

HB

123

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 24, 1993

FURTHER REFERRALS:

Date of Committee Action: 3/30/93

The FINANCE Committee considered:

HB 123

HOUSE BILL NO. 123

LOANS FOR IFQ'S

"An Act relating to loans for the purchase of individual fishery quota shares."

RECOMMENDATIONS:

be replaced with CS HB 123 (FISH) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

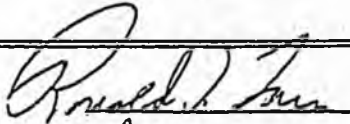
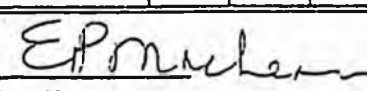
fiscal impact _____

fiscal note(s) DCED 3/5/93

zero fiscal note _____

zero fiscal note(s) _____

SIGNING OR PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Richard Larson</i> Larson	X	<i>Ed Maclean</i> Maclean		✓	
<i>Ben Gustafson</i> Gustafson	X	<i>Mark Hanley</i> Hanley		X	
<i>Tom Hoffman</i> Hoffman	✓	<i>Sean Parnell</i> Parnell		X	
<i>Mike Navarre</i> Navarre	✓	<i>Tom Theriault</i> Theriault		X	
<i>Tom Brown</i> Brown	✓				
<i>Richard Foster</i> Foster	•				



 Co-CHAIRMAN'S SIGNATURE
 Larson Maclean

FISCAL NOTE

CSHB 123(FSH)
BILL NO. _____

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: March 4, 1993

Title: Loans for IFQs

Department Affected: Commerce and Economic Development

BRU: Investments

Component: _____

Sponsor: Representative Fran Ulmer, et al.

Requestor: Special Committee of Fisheries

COMPONENT SERIAL NO. 0384

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	48.2	144.5	144.5	144.5	144.5	144.5
TRAVEL	2.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	11.3	33.9	33.9	33.9	33.9	33.9
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	13.5	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	76.5	185.9	185.9	185.9	185.9	185.9

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER C/F LOAN 1036	76.5	185.9	185.9	185.9	185.9	185.9
TOTAL	76.5	185.9	185.9	185.9	185.9	185.9

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Martin J. Richard
Division: Investments

Phone: 465-2510
Date: March 4, 1993

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 3-4-93

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

CSHB 123(FSH)
BILL NO. _____

ANALYSIS: (continued)

This fiscal note assumes that the IFQ program will go into effect on March 1, 1994 as estimated by the United States Department of Commerce. The operating expenses for FY 94 have been adjusted accordingly.

PERSONAL SERVICES

The passage of CSHB 123(FSH) will require the addition of two Loan Examiner II positions and a Loan Closer I position. The loan examiners will process loan requests generated as a result of this legislation. They will also handle inquiries, outreach, loan extensions and other collection activity associated with these loans. The loan closer will develop the documentation used to complete loans processed by the loan examiners and will obtain signatures, record collateral documents and disburse loan proceeds.

TRAVEL

It is estimated that loan examiners will make an average of six outreach trips to rural Alaska each year, at an average cost of \$1.0 per trip. In FY 94 a total of two trips are anticipated.

CONTRACTUAL

The office space rental for three additional employees is estimated at \$8.9 per year. In addition, the Department anticipates spending an additional \$25.0 per year on outside contractors to help in its outreach efforts in rural communities throughout the State.

SUPPLIES

The Department estimates \$1.5 per year to cover costs of miscellaneous office supplies and printing of application packages and brochures.

EQUIPMENT

The Department estimates a one-time cost of \$13.5 to cover the costs of office furniture and computer equipment for three new employees.

Position Title Loan Closer I		No. of Positions 1	Range / Step 10A	Barg. Unit CGU
Time Status Full-Time	Staff Months 4 months	Location Juneau		Election District
TYPE OF EXPENDITURE		AMOUNT		
Salary		8.4		
Benefits		3.4		
Premium Pay				
Other				
Total Personal Services		11.8		
Travel				
Contractual		1.9		
Commodities		2		
Equipment		4.5		
Other				
Total Cost		18.4		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004				
I-A Receipts 1007				
CIP Receipts 1061				
Other C/F Loan 1036				
Justification This position is necessary to develop the documentation used to complete loans processed by the loan examiners. This position will also obtain signatures, record collateral documents, and disburse loan proceeds.				

Request For New Position

AGENCY Commerce and Economic Development
 BRU Investments
 COMPONENT _____

FY 94

Page 1 of 1
 Revised Date: March 4, 1993

Position Title Loan Examiner II		No. of Positions 1	Range / Step 17A	Barg. Unit CGU
Time Status Full-Time	Staff Months 4 months	Location Anchorage		Election District
TYPE OF EXPENDITURE		AMOUNT		
Salary		13.1		
Benefits		5.1		
Premium Pay				
Other				
Total Personal Services		18.2		
Travel		1.0		
Contractual		4.1		
Commodities		2		
Equipment		4.5		
Other				
Total Cost		28.0		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004				
I-A Receipts 1007				
CIP Receipts 1061				
Other C/F Loan 1036				
Justification This position is necessary to process loan requests generated as a result of the passage of this legislation. This position will also handle inquiries, outreach, loan extensions, and other collection activity associated with these loans.				

Request For New Position

AGENCY Commerce and Economic Development

BRU Investments

COMPONENT _____

FY 94

Page 1 of 1
Revised Date: March 4, 1993

Position Title Loan Examiner II		No. of Positions 1	Range / Step 17A	Barg. Unit CCU
Time Status Full-Time	Staff Months 4 months	Location Juneau		Election District
TYPE OF EXPENDITURE		AMOUNT		
Salary		13.1		
Benefits		5.1		
Premium Pay				
Other				
Total Personal Services		18.2		
Travel		1.0		
Contractual		2.9		
Commodities		.2		
Equipment		4.5		
Other				
Total Cost		26.8		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I A Receipts	1007			
CIP Receipts	1061			
Other	C/F Loan 1036			
Justification This position is necessary to process loan requests generated as a result of the passage of this legislation. This position will also handle inquiries, outreach, loan extensions, and other collection activity associated with these loans.				

Request For New Position

AGENCY Commerce and Economic Development
 BRU Investments
 COMPONENT _____

FY 94

Page 1 of 1
 Revised Date: March 4, 1993

Letter of Intent for HB123
Adopted by Special Committee on Fisheries

March 3, 1993

LETTER OF INTENT

HB 123, "An Act relating to the purchase of quota shares for fisheries in or off Alaska."

It is the intent of the Alaska State Legislature that the Commercial Fisheries and Agricultural Bank (C-FAB), within its existing authority under AS 44.81.210, make financing available for the purchase of quota shares for fisheries in or off Alaska.

adopted 3-3-93

HB 123: "An Act relating to loans for the purchase of individual fishery quota shares."

HB 123 amends the Commercial Fishing loan program to allow Alaskan residents to finance the purchase of individual fishery quota shares. In order to be eligible, an applicant must:

1. have been a two-year resident;
2. have had a crew member or commercial fishing license for the year immediately preceding the date of application and any other two of the past five years;
3. have actively participated in the fishery for which the shares are issued during three of the last five years; and
4. qualify as a transferee under applicable law.

HB 123 also allows the department to prequalify applicants for the purchase of fishery quota shares. Under this portion of the program, an applicant can obtain a 60-day commitment to finance fishery quota shares prior to locating the specific shares to be purchased.

In addition, the bill establishes a limit of \$300,000 that a borrower can have outstanding at any point in time that was used to purchase fishery quota shares.

In keeping with the mission of the Commercial Fishing program, this legislation will assist Alaskans in their efforts to participate in the halibut and sablefish fisheries in Alaska.


Paul Fuhs, Commissioner

2-10-93
Date

dgl/064pp.inv

Back-up

The ABCs of IFQs

Representative Fran Ulmer introduces a new loan program to help Alaska fishermen

by
Representative Fran Ulmer

A revolution is on the way for Alaska's coastal communities. After 10 years of debate in the fishing industry, the U.S. Secretary of Commerce recently approved Individual Fishery Quotas (IFQs) for the halibut and black cod fisheries in Alaska. If all goes as planned, by mid-1994 these fisheries will no longer be open to all those who want to wet a line. Instead, a new permit system will reserve catch quotas for individual fishermen who qualify for an IFQ. Gone will be the 24 hour openings, replaced by a season which may last from March through November. The new system is promoted as a solution to dangerous conditions created by derby style fishing, but critics charge that the new system will be the end of the small, independent Alaska fisherman.

Whether you think the new system will help or hurt Alaska fishermen, the reality is that a change is coming. We must do everything we can to help Alaskans retain their livelihoods in the fishing industry and to support our coastal communities. One of the best ways of doing that is by providing access to capital. That's why I recently introduced **HB 123** which provides financing for the purchase of IFQs. This legislation authorizes loans of up to \$300,000 for IFQs to Alaska residents who have actively participated in the fishery during three of the last five years. The state currently finances the purchase of limited entry permits through a revolving loan fund with loans of up to \$300,000. New legislation is required to expand the loan program to include IFQs. HB 123 does that and provides an essential tool to accomplish the goal of keeping permits in the hands of Alaskans.

How it works

The new IFQ system is designed to benefit active fishermen by allocating a quota based on an individual's actual record of past landings. When the system starts, only vessel owners and leaseholders will receive an IFQ; crew members will be given preference in acquiring their own IFQ in the future. A quota will be based on the individual fisherman's actual percentage of the total catch in a particular area during five of the last 7 years. That percentage will then be applied, on an annual basis, to the total allowable catch for the individual's region in order to determine the exact number of pounds he can harvest. To ensure maximum participation in the fishery, no one will be allowed to harvest more than 1% of the black cod resource in an area, and no more than .5% of the halibut resource.

How do Alaskans fare?

In 1994, approximately 5500 halibut fishermen and 1100 black cod fishermen will be given IFQs by the federal government free of charge. Those who receive an IFQ may sell or lease all or a portion of their quota to another, and the price of those transactions will be set by the market, based on the value of the resource and the fishery at the time of purchase. Experience has shown that the right to harvest these resources can be extremely valuable and the price for IFQs may be very high.

Although the new system is designed to preserve and increase Alaska's presence in these fisheries, many fear that IFQs will migrate into the pockets of well-financed, non-resident vessel owners and that Alaska fishermen will lose out. The cap on the percentage of the fishery resource any one person may own or lease, and the restriction prohibiting IFQs from being transferred between vessel classes, are efforts to ensure that halibut and black cod continue to be fished by a broad spectrum of Alaska fishermen. However, the only real certainty in the new equation is that a resource which was free to all will now be available only by permit, and for a price.

It is essential that Alaskans keep as many of these permits as possible so that the economy of our coastal communities will not be deprived of the wealth of this fishery resource. HB 123 and the financing it provides to Alaskans will help assure this continuing economic benefit to our residents.

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INVESTMENTS

WALTER J. HICKEL, GOVERNOR

P.O. BOX 34159
3032 VINTAGE BLVD.
JUNEAU, ALASKA 99803-4159
PHONE: (907) 790-2693
FAX: (907) 790-2781

February 2, 1993

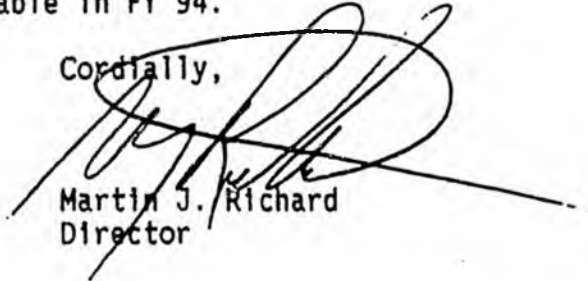
Honorable Fran Ulmer
Attention Margaret Pugh
House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Ulmer:

We are projecting excess funds available for appropriation from the Commercial Fishing Revolving Loan Fund to the General Fund in the amount of \$5,002,800 in FY 94 (HB 55, Section 20, January 15, 1993). The Governor has requested a General Fund appropriation to the Fisheries Enhancement Revolving Loan Fund in the amount of \$2,068,200 (HB 55, Section 29, January 15, 1993).

The net effect for these two fisheries funds is approximately three million dollars, available in FY 94.

Cordially,



Martin J. Richard
Director

cc: Paul Fuhs
Commissioner

**DEPARTMENT OF FISH AND GAME
POSITION PAPER**

Bill No: HB 123
Sponsor: Representative Ulmer
Division: Division of Commercial Fisheries
Bill Title: "An act relating to loans for the purchase of individual fishery quota shares."
Department Position: Support

This legislation would extend the state's existing loan program for limited entry permits, vessels, and fishing gear to include loans for the purchase of individual fishery quota shares (IFQs). The harvesting sector of the seafood industry has the highest percentage of resident participation in the industry. Approximately 80% of the permits are owned by Alaskans. The state loan program has been a successful tool contributing to the high percentage of existing permits in the hands of Alaskans.

The new IFQ program will be administered by the federal government. Regulations governing the new program were recently adopted by the U.S. Secretary of Commerce. There is a great deal of concern on the part of Alaskans that these IFQs will be bought up by non-Alaskan interests, thus reducing the opportunities for Alaskans to harvest these resources occurring off the state's coastline.

While this program is authorized in Title 16, the fish and game statutes, the program is administered by the Department of Commerce and Economic Development.

There is no fiscal impact on the Department of Fish and Game from this legislation.

.....
Commissioner's Signature

Ben Annerwill
jr

Date:

7/2/93

**KODIAK LONGLINE
VESSEL OWNERS' ASSOCIATION**



326 CENTER AVENUE, P.O. BOX 135
KODIAK, ALASKA 99615
(907) 486-3781 FAX (907) 486-2470

HALIBUT • SABLEFISH • PACIFIC COD • CRAB

February 18, 1993

Representative Fran Ulmer
ALASKA STATE LEGISLATURE
State Capital
Juneau, Alaska 99801

RE: HB 123

Dear Fran,

I would like to express our support for HB 123. I have felt for some time that with the implementation of individual fishing quotas on the horizon, a loan program for Alaskans is vital. Those vessel owners who live in Alaska must be able to purchase quota quickly when the program is in place.

It is my belief that the large majority of Alaskan vessel owners who will receive quota will either sell immediately or wish to buy. Since the people who qualify for quota far exceeds the number of individuals who currently participate in the fishery, the "pie" will be cut in ways that people did not anticipate. Many vessel owners will immediately need to purchase quota in order to participate effectively in the fishery.

We strongly support this bill and would assist in any way possible to see that it is passed. It can't help but be a significant help to those Alaskan vessel owners who won't initially receive the quota they need.

Sincerely,

A handwritten signature in cursive script that reads "Linda Kozak". The signature is written in dark ink and is positioned above the printed name and title.

Linda Kozak
Director

March 2, 1993

CS HB 123, "An Act relating to loans for the purchase of quota shares for fisheries in or off Alaska."

The proposed committee substitute for HB 123 reflects the following changes from the original bill:

- Title. The title change clarifies that technically the loans authorized in this bill are for the purchase of quota shares, not Individual Fishing Quota (IFQs.) The clarification is made throughout the bill.

- Section 1. Purpose and Intent. A purpose and intent statement was added to emphasize that the loans authorized in this bill are intended to benefit Alaskans who participate IFQ system fisheries and to clarify that there is no intent to diminish the amount of funds currently available for loans under AS 15.10.310(a)(1)(A) or (B) for entry permits, vessels and gear.

- Page 2. subsection (C)(ii). The previous sections (ii) and (iii) were combined to simplify two eligibility criteria. That is, in two of the last five years an applicant must have possessed either a crewmember or commercial fishing license or permit and, must have participated in a fishery for which the license or permit was issued.

The original bill was more narrow. It said that the crewmember or commercial license or permit must have been possessed for the year preceding the date of application as well as for two of the past five years. The original bill then required that the applicant must have participated in the fishery during three of the last five years.

- Page 2. subsection (C)(iv). This is an addition to the bill which limits the loans to those individuals who are not eligible for alternate financing, as is currently the case for loans authorized under subsection (B) for vessels and gear.

This section will ensure that the loan program will benefit those Alaskans most in need of assistance in accessing capital.

- Letter of Intent. The letter of intent accompanies the bill to emphasize that the committee intends for the Commercial Fisheries and Agricultural Bank to make financing available for the purchase of quota shares.

As stated above, the loans that the Commercial Fishing Loan Fund is authorized to make under HB 123 are limited to those who can not obtain loans elsewhere.

March 02, 1993.

Alaska Legislature
House of Representatives
Special Committee on Fisheries
Representative Carl Moses, Chairman
Representatives Harley Olberg, Gail Phillippe, Cliff Davidson,
and Irene Nicholia, Members

Via FAX Only: 465-3445

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on HB123, "An Act relating to loans for the purchase of individual fishery quota shares."

Please consider all the following facts. Last session the Alaska House of Representatives unanimously rejected the IFQ plan by passing HJR61. A companion measure in the Senate had similar wide support but was kept from the floor by the actions of a single Senator who is no longer in office. Our Congressional delegation members each have serious concerns about this plan and are maneuvering against it in Washington. The Commerce Department has not yet published this plan as a "Final Rule" and it may still be rejected by the Office of the President and or the Congress where opposition is growing daily. Even if the plan passes these hurdles and survives legal challenges sure to be mounted, it will not be implemented until after one or more additional sessions of the Alaska Legislature.

Then, surely, the best one can say for HB123 is that it is very premature and sends the wrong message concerning the thoughts of the legislature on this plan (assuming last session's sentiments remain).

I know you will receive considerable testimony on the economic aspects of these proposed loans and I will not attempt to duplicate those here. Let me only pass on to you the comment one of the staunchest proponents of IFQs made to me when I brought up the subject of a loan program such as that envisioned by HB123 during the December 1991 meeting of the North Pacific Fisheries Management Council in Anchorage. Mr. Clem Tillon, whom I'm sure you all know, said "I wouldn't want to loan them money they won't be able to repay!" There it is - "right from the horses mouth."

At this time the best thing the Alaska State Legislature can do for Alaska in connection with IFQs is to reaffirm the position of last session's House and pass a resolution similar to HJR61 which includes the additional resolve of the Senate companion, SJR38, "FURTHER RESOLVED that the Alaska State Legislature opposes the use of state agency resources, state operated facilities, state funds, or other forms of cooperation to implement an Individual Fishery Quota management system" and send copies of the resolution to the appropriate federal officials in the executive and legislative branches as soon as possible.

There will be plenty of time to attempt to ameliorate the many adverse effects the IFQ plan will have on Alaskan citizens and communities if and when it is implemented. Passage of HB123 at this time can do no good and may do harm in the battle against this devastating plan. First things first, please.

Sincerely,

Gene S. Murray

JERE T. MURRAY, PH.D.
P.O. Box 237, Seldovia, Alaska 99663-0237
(907) 234-7646 (Voice or FAX)
March 02, 1993.

Alaska Legislature
House of Representatives
Special Committee on Fisheries
Representative Carl Moses, Chairman
Representatives Harley Olberg, Gail Phillips, Cliff Davidson,
and Irene Nicholla, Members

Via FAX Only: 465-3445

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There will be plenty of time to attempt to ameliorate the many adverse effects the IFQ plan will have on Alaskan citizens and communities if and when it is implemented. Passage of HB123 at this time can do no good and may do harm in the battle against this devastating plan. First things first, please.

Sincerely,



Alaska Longline Fishermen's Assoc.

P.O. Box 1229 Sitka, AK 99835 (907) 747-3400

March 5, 1993

Representative Williams, Chair
House Resource Committee
Juneau, AK 99801-1182

Dear Representative Williams,

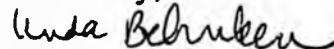
I am writing to express the support of the Alaska Longline Fishermen's Association (ALFA) for H.B. 123: a bill to provide funding to Alaska residents for the purchase of fishing quota shares.

Quotas share management offers an opportunity for Alaskans that the State can not afford to miss. By providing affordable loans, State financing will increase Alaskan participation in the fisheries of the Bering Sea and North Pacific. Increased participation by Alaskans will, in turn, ensure that the on-shore seafood processing industry, the seafood support industry, and the coastal communities as a whole continue to prosper, bringing revenue to the State both directly (through raw fish tax) and indirectly (through enhanced socioeconomic health). Financing the purchase of quotas shares can also be expected to provide a direct financial benefit to the State through interest payments.

Support for establishing a State quota share loan system is broad-based. Alaskans are committed to enhancing fishing opportunities for State residents. H.B. 123 is a vital step in that direction. Representative Ulmer has worked with the industry over the past month to ensure that the bill will accomplish the stated intent and directly benefit resident fishermen. ALFA members are satisfied with the Bill and are eager to see it moved quickly through the legislature. ALFA respectfully requests your support of H.B. 123 and asks that you expedite its passage through the House Resource Committee.

Thank you for your time and attention.

Sincerely,



Linda Behnken

(exec. director, ALFA)

Petersburg Vessel Owners Association

P.O. Box 232

Petersburg, Alaska 99833

Phone (907) 772-9323 Voice and Fax

March 8, 1993

Representative Bill Williams
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

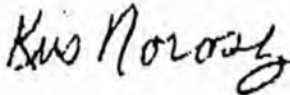
Dear Representative Williams,

It is our understanding that HB 123 was recently passed out of the Fisheries Committee and has been sent to House Resources. As chairman of the Resources Committee, we respectfully request that you schedule HB 123 for a hearing as soon as possible.

We believe HB 123 is an important piece of legislation which will greatly benefit Alaska's commercial fishers. The present State loan program which provides loan funds for the purchase of limited entry permits, has been of tremendous help to insure that Alaskans are allowed the financial opportunity to participate in the fisheries along our coast. We believe including assistance for the purchase of quota shares is a logical extension to make for the State's fisheries loan program.

Representative Williams, we would appreciate your assistance in allowing this important piece of fisheries legislation to get the attention it deserves. Please schedule a hearing for HB 123 as soon as possible.

Sincerely,



Kris Norosz
Director

cc: Senator Robin Taylor
Representative Fran Ulmer

Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Voice and Fax

March 8, 1993

Representative Bill Williams
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

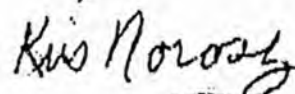
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It is our understanding that HB 123 was recently passed out of the Fisheries Committee and has been sent to House Resources. As chairman of the Resources Committee, we respectfully request that you schedule HB 123 for a hearing as soon as possible.

We believe HB 123 is an important piece of legislation which will greatly benefit Alaska's commercial fishers. The present State loan program which provides loan funds for the purchase of limited entry permits, has been of tremendous help to insure that Alaskans are allowed the financial opportunity to participate in the fisheries along our coast. We believe including assistance for the purchase of quota shares is a logical extension to make for the State's fisheries loan program.

Representative Williams, we would appreciate your assistance in allowing this important piece of fisheries legislation to get the attention it deserves. Please schedule a hearing for HB 123 as soon as possible.

Sincerely,



Kris Korosz
Director

cc: Senator Robin Taylor
Representative Fran Ulmer

FISH FACTOR

Empire
Feb. 14

By LAINE WELCH

FOR THE JUNEAU EMPIRE

IFQ's and you: Alaskan crewmembers who don't have a chance at acquiring quota shares for halibut and black cod could soon get an assist from the state. The individual fishing quota plan recently approved by federal managers limits initial allocations of shares only to eligible longline vessel owners. IFQ shares are determined according to specific catch histories in the fisheries, and may be bought or leased from owners not wanting to use them.

A bill introduced to the Legislature by Rep. Fran Ulmer, D-Juneau, would broaden the state's commercial fishing revolving loan program to include the purchase of IFQs. The loan program provides funds for the purchase of limited entry permits. House Bill 123 would authorize loans up to \$300,000 for the purchase of IFQs. The loans would not require an appropriation of additional money from the state, as there is an excess of \$3 million currently available in the limited entry revolving loan fund.

Ulmer said HB123 could provide a big boost to crewmembers who receive no allocations of halibut or black cod in the new IFQ program.

"Their only way in at this point is to be able to buy from someone who's been given IFQs by the Department of Commerce, and who does not wish to fish them. Only through a loan program like this might crewmembers have a chance of participating," Ulmer said.

HB123 is scheduled for a hearing Feb. 19 by the House Special Fisheries Committee chaired by Rep. Carl Moses, I-Unalaska. After passing through various other committees, it must make it through the full House and Senate before it becomes law. So far there has been no opposition to the bill, but Ulmer said that is no reason to become complacent.

"You can't every take this process for granted, so people who want to make this happen should definitely express their opinions of support," Ulmer said.

Quotas OK'd for halibut, black cod

Empire
1-31-91

By ROSANNE PAGANO

THE ASSOCIATED PRESS

ANCHORAGE, Alaska - The U.S. Commerce Department on Friday approved a commercial fishing reform that allocates quotas of Alaska black cod and halibut.

Final regulations may be in place in time for the widely disputed individual fishing quota system to go into effect next year, the National Oceanic and Atmospheric Administration said.

Fishermen will be allotted their share based on how long they have been active in the halibut or black cod fishery, and how much fish they have caught in previous seasons.

Regulators say the system, known as IFQ, will end derby-style fishing that attracts hundreds of boats for 24-hour openings in spring and fall.

Opponents in some Alaska ports say quotas will edge out some smaller operators and crews, weakening the local economy.

Fishermen using fixed gear, including pot gear and hook-and-line gear, are targets of the new system, NOAA said.

Quotas restrict the halibut and black cod commercial catch in U.S. waters. Fisheries primarily are in Alaska including Bristol Bay, the Bering Sea and the Gulf of Alaska.

William Fox, director of the National Marine Fisheries Service, a branch of NOAA, said Friday quotas would improve fishing safety and could provide consumers with fresh fish more often.

Fox said quotas permit operators to fish when the price is right, rather than work the 24-hour openings even if full crews are unavail-

able, weather is bad or vessels are unprepared.

"A derby is a very unsafe fishery," Fox said.

Details remain to be worked out in final regulations. Alaska's congressional delegation last summer sought to block final approval of IFQs, saying the reform needed more study.

That put the delegation at odds with Lie Hinkel administration's fisheries expert, Clem Tillion, who helped win approval for quotas from the North Pacific Fishery Management Council.

The council developed the plan and approved it in 1991. Kodiak, among the nation's top fishing ports, was among Alaska communities seeking to block final approval.

A coordinator of the Kodiak Island Borough's effort said meetings may be arranged with environmental groups, also opposed to quotas, to see if continued appeals were worthwhile.

"This is going to be a very expensive program," Kodiak coordinator Jeff Stephan said. He said cost of additional paperwork would siphon monies that could have gone to fisheries research and management.

Stephan said opponents may argue the program's cost as a strike against it with members of Con-

gress.

In Sitka, the executive director of Alaska Longline Fishermen's Association said she was pleased with the federal approval.

But Linda Behnken said more work may yet be done to make quotas more fair.

"It's been long, hard work and a lot of people participated," Behnken said. "But it's also a little tough, knowing that a lot of people in the community still have a lot of concerns."

Alaska Sen. Frank Murkowski in a prepared statement Friday said he had urged delay of the IFQ approval until there were assurances the system would not harm small fishermen.

"We all know something needs to be done to protect fishermen from having to fish in bad weather, to spread out the arrival of fresh fish on the market to improve both quality and price," Murkowski said.

"I'm still not certain that the current IFQ system is the best," Murkowski said many coastal cities were "entirely dependent" on fishing.

Sen. Ted Stevens, R-Alaska, said he remained concerned that many crewmembers and other participants will be left out of the halibut and black cod fisheries.

"I am still hearing serious questions about the impact of IFQs on

coastal communities and the cost of implementing the proposal, Stevens said in a news release.