

**SB**

**132**

JERE T. MURRAY, Ph.D.  
P.O. Box 237, Seldovia, Alaska 99663-0237  
(907) 234-7646 (Voice or FAX)  
March 16, 1993.

Senate Resources  
Committee

2 pages.

Testimony - SB132

3.15.93

2 pgs.

Alaska Legislature  
Senate Resources Committee  
Chairman Senator Mike Miller  
Vice-Chairman Senator Loren Leman  
Members: Senators Steve Frank, Drue Pearce, Albert Adams, Dave  
Donley, Fred Zharoff

Via FAX Only: 465-3883

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on SB132 which concerns IFQ financing.

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 SB132 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 SB132 during the December 1991 meeting of the North Pacific Fisheries Management Council in Anchorage. Mr. Clem Tillion, 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 HJR 61 which includes the additional resolve of the Senate companion, SJR 90, "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 HB132 at this time can do no good and may do harm in the continuing battle against this devastating plan. First things first, please.

Sincerely,

*Jerre L. Murray*

2nd Page  
Testimony on  
SB 132  
3.15.93

---

RECEIVED MAR 19 1993

**CENTRAL BERING SEA FISHERMEN'S ASSOCIATION**

P.O. Box 88, St. Paul Island, Alaska 99660-0088

Telephone: 907-546-2313 Fax: 907-546-2366

March 15, 1993

Senator George Jacko FAX 465-2997  
Juneau, Alaska 99811

Dear Senator Jacko,

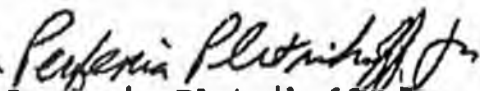
Please add our name to the list of groups supporting Senate Bill No. 132, making loans available for the purchase of IFQ.

When this IFQ program begins, a considerable amount of consolidation will take place in the fishery, and some will be displaced from the fishery. Small amounts of IFQ will be available and Alaskan fishermen should have an opportunity to vest themselves in the fishery, or supplement their own IFQ allocations. This loan assistance may make the difference between having enough fish to keep fishing, or giving up fishing altogether because of limited IFQ.

In our own case, we anticipate the need to purchase IFQ from Seattle vessels which will no longer be interested in fishing in 4C halibut waters around the Pribilofs after IFQ quotas are awarded. These quotas will be lost to our islands forever, if cash resources and credit are not available to purchase them when the time comes.

We support this amendment to AS 16.10, and commend you for its introduction.

Sincerely,



Permenia Pletnikoff, Jr.  
President  
Central Bering Sea Fishermen's Association



# Coastal Villages Fishing Cooperative

204 N. Franklin, Suite 1 • Juneau, AK 99801 • Phone 907-586-2360 • Fax 907-586-2331

March 15, 1993

Senator Mike Miller, Chair  
Senate Resources Committee  
State Capitol, Room 423  
Juneau, AK 99811

SUBJECT: SB 132

Dear Senator Miller:

The Coastal Villages Fishing Cooperative (CVFC) is an Alaska corporation formed for the purpose of participating in the western Alaska Community Development Quota (CDQ) program. The membership of CVFC is composed of 17 communities along the Bering Sea coast of the Yukon-Kuskokwim Delta from Scammon Bay in the north to Platinum in the south.

CVFC has reviewed SB 132 introduced by Senator Jacko. This bill amends the Commercial Fisheries Revolving Loan Fund to include provisions for matching loans provided by a CDQ group for the purchase of Individual Fishing Quotas (IFQ). By expanding the loan fund to include loans for purchase of IFQ and for matching loans equal to amounts loaned to fishermen by CDQ groups, the fund will greatly increase the ability of western Alaska fishermen to purchase IFQ and become active members in the fisheries subject to IFQ programs.

CVFC supports the passage of SB 132 and recommends that the Senate Resources Committee pass the bill out to the Senate Finance Committee.

If we can provide any further information, please contact me at your convenience.

Very truly yours,

Norman A. Cohen  
Executive Director

cc: Senator Jacko ✓

Henry and Linda Blake  
Joe, Hugh, and Ron Blake  
F/V Neptune  
F/V Hunter  
P.O. Box 6336  
SITKA, AK 99835

LIO-SITKA

March <sup>15<sup>th</sup></sup> 1, 1993

Senator Miller  
Resources Committee

Re: Senate Bill # 132

Dear Sir;

If this bill is passed it will appear that the State of Alaska has given it's approval to the I.F.Q. program.

If this plan is implemented it will have disastrous consequences to the fishing industry in the State. There are many of the details of the program that are not as they appear on the surface. It is not a management program, it is an allocation and surrender of management.

The Alaska Dept. of Fish and Game is the proper agency of management for these resources. The state should not give that responsibility to the federal government. Additionally it will give the factory/processor boats access to areas where they are not presently allowed to fish. Giving the right for I.F.Q. holders to take unlimited bycatch of Rockfish and Pacific Cod is not at all fair or right. These are presently being well managed by the State.

Additionally, there is already a moratorium that does not permit any new boats to enter the fishery. The I.F.Q. program will allow no more of the smaller catcher boats, in fact many will be not given quotas, but about 100 large boats will be given quotas. The processor boats will also be allowed to hydrate the halibut when the small boats will not.

The processor boats typically off load their catch either in Seattle or on the high seas. The smaller catcher boats are the residents of the coastal communities of Alaska and their catch is sold to local processors who employ local people. These boat owners buy their fuel and groceries in the local communities. Their repairs and upkeep are generally taken care of in these communities. This is the backbone of many of the people here.

At the very least there should be more study done to determine the effect of this program on the people of Alaska. The Natives are opposed to it as well as a large majority of the citizens, especially when they become aware of what it will

At the very least let's wait until the final implementation is approved before we jump into this plan. Look at who will be allowed to buy I.F.Q.'s

Henry, Linda, Joe, Hugh, and Ron Blake

*Linda Blake*

10f1

Alaska Longline Fishermen's Assoc.

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

March 17, 1993

S.B. 132: a Bill to provide funding to Alaska residents for the purchase of fishing quota shares.

Senator Miller, Chair  
Senate Resource Committee  
Juneau, AK 99801-1182

Dear Chairmen Miller and members of the Committee,

I am testifying on behalf of the Alaska Longline Fishermen's Association (ALFA) in support of providing State loans to fishermen for the purchase of fishing quotas.

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.

Predictably, a significant number of QS will change hands during the early years of the program, hence it is essential that the loan program be in place before IFQs are implemented. ALFA urges the State to move forward with the financing program as quickly as possible.

One further point that I would like to make clear to the committee: while ALFA's membership firmly supports HB 123, the companion bill to SB 132, the Association has not yet had an opportunity to discuss the language in SB 132 that addresses loans to CDQ recipients. Hence at this point I will withhold comment on that section, and state only ALFA's support for proceeding with a State loan program for quota shares.

Thank you for the opportunity to comment.

Sincerely,

*Linda Behnken*

Linda Behnken  
(exec. director, ALFA)

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 132

Revision Date: \_\_\_\_\_

Department Affected: Commerce and Economic Development

Title: Loans for IFOs

BRU: Investments

Sponsor: Senator Jacko

Component: \_\_\_\_\_

Requestor: Senate Resources

COMPONENT SERIAL NO. 0384

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSO'IAL 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
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

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: 7/2/92

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

Date: \_\_\_\_\_

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

## FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 132

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 SB 132 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.

SB 132: "An Act relating to loans for the purchase of individual fishery quota shares, and providing for an effective date."

SB 132 amends the Commercial Fishing loan program to allow Alaskan residents to finance the purchase of individual fishery quota shares. The bill establishes two different eligibility sections under which applicants can qualify. In order to be eligible under AS 16.10.310(a)(1)(C) an applicant must:

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

In order to be eligible under AS 16.10.310(a)(1)(D) an applicant must:

1. have been a two-year resident;
2. received a loan for the purchase of individual fishery quota shares from the recipient of a community development quota that equals or exceeds the amount of the loan requested under this program; and
3. qualify as a transferee under applicable law.

SB 132 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 loan limits based on the eligibility of the borrower. For those borrowers qualifying under AS 16.10.310(a)(1)(C) the total balances outstanding on loans made to purchase individual fishery quota shares cannot exceed \$300,000. For borrowers qualifying under AS 16.10.310(a)(1)(D) the total balances outstanding on loans made to purchase individual fishery quota shares cannot exceed the amount of loans received from a recipient of a community development quota.

SB 132

It should also be noted that some applicants will qualify for both AS 16.10.310(a)(1)(C) and AS 16.10.310(a)(1)(D) and would be eligible to apply for loans under both sections.

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  
Date: 3/2/93

honors a wide diversity of opinion. I shall let others decide whether or not my views reflect theirs.

But as one human being, I have a need to express an apology to all of the persons in our community who happen to be gay or lesbian. Many of you are my friends and colleagues; all of you are my brothers and sisters. Any one of you could be my son, my daughter, my family.

I am deeply grieved by the embarrassment and ridicule to which you have been and continue to be subjected. I am sorry — especially if we have allowed you to feel that the angry, strident voices have represented us all. There are many gentle persons in our community who choose to use their energy and resources to be there for others in quiet ways — who are not always adept at controversy. Forgive us for what may have seemed to be a lack of caring.

We offer our love and support in ways that we hope will be more lasting than debates, won or lost. Your pain is our pain! You are not alone!

— Wes Veatch

3/3/93

## Column needs clarification

I am writing in response to a Compass piece by Carol Thomassen titled "Quota system delivers cruel blow to many fishermen," which ran on Feb. 20. I wish to clarify some aspects of the IFQ program to which Ms. Thomassen refers.

Ms. Thomassen implies that future fishing rights will go to "those lucky enough to have won a quota," and further that vessel owners who leased their vessels to others would receive the credit for landings made by the leasee.

The North Pacific Fishery Management Council, after struggling with the issue for more than five years, passed their individual fishing quota (IFQ) management system for the fixed gear halibut and sablefish (black cod) fishery in December 1991. That plan was approved by the U.S. Secretary of Commerce on Jan. 29, 1993. It will be implemented by the National Marine Fisheries Service (NMFS), and should be in place no later than the start of the fishing season in 1995.

The plan allocates transferable fishing rights to persons (individuals or corporations) who owned or leased vessels that landed halibut or sablefish with fixed gear during the years 1988, 1989 or 1990. While it is true that hired skippers and crew will not receive quota shares, it should be noted that qualified leaseholders, not the vessel owner, will receive the credit for their landings. Individuals who do not qualify to receive quotas initially, will be able to purchase them if they have participated as a member of a harvesting crew in any U.S. commercial fishery for five or more months.

If Ms. Thomassen, or other readers, would like more information regarding the IFQ plan, they can contact the council staff in Anchorage or call the NMFS in Juneau.

— Chris Oliver, deputy director  
North Pacific Fishery Management Council

## State's sell

What do you inhabitants sell that is so, the inhabitants of t said to Lady a famous argume: mined what yo: merely discussi.

It is now ove quip was made, the more they r Sam and Lady price of the sale personal respor hallmarks of a : to be in serious: legislature. This: whether or not cycle helmet lav federal legislat. this as an issue discussion of th: lends itself attr ter(s)!

## Abortionist

Once again, missed the poi: tion: Hospital : (Feb. 20), the