

HB

230

MEMORANDUM

STATE OF ALASKA

TO: Commission

DATE: April 1, 1993

FILE NO:

FROM: Chris Kelly *CK*
Licensing Project Leader
CFEC

TELEPHONE NO:

SUBJECT: Impacts of Change
in Vessel Fees

I, and the staff in licensing, feel that further explanation of the impacts of the proposed legislation on licensing procedures and workload may be helpful in support of the request for an additional temporary licensing clerk during the first seven months of this transition.

Each fall we mail pre-printed renewal forms to all entities that licensed vessels in the current year. If the vessel owner also held fishing permits, the permit renewal form is printed on the other side of the vessel form. In most cases, very minor changes, if any, are needed on these forms and the license holder simply signs the form and submits the indicated fee. This simplified renewal process was first implemented in 1992 to minimize paper-handling and streamline the process for the fishermen and maximize the efficiency of the small staff available for licensing.

One negative aspect of the process is that less explanatory information can be included on the form. (The assumption is that a simplified form works for straight renewals because the license holders are presumably already familiar with the basic regulations and requirements.) However, the staff has found that license holders tend not to read the preprinted forms closely, they frequently overlook changes in fees even though they may be printed in BOLD print right on the face of the form. Like most people, fishermen are creatures of habit and they tend to sign the form and send it in with the same fee they've paid for years.

For example, in 1992 when these forms were first used, several individuals wrote or called to say that they had received their preprinted permit renewal forms and they really liked having all the permits listed on one form, but they didn't receive their vessel license renewal form(s). They were usually quite embarrassed when we asked them to turn the permit form over, and they found their vessel renewal(s) printed right on the other side!

With a change in the fee schedule, many vessel license applications will have processing delayed until additional fees are received. This

will also delay issuance of permits, since the permit cards cannot be issued until the associated vessels are actually licensed. This requires the staff to send letters explaining the problem and requesting additional fees and these letters must be maintained in a "suspense" file until the fees are received.

As you know, the impact will become greater the closer it gets to the fishing seasons. When license holders find themselves without the necessary permits or vessel licenses as the fishery is about to start, they get on the phone to licensing staff to find out how their licenses may be expedited, and/or to demand that staff make arrangements with local ADF&G offices to somehow enable them to commence fishing even if the licenses haven't been received yet. Each such instance may take 20-30 minutes of phone calls back and forth, and it is not uncommon for you and/or legislators to be dragged into the process.

The renewal forms will have to be modified to explain the new fee schedule and how to determine the vessel length, and to emphasize that the applicant must certify under penalty of perjury that the length information provided is correct. To the extent that we may not be able to list all of the licenses on a single page, this may result in some loss of the efficiencies we gained by introducing the new forms. We know from experience that any such change results in a great deal of confusion and numerous telephone calls from persons complaining about the higher rates and demanding to know how they were established. A significant amount of licensing staff time is taken up in attempting to respond to these inquiries.

These impacts will primarily be felt during the first year of implementation. The additional temporary employee will help to keep licensing productivity at an acceptable level even though the staff will be burdened with a greater than normal volume of telephone calls and correspondence. During the first year, fishermen and vessel owners will be made aware of the changes and the validity of data contained on the vessel license file will be improved. By the second year, the transition should be pretty much accomplished and any lingering impacts can be absorbed with existing permanent and seasonal staff.

Thank you for supporting this request.

Alaska State Legislature

Representative Carl E. Moses

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SPONSOR STATEMENT

CSHB 230 (FIN) COMMERCIAL FISHING VESSEL AND LICENSE FEES

The goal of CSHB 230 (FIN) is to make more equitable the annual commercial fishing vessel fee. This fee is currently a flat \$20 whether the boat is a skiff or a huge floater-processor. CSHB 230 (FIN) would change the flat fee to a sliding scale based on the length of the vessel. It is only fair that this fee be based on a vessel's ability to benefit from the public's resources, and that the larger boats be charged a higher fee. CSHB 230 (FIN) addresses only the vessel license fees and would generate over \$500,000 in additional revenue to the state.

The state's fisheries management programs are fast losing ground to inflation and through the decreases associated with budget cuts for agencies. We have a multi-billion dollar industry in this state and we need to be doing more to manage and protect our resources in order to maximize their use. For that reason, my legislation includes intent language that the additional funds generated by this legislation be used toward fisheries management and development programs. I know we can't dedicate these funds, but I would not submit this legislation if I did not fully believe that those funds would go toward these purposes. CSHB 230 (FIN) is supported by the United Fishermen of Alaska.

ADAK • AKUTAZI • AMCHITKA • ATKA • ATTU • BELKOFSKI • CHERNOFSKI • CHIGNIK • CHIGNIK LAGOON • CHIGNIK LAKE
COLD BAY • DUTCH HARBOR • EGEGIK • EKWOK • FALSE PASS • IVANOF BAY • KING COVE • KING SALMON • KOLIGANEX • LEVELOCK • NAKNEK
NFLSON LAGOON • NEW STUYA • SAND POINT
SHEMYA • SQUAWHAWK • UNGA

HB 230 Proposed Fee Schedule
 1993 Vessel License File
 Commercial Fisheries Entry Commission

Length	Number of Vessels	Percentage	Proposed Licensing Fee	Revenue Generated
0 to 25 feet	6,245	38.4%	\$20	124,900
> 25 to 50 feet	8,507	52.3%	\$50	425,350
> 50 to 75 feet	737	4.5%	\$100	73,700
> 75 to 150 feet	606	3.7%	\$250	151,500
> 150 to 250 feet	162	1.0%	\$500	81,000
> 251 feet	20	0.1%	\$750	15,000
	16,277	100.0%		\$871,450

Source: Commercial Fisheries Entry Commission

02/01/94

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

JILL NO. CS HB 230(RES)

Revision Date: 2/1/94 Department Affected: Fish and Game
 Title: An act relating to fees for a commercial fishing vessel license BRU: Commercial Fisheries (Limited) Entry Commission
 Sponsor: Representative Moses Component: Limited Entry Program Administration
 Requestor: Representative Moses COMPONENT SERIAL NO. 0471

EXPENDITURES/REVENUES

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	16.6					
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	16.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	871.5	871.5	871.5	871.5	871.5	871.5
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF:Program Receipts	16.6	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	16.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY(S) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY	1					

ANALYSIS: (Attach a separate page if necessary.) CFEC has simplified and automated the licensing process in response to continuing budget reductions and staff losses over the past several years. The current \$20 per vessel fee is automatically applied with minimal staff resources. The fiscal note is necessitated by the change in the licensing system which will require development of new annual licensing forms, collection and verification of data, response to public inquiry, and reprogramming of data processing. The existing skeletal staff will need to be supplemented for the first year until the new system becomes established. (See attachments)

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 2/1/94

Approved by Commissioner: 
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 2/1/94

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