

SB

180

Comments of Dr Jack Van Hyning
at Fairbanks Public hearing
March 8, 1975

(Jw)

I would also like to comment on Senate Bills 180 and 181, relating to the private nonprofit salmon hatchery legislation passed by the 1974 session.

It may come as somewhat of a surprise to you to learn that Alaska's first private salmon hatchery corporation is headquartered here in Fairbanks. We also have the first provisional permit. Our hatchery, however, is located in Prince William Sound, on an island near Whittier, and in our group in addition to myself we have a Cordova commercial fisherman and an Anchorage businessman. Incidentally, the private hatchery concept originated in Oregon.

With reservations we endorse Senate Bill 180 which refers to the Department of Fish & Game making every effort, within the limits of time and resources, to assist and advice applicants in the planning, construction or operation of private salmon hatcheries. I find that the Department personnel are already committed to this philosophy, but submit that they will not be able to adequately carry out the mandate of such legislation without adequate funding. At the very least there should be a full-time coordinator or liason between the Department and the private hatchery operators. In the future there will be additional personnel needed to monitor the hatcheries for diseases, etc. On the other hand, I would warn against creating another empire of state government for the express purpose of assisting private industry. There are a number of consultants, advisors,

and engineering firms that specialize in this field and are available for working with the private sector in the design and operation of salmon hatcheries. These are private businessmen, taxpayers, and they should not have to compete with tax-supported government agencies. There should be a clear policy on the respective roles of the state staff and private advisors.

We strongly endorse Senate Bill 181 which extends the Commercial Fishing Loan Act to include private hatcheries. The only addition I might request to this would be a delayed payment option. Unlike a fishing boat which can start fishing immediately, private hatcheries will not receive any income for from 2 to 5 years after the beginning of operations. Therefore I suggest that a minimum 2-year delay be considered before the first repayment, as is the case with the federal farm loan program.

I would also like to ask the legislature to consider a change in the Renewable Resources Fund Act. As I understand this legislation, these funds will go to the state for projects dealing with the enhancement of renewable resources. Presumably some could be contracted to universities and other bodies for research and other work, but if Murphy's principle prevails a bureaucracy will expand to fill any vacancy in space or funds. Whether it be 5 or 50 million dollars, I am sure our state agencies will rise to the occasion. I urge that there be some mechanism set up whereby a portion of these funds can be set aside for use by qualified private concerns in research and development projects -- programs to benefit fishermen's organizations, farmers' groups, etc. For example, the Cordova fishermen's aquaculture program, under the leadership of Wally Noerenberg, with adequate funding could do great things in the rehabilitation of Prince William Sound fisheries. Persons familiar with Alaska's agricultural problems could probably cite similar examples.

Obviously there needs to be strong guidelines and control, but perhaps private industry could do a job cheaper, faster, better and more efficiently than a state agency.

Thank you.

SB

181

"An Act relating to loans for the construction of hatchery facilities; and providing for an effective date."

COMMITTEE REPORT

5/5/75

HOUSE

FINANCE

Mr. Speaker:

Date 5-12-75

The Committee on RESOURCES has had CSSE 181

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:

Nels A. Anderson, Bill S. ...

...

...

...

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Nels A. Anderson, Chairman



PRINCE WILLIAM SOUND AQUACULTURE CORPORATION

SB 181

A regional non-profit organization for the enhancement of fisheries.

*Wallace H. Noerenberg
Executive Director*

*P.O. Box 1110
Cordova, Alaska 99574
(907) 424-3411*

May 7, 1975

Honorable Nels Anderson
Chairman, Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Anderson:

This is to urge passage of CSSB 181, which has been passed by the Senate and is presently under consideration by the House.

Our regional non-profit corporation is planning a major salmon rehabilitation program for Prince William Sound and the Copper River fisheries. The Board governing our actions is composed of State, City of Valdez, City of Cordova, Chugach Natives, Inc., three native village corporations, fishermen's marketing association and fish processors representatives. That is, all elements of the Sound area interested in economic viability through fisheries rehabilitation. Our program will be thoroughly integrated with that of the State via a jointly developed masterplan.

We anticipate our corporation, especially in the next three years before Prudhoe oil monies accrue to the State, will have to finance construction of most of the egg incubation hatcheries necessary for rehabilitation. Passage of CSSB 181 would greatly assist financing of initial phases of our program. Remaining early financing will come primarily through self-assessment of the fishermen catches at 2¢ per fish and matching grants from salmon processors.

Our preliminary permit application for a hatchery at the non-operating Port San Juan cannery has been approved by Commissioner Brooks. We have negotiated a long term lease with New England Fish Company for use of Port San Juan, thus greatly reducing the cost of our first

Honorable Nels Anderson

May 7, 1975

installation, a 20-million pink salmon egg unit. Our ability to construct this installation and take eggs in the summer of 1975 depends largely on our ability to borrow from the State fishermen's revolving loan fund, as provided in CSSB 181.

Sincerely yours,

Wallace H. Noerenberg
pd

Wallace H. Noerenberg
Executive Director

WHN/pd

cc: Senator Kerttula
Representative Specking

Cordova Aquatic Marketing Association, Inc. *File*

Producers of Aquatic Products

SB 181

P. O. Box 359
CORDOVA, ALASKA 99574

May 12, 1975

Honorable Nels Anderson
Chairman, Resource Committee
House of Representatives
Pouch V
Juneau, Alaska

Dear Representative Anderson:

This is to request your support for passage of FCSSB 181 which has been passed by the Senate and is presently under consideration by the House. Passage of the bill would greatly assist the Prince William Sound Aquaculture Corporation in financing the initial phases of a salmon rehabilitation program by making non-profit salmon hatcheries eligible for loans from the Commercial Fisherman's Revolving Loan Fund.

We believe that the Prince William Sound Aquaculture Corp. offers us an unprecedented opportunity to help ourselves by building and operating Pink and Chum salmon incubation box facilities in Prince William Sound.

Sincerely,



Robert Blake
President

rb/mh

**Prince William Sound
Processors Association**

Box 254

Cordova, Ak. 99574

May 12, 1975

File
SB 181

Honorable Nels Anderson, Chairman
Resources Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Anderson:

The Prince William Sound Processors Association would like to express its support of Senate Bill Number 181 relating to loan support for construction of hatchery facilities, etc. Our organization is totally dependent upon the fisheries resources of the Prince William Sound area.

We know that for our industry to survive we're going to have to enhance the naturally occurring runs of salmon and we feel that the non-profit hatchery program that has been made possible by recent legislation is one good way of starting this effort. We believe that Senate Bill Number 181 would be effective in providing initial financing for our organization and probably others throughout the State.

We hope that you will give your full support to this measure and make sure that it passes the House as it has the Senate.

Thank you very much for your help and cooperation.

Very truly yours,

Ken Roemhildt

Ken Roemhildt, President

KR/jcs