

HB

267

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: HB 267

BILL NAME: Herring stripping

SPONSOR(S): Fuller

RELATED BILLS PENDING: SB 180

DATE INTRODUCED: 4-6-83

REFERRALS: Resources

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

✓ Rep. Fuller (call & remind)

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Resources

MINUTES

Bettye Fahrenkamp
Chairman

April 13, 1983
3:05 p.m.

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chair
Senator Ziegler, Vice Chair
Senator Sturgulewski

Senator Eliason
Senator Mulcahy
Senator Vic Fischer

CALENDAR

- | | |
|--------|---|
| SJR 21 | Relating to the use of Lake Grace, an area within the Misty Fjords National Monument, for the generation of hydroelectric power for the Ketchikan area. |
| SB 2 | Providing for a license exemption for commercial fishing vessels 24 feet or less. |
| SB 52 | Relating to the licensing of commercial fishing. |
| HB 187 | Relating to regulation, licensing and fee for fur farming. |
| HB 267 | Relating to herring stripping. |

HB 187

Representative Ringstad reviewed the provisions of the bill: (Sec 1) fur farming is redefined; (Sec 2) eliminates fee; (Sec 3) requires Fish and Game to authorize trapping for breedstock without a permit, and; (Sec 4) streamlines importation regulations and permitting.

In response to a question, Rep. Ringstad stated that federal regulations would still be in effect to control importation of diseased animals.

Bob Hinman, of the Department of Fish and Game, said that the department supports CSHB 187 (Res). They approved of Sec. 3, although it reduces fees, because of the small number issued. In response to a question on Sec. 4, Hinman explained that it ended a conflict between Title 16 and Title 3 over control of import permitting.

Commissioner Richard Neve', Department of Environmental Conservation, submitted a statement in support of the bill and announcing a suspension of regulations to study transfer to DNR of this authority.

Senator Sturgulewski moved that CSHB 187 (Res) be reported out of committee with individual recommendations. There was no objection.

SJR 21

Senator Ziegler reviewed the history of the proposed hydro site and the purpose of the resolution. In answer to a question about the authority for approval of the development, he said the resolution is addressed to Congress and the President, for approval of the transmission line along with the hydro development.

The US Forest Service submitted a letter stating that administrative authority to accommodate the development was possible. Senator Ziegler moved that SJR 21 be reported out of committee with individual recommendations. There was no objection.

HB 267

Senator Mulcahy reported on the testimony heard in the Fisheries Subcommittee hearing on HB 267, which supported the extension of the date from July 1, 1982 to July 1, 1986.

Senator Mulcahy moved that HB 267 be reported out of committee with individual recommendations. There was no objection.

SB ?

Senator Mulcahy moved that a committee substitute for SB 2 be adopted. There was no objection.

Senator Mulcahy said the purpose of the bill is to exempt from licensing the small boat fleet because of the short season for salmon and herring fishing from skiffs. Currently all boats are licensed.

Sgt. Buell Russell, Department of Public Safety, Fish and Wildlife Protection Division, testified that the department had no problem with the bill.

Senator Mulcahy moved CSSB 2 from committee with individual recommendations. There was no objections.

SB 52

Senator Mulcahy moved the committee substitute for SB 52. There was no objection. Senator Mulcahy referred to the sectional analysis and said the bill is basically technical changes. In response to concerns on residency requirement, Senator Mulcahy said that the requirement could be made to conform to other legislation or court decisions if necessary.

Senator Fanrenkamp agreed that the bill was housekeeping changes.

Senator Mulcahy moved CSSB 169 (Res) from committee with individual recommendations. There were no objections.

The meeting adjourned at 3:40 p.m.



Alaska State Legislature

Senate

RESOURCES SUBCOMMITTEE ON FISHERIES

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1983

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SB 180 (identical to HB 267)

The subcommittee has taken testimony and reports SB 180 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	<u>Bob Mulcahy</u>	<u>No Pass</u>
Senator Eliason	<u>Al Eliason</u>	<u>NO REC</u>
Senator Gilman	<u>Don Gilman</u>	<u>No Pass</u>



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Fish and Game	Sponsor (Principal) Ferguson	Bill Number SB 180
Department Position Neutral		
Division Director Steven Pennoyer <i>SP</i>	Date 3/16/83	Commissioner's Signature Don W. Collinsworth <i>DK for DW</i> Date 3-17-83

GOVERNOR'S OFFICE USE

Comments:

Position Noted By _____ Date _____

SUMMARY

1. a) Related Bills (Similar or Conflicting) HB 267	1. b) Other Agencies Affected by Bill Dept. of Environmental Conservation
2. a) Organizational Support for Bill Unknown	2. b) Organizational Opposition to Bill Unknown
3. Program Effects of Bill None	
4. Fiscal Impact: <input checked="" type="checkbox"/> None <input type="checkbox"/> Fiscal Note Attached	
5. Amendments Proposed: None	

6. Comments:

Stripping of herring roe and in-water disposal of herring carcasses has been allowed for the Bering Sea in the past with no apparent damage to the natural resources of the area. The disposal provision lapsed this year, which will now require that herring carcasses not be wasted. The current non-waste disposal method has been to deliver the carcasses to reduction plants in Kodiak and Seward, but the Kodiak plant will be closed or operating at reduced levels during 1983, making non-wasteful disposal of Bering Sea herring very difficult.

The Board of Fisheries does have a regulation (5 AAC 27.093) in place that will govern carcass disposal in the Bering Sea.

The Department estimates that the Bristol Bay herring fishery may open as early as

the first or second week in May this year. Therefore, to be effective this season, this bill would have to be signed into law no later than April 30.

I. REQUEST

Bill/Resolution No.: SB 180
 Title: Relating to Herring Stripping
 Sponsor: Ferguson
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: Environmental Conservation
 Program Category Affected: Water Quality
 BRU, Program of Subprogram(s) Affected: Environmental Quality Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: [Signature]
 Division: [Signature]
 Approved by Commissioner: [Signature]
 Department: [Signature]

Phone: 465-2153
 Date: 3/7/83
 Date: 3/8/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

Sec. 16.10.173. Utilization of commercially taken herring. (a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, or round herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and § 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56° North Latitude, until January 1, 1979. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9. SLA 1977, provides: "This Act takes effect January 1, 1978."

Article 4. Migratory Fish and Shellfish.

Section	Section
180. Legislative findings	220 Penalties for violation of §§ 200 and
190. Regulations	210 of this chapter
200. Unlawful taking prohibited	230. Exemptions
210. Unlawful sale or offer prohibited	

Sec. 16.10.180. Legislative findings. The legislature finds and recognizes these facts:

(1) Migratory fish and migratory shellfish are present in commercial quantities inside and outside the territorial waters of the state.

(2) Migratory fish and migratory shellfish taken from the waters of the state are indistinguishable, in most cases, from those taken from the adjacent high seas.

(3) Substantial quantities of migratory fish and migratory shellfish move inshore and offshore intermittently and at various times during a given year and in so doing often enter and leave territorial waters of the state.

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outweigh the waste involved in the process.

"(b) It is the policy of the legislature that notwithstanding AS 16.10.173 the disposal of herring carcasses is acceptable only if

"(1) the herring is taken from waters in which the herring population is large enough to support a stripping industry

without substantially reducing the availability of the herring for other uses; and

"(2) the stripping process is conducted in an area of the state where local industry either does not exist or, if it does exist, it is insufficient to provide reasonable economic support to the people who live in the area."

Sec. 16.10.173. Utilization of commercially taken herring.

Editor's notes. — Section 2, ch. 27, SLA 1980 provides: "HERRING STRIPPING.

(a) Notwithstanding AS 16.10.173 and until July 1, 1982, the stripping of commercially taken herring for the purpose of removing and selling the roe product is authorized if the herring is taken from and the carcass disposal process occurs in the Bering Sea.

"(b) The Board of Fisheries shall adopt

regulations in accordance with the Administrative Procedure Act (AS 44.62) [AS 44.62.010 — 44.62.650] regarding disposal of herring carcasses for each administrative area where disposal occurs.

"(c) The provisions of AS 46.03.100 apply to the disposal of herring carcasses under this section."

Sec. 16.10.175. Removal of herring from state. (a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, icing, stripping or salting of the herring; however, it does not include salting of the herring if five percent or more of the body weight of the herring consists of roe. (§ 3 ch 27 SLA 1980)

Article 4. Migratory Fish and Shellfish.

Sec. 16.10.180. Legislative findings.

NOTES TO DECISIONS

A state may reasonably extend its jurisdiction, etc.
See *F/V Am. Eagle*, ADF&G No. 39 v.

State, Sup. Ct. Op. No. 2227 (File Nos. 3973, 3974, 4023), 620 P.2d 657 (1980).

Sec. 16.10.200. Unlawful taking prohibited.

NOTES TO DECISIONS

When three owners of a fishing vessel were active partners in the enterprise of operating the vessel, it was not unduly oppressive to charge two of the owners with knowledge and control of that vessel's illegal activity even though they

were not on board with the third owner at the time of the alleged infractions. *F/V Am. Eagle*, ADF&G No. 39 v. State, Sup. Ct. Op. No. 2227 (File Nos. 3973, 3974, 4023), 620 P.2d 657 (1980).

5 AAC 27.070. REGISTRATION AND INSPECTION DOCUMENTS. Repealed 4/14/82.

ARTICLE 3. PROHIBITIONS

Section

- 90. Unlawful possession of herring or herring gear
- 92. Unlawful acts within an adjacent seaward biological influence zone
- 93. Disposal of herring
- 95. General restrictions
- 96. Violation of reporting requirements
- 97. Violation of landing requirement
- 98. Violation of regulations

5 AAC 27.090. UNLAWFUL POSSESSION OF HERRING OR HERRING GEAR. (a) It is unlawful for any person to possess unprocessed herring aboard a vessel licensed as a commercial fishing vessel within any statistical area unless the season is open or unless the person is acting under the authorization of 5 AAC 27.030(b). This prohibition does not apply to herring possessed for subsistence or personal bait purposes under applicable cable regulations.

(b) It is unlawful for any person to possess aboard a vessel licensed as a commercial fishing vessel within any statistical area any herring or any gear used in the taking of herring if the herring or herring gear are prohibited by other regulations in 5 AAC 27 governing the area, unless the vessel is acting under the authorization of 5 AAC 27.030(b).

(c) It is unlawful for any person to possess, purchase, sell, barter, or transport herring within the state or within waters subject to the jurisdiction of the state if that person knows or has reason to know that that herring was taken or possessed in contravention of the regulations of this chapter. (In effect before 1982; am 4/14/82, Reg. 82)

Authority: AS 16.05.251(a)(4),(7) and (10)
AS 16.05.720
AS 16.05.900
AS 16.05.920

5 AAC 27.092. UNLAWFUL ACTS WITHIN AN ADJACENT SEAWARD BIOLOGICAL INFLUENCE ZONE. It is unlawful for any person to take, attempt to take, cause to be

taken, or possess herring, or to operate, attempt to operate, or cause to be operated any vessel or gear or to possess any gear or to take, attempt to take, cause to be taken, or fail to take any action in violation of 5 AAC 27.010(b).

Authority: AS 16.05.251(a)(4),(7) and (10)
AS 16.05.720
AS 16.05.900
AS 16.05.920

5 AAC 27.093. DISPOSAL OF HERRING. In statistical areas N, T, W and Q, herring carcasses may be disposed of only as follows:

(1) any vessel with less than 5 metric tons of herring on board may only dump herring carcasses in waters more than five fathoms in depth;

(2) any vessel with five metric tons or more of herring on board may only dump herring carcasses in waters more than three miles from the mainland;

(3) or as specified by a permit issued by the Department of Environmental Conservation.

Authority: AS 16.05.251(a)(7)
AS 16.10.172-16.10.173

5 AAC 27.095. GENERAL RESTRICTIONS. A person shall obtain a permit from the department before taking herring during the period June 15 through February 28 in statistical areas K, L, M and N. (In effect before 1982; am 4/14/82, Reg. 82)

Authority: AS 16.05.251(a)(2) and (7)

5 AAC 27.096. VIOLATION OF REPORTING REQUIREMENTS. (a) It is unlawful for any person to file a fish ticket representing the catch governed by the fish ticket as having been taken in a particular statistical area when in fact the catch or part of the catch were taken in another statistical area.

(b) It is unlawful to file any fish ticket containing information which has been purposely falsified.

Authority: AS 16.05.251(a) AS 16.05.900
AS 16.05.690 AS 16.05.920
AS 16.05.720

5 AAC 27.097. VIOLATION OF LANDING REQUIREMENT. It is unlawful for any vessel

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
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Senate

Committee on Resources

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Hearing, 4/13/83

DATE: April 12, 1983

The following 3 bills have been heard by the Resources Subcommittee on Fisheries and will be addressed by Senator Mulcahy at the Wednesday hearing:

SB 2 PROVIDING FOR A LICENSE EXEMPTION FOR COMMERCIAL FISHING VESSELS 24 FEET OR LESS.

The Subcommittee recommends adoption of a Committee Substitute that would exempt all vessels used for the commercial harvesting of salmon in the administrative area know as Arctic-Yukon-Kuskokwim from the licensing requirement.

SB 52 RELATING TO THE LICENSING OF COMMERCIAL FISHING.

The Subcommittee recommends adoption of a Committee Substitute that would require that every person engaged in commercial fishing hold a commercial fisheries license which could be purchased either as a crewmember license or as an entry permit. A portion of the fees from this commercial fisheries license would go to the Fisherman's Fund.

HB 267 RELATING TO HERRING STRIPPING.

HB 267 would extend the time that herring stripping (the process by which herring roe is extracted from the carcass) is allowed to take place in the Bering Sea until 1986. The Board of Fisheries does have a regulation in place that will govern carcass disposal in the Bering Sea.

Also scheduled for the Wednesday hearing are:

SJR 21 RELATING TO THE USE OF LAKE GRACE, AN AREA WITHIN THE MISTY FJORDS NATIONAL MONUMENT, FOR THE GENERATION OF HYDROELECTRIC POWER FOR THE KETCHIKAN AREA.

SJR 21 would urge Congress to adopt legislation either eliminating the Lake Grace area from the Misty Fjords National Monument or permitting the development of the Lake Grace area for its hydro potential.

Lake Grace was determined to be of substantial potential value for a damsite before its designation as part of Misty Fjords National Monument. The nearby community of Ketchikan wishes to pursue its development to meet future power needs.

HB 187 RELATING TO REGULATION, LICENSING AND FEE FOR FUR FARMING.

HB 187 relieves the current permitting burden on fur farmers by eliminating the \$100 fee for a fur farming license, reducing the fee from \$100 to \$3 for collecting animals for fur farming purposes, and eliminating the requirement for a permit for importing and exporting mink and fox for fur farming. In addition, Commissioner Neve of DEC has committed to administrative changes in the current permitting procedures to more accurately reflect the needs of fur farmers and the types of activities they engage in.

The meeting is scheduled for Wednesday, April 13 at 3:00 pm in the Beltz Room. It is hoped that final committee action could be taken on these bills at this time.

HB 267
RELATING TO HERRING STRIPPING.
SPONSOR: FULLER

(Identical to SB 180.)

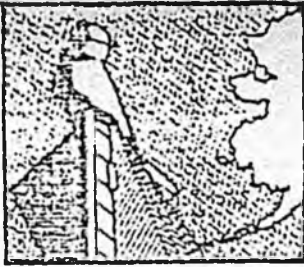
Extends the time that herring stripping is allowed to take place in the Bering Sea until 1986. Stripping is the process by which herring roe is extracted from the carcass.

Stripping of herring roe and in-water disposal of herring carcasses has been allowed for the Bering Sea in the past with no apparent damage to the natural resources of the area. The disposal provision lapsed this year, which will now require that herring carcasses not be wasted. The current non-waste disposal method has been to deliver the carcasses to reduction plants in Kodiak and Seward, but the Kodiak plant will be closed or operating at reduced levels during 1983.

The Board of Fisheries does have a regulation in place that will govern carcass disposal in the Bering Sea.

The Department estimates that the Bristol Bay herring fishery may open as early as the first or second week in May this year. Therefore, to be effective this season, this bill would have to be signed into law no later than April 30.

SB 180 did pass out of the Resources Subcommittee on Fisheries with a Do Pass recommendation.



Bering Sea Fishermen's Association

805 West 3rd Avenue
Anchorage, Alaska 99501
(907) 279-6519

March 17, 1983

Representative Fuller
Juneau

Representative Fuller:

The Bering Sea Fishermen's Association supports House Bill No. 267 which will significantly benefit all Western Alaska herring fishermen who are trying to increase their economic returns from the roe herring fishery. The dumping of herring carcasses after the stripping operations represents the most economical use of that by-product for Western Alaska, given the present level of infrastructure development. Furthermore, the carcasses can be disposed of in an ecological and safe manner following current ocean dumping guidelines.

There are several specific reasons why we support this Bill:

1) The ability to dispose of the herring carcasses allows fishermen and Western Alaska processors to strip the roe from the herring and therefore realize a greater profit. By stripping the roe themselves, the local economies benefit by the extra labor payments, extended use of the local fish plants, tendering of the carcasses out to sea, the processing profits, and the gain in expertise and consequent gain in local control of their fisheries. Kotzebue and southern Norton Sound have locally controlled processing facilities which could be used for a roe stripping operation, and the Kkechik Bay, Goodnews Bay, Security Cove, and Togiak fishermen could also strip herring roe with some planning.

Unalakleet stripped herring roe at their plant in 1981 at a labor cost of about \$70/ton. Using this labor cost as an assumption, the ability to strip 300 - 500 tons of herring would mean an influx of between \$21,000 and \$35,000 in wages to the local economies.

The utilization of the local processing plants (Kotzebue and Unalakleet) would help spread the overhead costs of those facilities over more time, and therefore make them more efficient. The herring stripping operation is relatively simple; the round herring can either be frozen in the round (an option for Unalakleet) and then thawed and stripped, or it can be brined and then stripped (an option for both plants).

The brining/stripping process offers an excellent market alternative to Togiak gillnet fishermen who sometimes find that their usual buyers (floating freezer

ships) are plugged and therefore refuse to buy the gillnet herring. Because it is a relatively low capital investment operation, an enterprising processor could set up a brining/stripping operation which could act as a safety valve and relieve some of the pressure on the buyers who freeze herring in the round. Some of the herring tenders in Togiak - who stay on the grounds for the opening of the salmon season - would be logical processing platforms for the stripping operation.

In the extreme case, the fishermen of Goodnews Bay and Security Cove might have herring roe stripping as their only option if, because of exclusive registration, freezer/processors decide not operate in those two areas.

2) By taking the herring roe from a raw state to a semi-processed, preserved state, the fishermen and local processors would also have improved their marketing position. They can now hold on to their product until they can come to an agreement with a buyer of their choice, rather than having to sell it immediately and in a lower-value state. The quality of the roe is also better after stripping (the unacceptable eggs are culled in the stripping process) and this also brings a better price.

3) In the case of Unalakleet, Stebbins, St. Michael, and Shaktoolik, where some if not all of the stripping will be done by the freeze-thaw-strip method, the ability to dump most of the carcasses makes it possible to use some of the carcasses for human or dog food. The better quality carcasses could be air dried in the same way that tom cod carcasses are currently used.

4) Most fishermen and local processors won't have the facilities available to freeze the herring prior to stripping. For these people, the brining method is the only option. After brining, the carcasses are too salty to be good for anything except meal. There are currently no meal/reduction plants in Western Alaska, and the closest one is in Seward. One estimate of the freight costs of getting the salted carcasses to Seward from Togiak is \$300/ton, and even then the meal plant would pay nothing for the carcasses. The market price for herring carcasses in Japan is \$0.10 - 0.15/lb., but the freight costs to Japan would be around \$0.20/lb. It therefore appears that there is no viable market at the present time for the herring carcasses from Western Alaska.

Regards,

Henry V. Mitchell

Henry Mitchell

MAR 23 1988

3NC FISHERIES
P.O. BOX 100
UNALAKLEET, ALASKA 99684

Representative Jack Fuller
Alaska State Legislature
Pouch V (MS-Space 3100)
Juneau, Alaska 99811

Dear Representative Fuller:

The three village Corporations of Unalakleet, Shaktoolik and Stebbins along with the Norton Sound Fishermen's Cooperative have formed a new joint venture for commercial fishing in the southern Norton Sound. The interim board is made up of myself as Chairman, member Chuck Degnan from Unalakleet Native Corporation; Eugene Asicksik as vice-chairman and Alex Sookiayak from Shaktoolik Native Corporation; Cornelius Dan as Secretary/Treasurer and member Morris Coffey from Stebbins; and R. Weaver Ivanoff from the Norton Sound Fishermen's Cooperative.

In our second organizational meeting a motion was passed unanimously to send you a letter of support toward requiring a 2-year residency in the State of Alaska to qualify for fisheries loans and also increasing the minimum loan amount of \$35,000 on the Fisheries Mortgage and Note Sale Program. We feel that the 1-year requirement opens to the program to too many fishermen which puts even more constraints on our local fishermen qualifying for the loans. The least that should be required is that the one year be 12 consecutive months. The current \$15,000 limits ourselves to getting a small somewhat substandard boat and outboard motor. The minimum a work outboard motor costs is approximately \$5,000. If we allocate \$2,000 for freight, that leaves us only \$8,000 to buy a boat. The base price for a 24-foot Monson Boat open model, costs \$10,000. We have had fishermen interested in this boat, but because of the \$15,000 limit, it cannot be bought with that loan program. The 26-foot boat that most would like costs \$12,500 and it would be impossible to buy this boat with the loan program.

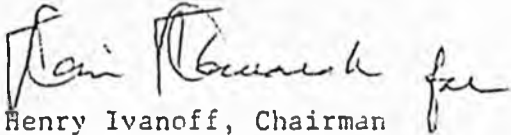
We have been informed that House Bill 267 has been introduced by yourself regarding dumping of herring carcass in western Alaska. Through a telephone poll our Board of Directors would like to go on record as fully supporting such a bill.

As you well know and as classified by the Board of Fish, herring fishing in the Norton Sound is a developing fisheries. We have been fishing herring since 1976 but the real effort by local fishermen did not start until 1979. In 1980 the Norton Sound Fishermen's Cooperative entered into it's first contract for herring and in that year approximately 800 tons of herring flown out of Unalakleet. It was flown out because of lack of experience of handling the fish product any other way, much less processing of the herring. In 1981 the Norton Sound Fishermen's Cooperative processed herring and experienced a modest success of approximately 400 tons. It proved more of a success in creating an opportunity for employment by our local labor force rather than a profitable one for the Cooperative. Approximately \$60,000 in wages were paid with all local labor and a few women flown in from St. Michael. Attempts were made to bring in more laborers, but because of the fast pace of the herring season, it did not materialize. In 1982 partially because of the need to review all facets of herring operations, Norton Sound Fishermen's Cooperative did not process herring but had the fishermen deliver directly to floating processors who brought the fish elsewhere in Alaska for processing. Needless to say, Norton Sound Fishermen's Cooperative did not benefit as much from the herring season that year.

The 3NC Board supports House Bill 267 because of the past experience learned by Norton Sound Fishermen's Cooperative. As a group of village corporations with a joint venture, we feel responsible in utilizing our investment to have the broadest positive impact to our area and our stockholders. Unless we are able to dump the herring carcass into the Norton Sound we would not be able to process herring locally. Financial analysis show that a stripped herring carcass in the Norton Sound is worth in the neighborhood of \$200 per ton but at the same time it would cost approximately \$400 per ton to ship that product out. Clearly more money is spent shipping the product out than what the product is worth and the economics of that alone would prevent us from processing herring.

In an area where employment is one of the lowest in the State, any means of assistance that the State could allow would be a boost for our standard of living. Were we to dump the herring carcass in the Norton Sound we would be able to create jobs for our people, especially women. The men have an opportunity to derive income from fishing and with processing herring we would be able to hire as processors, women, college students and those not able to participate in herring fishing. For discussion purposes if 3NC processed 500 tons of herring in Unalakleet, Stebbins or Shaktoolik and the processors were paid .50 cents per pound for eggs extracted and we averaged 8% roe recovery, that means that there would be roughly 80,000 pounds of eggs processed. This would provide \$40,000 paid to processors. Additionally there would be helpers, generally high school aged males to do lifting and other sundry workers that would probably earn half again the amount paid to processors so that 3NC would have approximately \$60,000 in wages paid to local employees. At this time of the year, after a long winter of not working, this income would be a valuable source of new income to the communities. This would pay for approximately 30,000 gallons of heating fuel, or other much needed basic necessities otherwise not possible should there not be any processing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Henry Ivanoff".

Henry Ivanoff, Chairman
3NC Fisheries