help reduce or save what fish there are? Is that question, one, critical? two, are they going to do it if it is critical? I think that not only this committee but probably the legislature is going to have to have some proof.

_____: Did you follow that?

_____: No.

_____: I don't think I did either. Run through it again.

_____: Well, Okay. The thing was, initially, the governor came out with the recommendation that gear be reduced. Now you are saying that gear is not going to be reduced but there is going to be a moritorium.

_____: We are not saying that.

_____: Well, in essence this is what it is.

_____: No, we are saying that these people are not going to decrease their gear. We are saying back here that this (Band) reduces the gear. The legislature does it, not the commission.

_____: Assuming there is a buy back privilege for example, which...(several talking at once)

_____: We have done some other things back here too, that reduced the amount of gear.

_____: That would force a reduction?

_____: Yes.

_____: At what percentage?

_____: I don't know yet. That's what we are going to have to find out when we get the computer run out.

_____: He's got all the returns. How does this apply in terms of the total number of fishing licenses that are given out each year? Which would put a moritorium on however -- of that total there is only, relatively lower percentage that is actually utilized.

_____: Right

_____: When you read through the bill on Friday...

_____: That again, is this the information we asked from Rich?

_____: Yes. It is supposed...

_____: It is supposed to be confidential until their report comes out.

_____: As you get into the bill you start to understand that we have got some information on tax delinquencies, some information on fishing rates, and information on Alaska native fisherman, commercial vessel, and salmon gear licenses and statewide registration areas. Which, this is all part of the governor's study that isn't out yet and we have been getting bits and pieces of it as we feel the need. And they have asked that it does remain confidential until it is released.

_____: Indiscernible.

_____: No. Probably a fresh rundown of the bill would help, Bob. _____ these subjects were coming up later on.

_____: Okay. Well, let's go ahead then.

_____: One question. I don't know if I am just foreseeing something that really might not develop but is section 3 on page 7, there at the top it says, that an established _____ by the board. What we want to change in their policy, the commission names the maximum number of units, well, what I foresee here is a

_____ pressure being put on the board to reduce the gear, 100 fathom net to a 50 fathom net, and then the Board wouldn't have to, it says they may, but being pressured by the nature of the way this is worded, then increase the number of fishermen.

_____: Yes, but of course, we have already said what the maximum units of gear shall be. Those required...

_____: But you said they may increase the maximum number of units.

_____: You have to have some way of doing that Terry, if a run recovers or in a new fishery.

_____: Yes, but I'm talking about section 3, a change of the Fish and Game Board policy. See, it might put a lot of pressure on _____ do this. (Indiscernible) If they changed the number, the size of your net, or whatever type of gear you are using, then that would be a reason for increasing the number of fishermen. (end of tape)

_____: ...that gives some idea of the turnover rates, its on the third page.

_____: Wait a minute.

_____: It is the precedent here.

_____: I understand that, but... He wants it to be kept confidential for how long? Until after that report comes out?

_____: Until the report is out.

_____: When is the report coming out?

_____: They are trying to get it out this next week.

_____: Alright. Let's do this then. Why don't we leave this at this point, for right now. Knowing that there are lots of alternatives that we could look at and that the final decision is going to be based on these numbers.

_____: Okay. Go on this concept and we will work the numbers around as necessary to see where we are going to start on them.

_____: Let's understand that we are looking at this kind of a thing, its going to depend upon what the numbers show, let's go on through the bill and see what we can do about this matter as far as confidentiality and so on. I don't want to abuse the opportunity that they have given us here.

_____: I can keep a secret.

_____: (several speaking)

_____: Do you feel that we should state how the fishermen can or should crew to the satisfaction of the commission, that they know who is...

_____: Leave it up to the commission.

_____: It would be up to the commission. They have an appeals board in the commission, in the bill. If they have any problems proving, by the commission's standards... Say the commission uses fish ^{Tickets} ~~dates~~ and the individual doesn't have fish tickets, he can still go before the commission for a hearing. And this is going to be a problem in a lot

rural areas especially.

_____: Yes. Where the father made all the deliveries even though there were several...

_____: Right. Now there is a problem here, say, with any kind of family operation where the father does. All the fish are sold under the father's name. All the fish tickets are issued under the father's name and yet the son was actively participating in the fishery.

_____: And had a gear license.

_____: And had a gear license but doesn't have the fish tickets to prove that he was active. This is going to be a problem.

_____: Yes, but this one could handle all of them...

_____: ...but we should put in a perjury clause so that if anybody acquires a license by a fraudulent means, say like an additional license, then this license is destroyed upon conviction.

_____: Well, what do you use to protect the person that has to prove such a point?

_____: Let's go this way. Here is a perfect example of it. He is sitting right here all these years, he has fished for me, with me. He is registered for gear and _____. But much of the time the fish have been sold under my name. Okay. But on the same token, on each side of us there are families all up and down the beach, everybody goes, and who has been there was fishing. So I would assume that affidavits signed by the fishermen on

either side of us, saying Lee Palmer was there during those years and actively fishing with gear. You've got the fish and game records to show that he was licensed. All we need is satisfactory proof.

_____: What I am wondering is that you know how to go about doing this. But in order to protect the person that does not know.

_____: Yes, but the commission is going to have to set up these things. To provide these ways of doing things.

(Several talking at once)

_____: There is only two areas that have these, set net areas, and you are talking about 3,500 locations, total, isn't it? Bristol Bay & Cook Inlet are just about it, with one little spot at _____ Bay, they are nearly all related. It is almost entirely a resident fishery.

_____: Indiscernible

_____: Well that's what I said, Thumble Bay. It is on the south end of Kodiak. But very few. You watch, I think it is going to be easy to catch this one. The one you will have trouble with will be the fishermen who obviously, was out there gill netting, and now he claims that he fished crab too. And he has got to be able to prove that. If he acquires a license by fraudulent proof, his license is violated, and if he gets two people to swear and it turns out that it was illegal, then they should have to forfeit their licenses too. And then you will find that there won't be anybody swearing unless they know.

_____ : Do we need to research the income tax, where they come in under this provision of proof?

_____ : Yes. Oh, excuse me?

_____ : By the commission?

_____ : Well we've included it in paragraph (b) _____ required that tax delinquent gear operators to tell the department of Revenue violations of the permit.

_____ : The question arose during the last fisheries meeting as to the possibility that the commission be able to look into income tax. And this is in regard to economic need.

_____ : Right.

_____ : Now, when that question arises in a situation such as this. Without need being a criteria?

_____ : No. (Several speaking at once) As I understand, The Department of Revenue at this time has a master tape of all tax delinquent fishermen. And we have a breakout of percent, tax delinquency by area, from the Governor's Study Group.

_____ : About 50% of these are non-residents and there is just no way because you can't catch them out there.

_____ : Oh, 50%?

_____ : They are just about half and half. And some of them you just can't get your hands on, but when he comes back for his license, you have a chance to get your hands on him, and he doesn't get a license.

_____: Does this include the ghost licenses, are they included in that figure of 50% that haven't paid?

_____: That's probable. In which case many of them haven't paid because they haven't caught them.

_____: These are vessel operators?

_____: Vessel operators?

_____: Oh, well then that doesn't include the ghost licenses at all. You have a way of getting rid of your paper licenses.

_____: And we also have some figures on paper registration for some areas for some types of gear. As an example, here in southeastern, 1971, drift net-27% paper registration, purse seine-15%, total 29%. Prince William Sound, drift net-15%, purse seine-6%. Kodiak, set net-42%, purse seine-8%. Cook Inlet, drift net-35%, set net-40%. Bristol Bay, drift net-8%, set net-50%.

_____: Do you know anything about this problem I heard mentioned where there might be a problem, constitutionally and legally, trying to tie in _____ just legally a problem of trying to tie in the income tax requirement with... They way they were going to do it was tie it in to a degree of economic dependence upon the fishery.

_____: They said they could.

_____: Yes. But they said that if you tried to use the income tax requirement by itself, which according to this new language, you would be using it by yourself, that you kind of... not related.

_____: Your only requirement is.. to pay his back taxes.
Before he can get an entry permit.

_____: Well, I still think that that might be a problem
from what they were talking about.

_____: I remember what you said was that you could not
require that a man swear that he had paid his taxes before
he applies for a license that is available to everybody. But
as soon as you have a closed entry, where you are giving
a \$50 permit, you can...

_____: It would be like requiring that I pay my taxes before
they let me vote. Or something like this.

(Several talking at once)

_____: Okay. I might even look into it.

(Indiscernible)

_____: You can't. Yes. I knew you couldn't make a man
sign one of those releases before he got his license.

_____: Alright. Let's go ahead. Save time. Basically
what we are doing here is, Mike, is this correct? That we
have already decided who is going to be qualified under
this previous page, so now we are simply eliminating all
these other things that the commission shall do with regard
to issuance and simply say that the commission shall issue
an entry permit to all qualified applicants. And on the
previous page we are going to study who is qualified. But
you are leaving the rest of it. Right?

_____: Right.

_____: Can we go back for a second. Under the qualifications, those who fished in any three of the past ten years, do you have any rough idea of how many license holders would be ruled out?

_____: No I don't really. That is what I was...

_____: If you are worrying about ruling somebody out, unfairly...

_____: I'm really not. I'm just wondering, if you don't knock some of these guys out, what are we doing?

_____: Well, I certainly recommend a buy-back and just buy them out. You know. The pay-in system _____ has been criticized a great deal, has brought, within three years, the fleet from 7 thousand boats to 5 thousand boats. And I will admit that the 5 thousand boats that are left, they are getting pretty fancy because the guy suddenly has a future. Also, the average age of a fisherman has dropped from 55 to 28 in that same period. Because the young want in, where they didn't before. So I think, you know, buy-back has some inherent problems in that it does raise the price of a license very high and they accept, the individual fisherman, these fees to pay for this. You have to have safeguards with the canneries don't end up with the licenses such as one license to a corporation. You have to, if you can work something in to keep the license from having an inflated value, one license in British Columbia sold for \$30,000 this year. Because that is the

only way you can get into the fishery is to buy somebody else out. And that is what we want, you know. There are these problems, but the thing is that -- you have to decide somewhere and they just postponed it here. Do we want to just arbitrarily to cut a chunk of fishermen out and say "you are no longer a fisherman" or do we want to buy them out. And if we want to buy them out, preferably the way I would approach it, even though it would cost more, and then just assess the fishermen. Because only the fishermen bought the fisherman out.

_____: We just put this kind of language in here to indicate what one of the possibilities might be. And when I go on by this now, I'm not suggesting that we adopt that language, rather that we wait and see what the computer printout says as to what we're doing in numbers of gear.

_____: I'll talk to Terry on that one later because the one way you can keep from hurting the kids that just entered is by making it two out of ten. Because this year a whole bunch of paper licenses, that automatically squeezes the paper license out if you didn't get last season in. He's out, you know.

_____: Mike, do you want to go ahead?

_____: (Indiscernible)

_____: Well, I don't know. That whole buy-back program is a real matter of discussion yet, so let's hold off on it until we get there. Go ahead.

_____: Okay. Continuing on over to page ten. The Board of _____ of that previous section. There is a question here, it has been discussed that there is an annual fee of \$50 for the issuance and annual renewal of entry permits. This is straight across the board. There is a possibility of a 3:1 differential in there, just as in salmon net gear in fishing licenses.

_____: It seems to me that any time we can do that we ought to.

_____: If the Attorney General says we can get away with it, or our staff, yes. But I'm a little hazy on whether this entry permit....

_____: Shall we adopt a _____ position, temporarily, at least, that if there could be a 3:1 resident versus non-resident, or non-resident vs. resident, if the AG's office feels that we can do that, that it so be a part of the bill?

_____: Yes.

_____: Okay.

_____: We tried 5:1 on licenses once and they were struck down in the court. You are allowed a differential that is enough to pay for the cost of going out and going through a legal process of extraditing the man back and his transportation back. And that is all the differential you are allowed. Because the 14th Amendment says that all

Persons in the U.S. may be -

_____. Well, I think that is pretty well established, that if either one is okay. We don't know about anything else, whether we want to bring in anything else in this bill is really not.... established.

_____: Okay on page eleven, all we have added is an... under penalty. I don't know exactly what happened but... Anyway, I've got an _____ copy that I've got. Under penalties we are adding a section (b).

_____: That appears on page 13?

_____: That appears on... oh, I see. It appears on the wrong page. We are adding section b. "The person giving false information to the commission is guilty of perjury and upon conviction shall forfeit all existing entry permits to the commission."

_____: Do we want....

_____: This is in line with our problems with obtaining an entry permit. The qualifications for it say that you have to be a participant. If they have to go on the basis of affidavits, from other fishermen, this ties it down a little more closely.

_____: Okay. I can hear Mr. Ziegler now, Senator Ziegler, saying "suppose it was an accident, he didn't know at the time he was giving false information, and now you have taken away his license."

_____: He will put in "willfully and knowingly" in there.

_____: That's what I was going to say.

_____: You can just see him doing it. But don't worry about it. It will never get past Ziegler without a "willfully and knowingly" in every....

_____: Well, there is no sense in it getting to anyone else without having it in there ourselves, that's the point.

_____: Yes, but I don't really (cough).

_____: And I'm wondering. (several talking indiscernibly)

_____: Now, do we want to tie it down further to say that a person getting, wilfully and knowingly giving false information to qualify himself or another...

_____: ..acquiring a license _____ false information, that would be the easiest so that he wouldn't be entitled to the license if it was true. But the big thing is, which you will find, is some of them that are entitled to several different types of gear licenses will fudge a little on the third. For instance, hey, I _____ fished halibut for ten years.

_____: Boy, you make it sound like fishermen are biggest crooks in the world.

_____: No. They are just human.

_____: And they are all crooks.

_____: (Several talking at once)

_____: As long as it is unlimited they will cheat and steal, but you just watch. That's the first thing the Canadians said they noticed, was the fact that one Canadian was very happy to land on another one that went

upon behind the marker or something, because he was treating it as if it was his own. And as long as it belongs to the public, he didn't care. So as soon as you freeze the licenses, you are going to find a much more law-abiding, bunch of people.

_____: Okay. I think we have largely gone through the existing bill. We have got some other add-ins here. And what we essentially have done in this bill that we just looked at now, I think what we essentially have done is to say that we shall still have a commission that shall administer this thing, but we have removed the discretion from the commission and instead, by law, established who shall qualify. We did that on page 8, under what every language we ultimately adopt there. Now, apparently, most of us want to allow about as much gear as is fishing now without any great increase or without any significant increase in the amount of gear as is there now, otherwise we haven't done anything. If we can reasonably reduce the amount of gear, through a 3, any three out of ten year, something like that. Some kind of language. And then, if that reduced, and we can do it reasonably, I think we generally want to do so, though, again, that hasn't been established. Starting with net, level of gear, we then want to reduce down gradually to what we have earlier called the maximum amount of gear necessary to harvest the run in a reasonable manner, in an orderly

manner. Now to reduce gear we are going to try to do that first of all, if feasible by _____, then by this buy-back, then I guess generally that is it. Is there anything else we are doing to reduce gear?

_____: Don't it also get reduced by the income tax law allocations?

_____: They have the right to come anteup.

_____: if they don't choose to pay the back taxes, and we hope, indirectly, by the result of the assessments against the people that stay in because of the buy-back provision. Now that's probably very unclear at this point but why don't you go ahead and then maybe it will become clear as we go along. Mike, do you want to take, which one of these first. Applicant pool or?

_____: No let's take buy back. The applicant pool is language that we recieved from legal services. They feel that there is a real problem in the transferability of the permit. We can change that.

_____: Yes. The legal services want, one, has that one problem, which probably could be controlled _____. I for instance wouldn't care if you went for a straight buy back where the property became, where the license, once you qualified, became a property right and you could just sell it for whatever you could get for it. This would mean that your buy-back funds would have to assess the other fishermen fairly high to buy this man out. Or

whether you want to use an attrition method where no one can sell his,... One of the methods that they asked for was that no man could sell his license at all. Not being able to fish, the license lapses to the state. And this has a terrific hardship on somebody who has invested \$60,000 or \$100,000 worth of boat and then suddenly the old man dies and that's the end of the license. I prefer the buy back system but legal services has some arguments in here. What it is, a good argument on their part, was when a person wants to sell his license, let him. But he may only sell it to a person who meets the apprenticeship qualifications. In other words, it is not on an open market itself, the state keeps a list of apprenticeship people and a person who has served so many years on it, or graduated from one of the maritime fishing schools, is on this list and when you say, I want to sell it, the state established an assessed valuation price and this person on the list picks up the license.

_____ : Bob, do you anticipate that we will have an opportunity to hear from Legal Services on.....?

_____ : Yes.

_____ : Now, getting back to the same thing, this transfer of entry permit. They have two proposals, legal services does, just basically, they deal with real problems because these _____ property items are going to be valuable and that come a lean, long winter, people will be selling

then and giving up their rights to the fishery.

_____: Alright. Before we get into that, why don't you go ahead and take this buy back provision so we all understand what we are doing there and...

_____: Once again, it is conceptual. There are one hell of a lot of various options. This is not necessarily the answer. Okay. Add a 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 _____ until such time as the optimum level of that type of gear _____."

_____: Okay. I think you are going to have a language difficulty with "willing gear operators" but then, that can be worked out too. But the content is that if they want to sell out, the commission will buy them out.

_____: They would have the first chance?

_____: No. They can sell to whoever they want, but in section a, value of property thus transferred shall be determined by the commission. The commission may establish whatever value is necessary to encourage transfer to the state. So in other words, the state has to outbid. (Several talking)

_____: This would inflate the property, but it has one big advantage constitutionally, in that at that point, you don't have a legal limited entry. It becomes like farming, anybody can be a farmer, all he has to do is buy a farm.

Anybody can become a fisherman, because you have a buy-out on one of these licenses.

_____: One question that I have about the legality of the constitution. Would the state encourage any sales to the state _____?

_____: I don't know.

_____: Well, probably, it would have to prove that it inhibits sale to anybody else. But I think you would still find that the, within family units like we have here in Alaska, that the Uncle tends to sell to his nephew without regard to the state. He will sell directly within the family unit.

_____: Well, but again, since this takes place (coughing) ...maximum level of gear have been reached, it would stand much better constitutional grounds because of that than if it were a long term..... situation.

_____: Right. Yes, once the optimum level is reached then the thing you have got to realize, like for instance on the Yukon and Kuskokwim, the optimum level is, I believe, a little under on the Yukon and just about even on the Kuskokwim.

_____: Present levels you mean?

_____: Present levels. So in this case, they just get a valid permit because _____. And that would be it. The commission would really have very little to say to them. They could sell their licenses to whoever they wish, handle it anyway they want. At this point, as I was saying

to John, it would behoove the native corporations in that area to step in and make sure that they have funds available so that licenses stay within their own community rather than getting bought up by some buy living in Anchorage.

_____: Can you buy a lot of paper licenses?

_____: Well, this is what that other qualification was for. That you must have fished three of the last ten years to...

_____: ...license for that...

_____: But actively participated and that will pile your paper a lot. And you know, the speculation _____ to begin with.

_____: Okay. Is there an advantage to paying more the first year and reducing it down each year after that that you are going to pay? Start with a higher amount and try to get them out the first year.

_____: What, what. Oh, I'd say, the buy back provision, the way this is worded, the commission has great flexibility in this area themselves, and they would decide, for instance, some areas like Bristol Bay, is imparative that you get some people out rather quickly, while in southeastern Alaska there isn't any big rush to get the gill netters out, just so long as you don't allow an increase. They are just slightly over number now and they can still earn a living as long as you don't have another big influx come in.

_____ : In Canada, what are they doing?

_____ : One license this year sold for \$30,000.

_____ : What kind of a boat was sold with it?

_____ : No, this was the license.

_____ : Just the license? (Several talking)

_____ : Well, the boat goes with it, but I mean. The boat, from what I gather was a complete junker.

_____ : Well, why would that one sell for more than others then, if the boat...

_____ : Well, the think is that that is the highest peak so far for one of these little gill nets. Most of the gill netters have been selling for \$5,000, somewhere around there.

_____ : Well, why would one sell for \$30,000 when others have sold for \$5,000?

_____ : Because there are none moving. They have dropped their gillnet fleet down to where it is damned hard to make anybody sell.

_____ : Do you remember that information we got last year.....

_____ : And somebody just offered \$30,000, finally, just to get a license. He wanted to go fishing and he just kept bidding it up until he got one of them to sell.

_____ : Alright, so you are not saying that the commissioner of the province bought it for \$30,000. An individual was willing to pay that.

_____: Increase in _____, there is in the _____ study, there is one table there that did do an average increase in value. I think over the past three years. I haven't had a chance to work it up percentage wise.

_____: (Indiscernible)

_____: Mike, would you summarize what we accomplish on the first page of that buy back provision?

MIKE _____: Okay. In section (b), entry permits thus transferred shall be invalidated and cannot be reissued. And we go on to (c). In other words, _____ that are buy outs, just invalidate. Increasing rate of attrition. (c) Fishing gear thus transferred from the _____ public auction. Then we get into this, possible problem area and the wording and everything is going to have to be worked out. First is a fishing vessel by valid entry permit holders shall be limited to vessels _____ if the entry holder is operating _____. What we are trying to do there is eliminate the possibility of a guy getting _____ windfall, a state subsidized windfall, by purchasing... He has an entry permit and at public auction he picks up a vessel for much reduced value where the state has paid a very high value for this same vessel. Also, getting into this replacement problem that they had in British Columbia. Guys were going out and the first year they had a 15 ton vessel and they were going out and buying a 30 ton vessel and increasing the productive capacity of the fleet to the point that it was starting

to negate their buy-back program. That was the latest information that we had. We are waiting on some additional information from British Columbia on some _____ evaluations of their program.

_____: But essentially, this page is to do what? Is to hurry up attrition?

_____: Right.

_____: By buying out those people that would like to get out?

_____: Right.

_____: And to encourage the state doing it rather than an individual?

_____: Right. Rather than keeping it in the fishery, removing these individuals from the fishery.

_____: Do we have any idea how many we would like to sell?

_____: It could vary so much, for instance Lowell, that in... you have to do it district by district. You couldn't expect the southeast gill netter that's still making a fair living to sell out as cheaply as some Cook Inlet gill netter that's flat starving to death. So what you have is your assessment on the fishermen to pay for the buy back. It would to be by your area and by type of gear. You couldn't ask a seiner to pay an assessment to buy a gill netter out. So the seiners would have an assessment to buy seiners out. A gillnetter would have an assessment against your

license. And what they did in British Columbia, they started it off that all the fishermen in the salmon area paid \$100 a year to the buyback fund. And the problems with the buy back, more than that. And now the fisheries have reduced, they are paying as high as \$300 a fisherman to the buy back fund. Now what you would probably do is appropriate something like \$5 million which had to be reimbursed by assessment against licenses, and you would find in some areas, this would move so slowly that the assessments wouldn't be very high. In other words, areas where there is still a good living to be made in it, and the only person selling out would be one retiring who didn't have a family to pass it to.

_____ : In other words, there is no way to really predict what the impact to this would be?

_____ : Except that there is no intention for the state to pay it. The intention is that whatever it costs, will be assessed back to those fishermen who remain in the fishery. They are the ones that pay.

_____ : In other words, there is no impact on the state's finances.

_____ : (Indiscernible)

_____ : What the state might do is finance, in which they should have the right to interest it on. They might finance instead of making the guy pay it out suddenly, they might finance it over a ten or fifteen year pay back. But

the fisherman's license, _____ licenses would be assessed for the period long enough to retire the total debt that this type of fisher accumulates.

_____: Now, on the next page however, we do have a different situation. On the next page we are saying that if a guy last year bought a boat for \$30,000, and he doesn't meet the qualifications that we establish here for a fisherman. In other words, he is not going to be able to be in the fishery and he is not going to be one of them that can sell out to the state instead, he simply will not be able to go fishing. And here he is sitting with a boat. Now, there is no market for the boat. And he is going to get hurt. Then we are going to have to compensate him for that.

_____: Indiscernible

_____: Well,...

_____: Indiscernible

_____: One of the easiest criteria to follow this problem, we would let a few more in so it would solve the problem by just saying, have to fish two out of the last ten years. That means if you bought a license last year, which you have had to have at this point, and then fishes this year, because our effective date can't be until after this one starts, he will have qualified. But if he buys one this year, he won't have his time in and then you won't have to pay him anything.

_____: I would like to see very definitely that everything

we do applies to people that fished prior to this year. That anybody that sees this thing happening and runs out now,

_____ fishery this year, period, they are out.

But if a guy started fishing last year and bought a boat, and because of our restrictions here he is not going to be able to fish anymore, we do have a moral obligation I think to compensate him for his loss. Now when we talk about 100% of the vessel, for instance, if that is what it is, will have some value. So what we compensate him for would be the difference in the actual market value now, and what it was or would have been had he still been able to fish with it.

_____ : Right.

_____ : It says, "reasonably compensate" which looks to be a very broad term. But if you look at page 12 of the governor's bill. "Reasonable compensation means the lesser of either the cost of acquiring by transfer and purchasing equivalent entry permit for the same registration area, or the difference in value between the fair market value of the gear without an entry permit and the fair market value of the gear with an entry permit. "

_____ : You guys are talking about all kinds of fish now. But some guy who has been a crew member on a crab boat for the last ten years, is _____ for a \$300,000 crab boat, just last year. Wow.

_____ : This is why I would suggest two out of the last ten years. Because then the person that you are really screening out is the person that rushed down to buy a license after the governor had put this thing....

_____ : (Several speaking at once)

_____ : Then I would include... What happens.... See these have already been bought. They have already issued '73 licenses. Before the 90 day provision of this bill can go in, in fact even without it, there will be people (bang) fishing this year already. Like the fellow that is fishing this year trolling.

_____ : One to two years out of ten, now this is only salmon gear license holders, would be about 15%.

_____ : That's the reason we can't really make any decision until we get a look at those numbers and see what we are talking about.

_____ : Yes, but screening 15% of...

_____ : ..of 27,000. About 4,137 people.

_____ : Look the think that you are looking at. The thing that is confusing, is the area concept. In Southeastern Alaska, that concept would work very well in the gill net fishery. Because if you accomplish nothing else, passing this bill and screening out those that bought the licenses in a hurry, like Joe Orsini was saying, I'd better get down and buy a license, it might be the last year I can. And I said, well, you know, unless I fail absolute flat, that license won't be worth a thing in the end.

_____ : I just went down and bought a boat, what do you mean?

_____ : Yes. But you know, you can take care of that. Gugenbichtler of the Wrangell Fishermen's Association was here and his was the most direct of the presentations last night. And he said, "we are for limited entry. We think you should be fairly lenient if screening out those who rush to get the licenses at the last minute and those who have never fished them, and then we are willing to _____. We would like to see it go by attrition." But at least if you stop the new entry, what happened in Canada when they froze these licenses which had a real detrimental effect on the American fishery, incidentally, was the people immediately modernized. You know, the fellow who had a little junk gill netter, bought a fairly big boat with a substantial holding tank to keep his fish in and rigged it for trolling as well because the trolling then could move outside of Canadian waters and move into the American sector and what they did was they moved their troll fishery up from 40% to 60% in those three years. They have had their share. So what they have done is they have put their fisheries on a paying basis at the expense of the Americans. The same with their halibut which is now up to 65% of the catch where two years ago they offered to split it down the middle and we didn't want to split because we were a little ahead. The Canadians are going to, if they

have limited entry in B.C. and we don't have limited entry, they are going to butcher us. At the Straits of Juandefuca this year, the Canadian fishermen fished four days for his allowable half of the run, per week. And we got two 12 hour periods for the total season for the American fleet. Our fish that we were catching in Puget Sound, were going for 45¢ a pound until the Canadian boats showed up in the Puget Sound at our cannery, at 17¢, just flat busted the Americans right out of the game. We just sat there and let them do it to us.

_____: An employee of the Canadians could what, afford to sell at 17¢ per pound because they were getting many more fish?

T. Allen: Oh yeah. They were getting boatloads you know. While the American was getting a couple of fish.

_____: Well, we've known for quite a while.. (end of tape)