

HB

198

SENATE COMMITTEE REPORT

DATE: 5/1/97

FURTHER:

DATE TURNED IN TO OFFICE: 5/8/97

Resources Committee considered CS FOR HOUSE BILL NO. 198(FIN)

"An Act relating to regional dive fishery development associations and to dive fishery management assessments; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ ()
- adopt previous _____ CS _____ ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR' _____

SIGNING DO, PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Adrian L. Taylor</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓				
<i>Drew D. Leman</i>	✓				
<i>Lynn Green</i>	✓				
CHAIR: <i>Rick Halford</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>FIG CFMD</i>	<i>4/8</i>		X
<i>REVENUE</i>	<i>4/9</i>	X	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 3

Bill Version: HB 198

(H) Publish Date: 4/10/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Dive Fishery Management and Assessment BRU: CFMD
 Component: Fisheries Management
 Sponsor: Representative Williams
 Requester: House Fisheries COMPONENT SERIAL NO. 1941

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES		184.6	184.6	184.6	184.6	184.6
TRAVEL		9.3	9.3	9.3	9.3	9.3
CONTRACTUAL		42.8	42.8	42.8	42.8	42.8
SUPPLIES		5.9	5.9	5.9	5.9	5.9
EQUIPMENT		9.4	9.4	9.4	9.4	9.4
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		50.0	50.0	50.0	50.0	50.0
TOTAL OPERATING	0.0	301.9	301.9	301.9	301.9	301.9
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	301.9	301.9	301.9	301.9	301.9

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts		301.9	301.9	301.9	301.9	301.9
1037 GF Mental Health						
Other						
TOTAL	0.0	301.9	301.9	301.9	301.9	301.9

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME	0	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached page.

Prepared by: Bob Clasby
 Division: Commercial Fisheries Management and Development
 Approved by Commissioner: Frank Rue
 Agency: Department of Fish and Game

Phone: 465-6143
 Date: 4/8/97
 Date: 4/8/97

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This fiscal note for ADF&G assumes no cost to the department associated with establishing the dive association.

Pass through funding for the administration of the dive association is estimated at \$50,000. This is shown under miscellaneous on the fiscal note. This portion of the fiscal note is built on the assumption that there is one group formed in Southeast Alaska. Additionally, if budget cuts go through as currently proposed in the Senate, staff associated with this process (Regional Resource Development Biologists) may no longer exist. Under this situation, the fiscal note would increase to cover the cost of a Fisheries Biologist III, at a cost for salary and travel of \$85,000 to reflect the need to hire new staff to administer oversight of dive associations.

This fiscal note does not cover costs associated with enforcement issues that are the purview of the Department of Public Safety.

This fiscal note does not cover costs associated with the Department of Revenue.

All expenditures in FY99 through FY03 are anticipated to be recovered by Program Receipts generated by a dive fishery association assessment.

FISCAL NOTE

Revision Date: _____ Dept. Affected: Revenue
 Title: Dive Fishery Management Assn & Assessment BRU: Revenue Operation
 Component: Income and Excise Audit
 Sponsor: REP WILLIAMS, Hudson, Kookesh, Grussendorf
 Requestor: (H) FSH COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (GF)	0.0	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

*** See Attached Analysis

Prepared by: Paul E. Dick
 Division: Income and Excise Audit Division
 Approved by Commissioner: Wilson L. Condon
 Agency: Revenue

Phone: 465-3691
 Date: April 9, 1997
 Date: April 9, 1997

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DEPARTMENT OF REVENUE
Income and Excise Audit Division

Dive Fishery Management Assn & Assessment
CSHB 198(FSH)
April 9, 1997
Page 2 of 2

BILL ANALYSIS

Section 1 authorizes the formation of qualified regional dive fishery development associations for the purpose of developing dive fisheries in the state.

Section 2 adds new section to AS 43.76 (Salmon Enhancement and Marketing Taxes) which establishes provisions for an elective dive fishery management assessment. Qualified dive fishery development associations would be authorized to conduct an election to approve, amend or terminate a dive fishery management assessment based on a percentage of the value of the fishery resource. Terms for conducting the election are provided in this section.

Processors would collect applicable dive fishery management assessments from dive fishermen when they acquire or buy dive fishery resources. Processors would be required to file returns and remit assessment collections to Department of Revenue on a quarterly basis. Persons who export dive fisheries from the state would be required to file returns and pay assessments directly to the department on a quarterly basis. Assessment collections would be deposited in the general fund. The legislature may appropriate assessment revenue to the Department of Fish and Game for funding the qualified regional dive fishery association in the area in which the assessments were collected.

Section 3 provides for an immediate effective date.

OPERATING EXPENDITURES

Department of Revenue estimates that less than 40 dive fishery assessment returns would be filed each year. The department could handle collection of the fishery management assessments and processing returns with current resources.

REVENUE

It is not feasible to estimate revenue under this bill because the dive fishery assessment is contingent on (1) formation of a qualified dive fishery development association and (2) approval of an assessment and rate by a majority vote of association members. According to Department of Fish and Game, the total estimated value of dive fishery resources for calendar year 1997 will be between \$3.5 and \$4.0 million. Collections would likely begin in FY 1999 because of the time it would take to form associations and conduct an election for approval of an assessment.

FISCAL NOTE

No. 1
 Bill Version: HB 198
 (H) Publish Date: 4/10/97

STATE OF ALASKA
 1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: An Act relating to regional dive fishery development associations and BRU: Commercial Fisheries (Limited) Entry Commission
to dive fishery management assessments Component: Limited Entry Program Administration
 Sponsor: Williams
 Requester: House Special Committee on Fisheries COMPONENT SERIAL NO. 0471

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

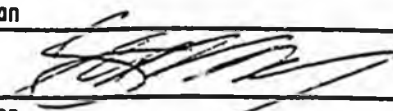
Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/7/98
 Approved by Commissioner: Bruce Twomley 
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/7/98

Alaska State Legislature

Committees:
Transportation, Chairman
Resources
Economic Development
Rules



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Representative William K. Williams

SPONSOR STATEMENT

HOUSE BILL 198

"An Act relating to regional dive fishery development associations and to dive fishery management assessments; and providing for an effective date."

Southeast Alaska dive fishermen have been attempting for the past decade to establish orderly, consistent and stable fisheries capable of providing dependable economic opportunity for themselves, their families and the communities of southeast. The urgency to create an economically viable fishery is highlighted by the recent closure of the regions largest employer and other related negative economic effects on the economy of southeast Alaska.

Substantial untapped dive fishery resources have been identified through diver and ADF&G underwater activities for over a decade. Many of the southeast communities have placed the development of the dive fishery as a priority item in economic development documents and locally developed legislative budget priorities. The dive fishery resources appear to be abundant and diverse throughout the region. The small sea cucumber and geoduck fisheries in southeast have a combined annual ex-vessel value of \$2.0-2.5 million dollars. In California, the urchin fishery has ranged in ex-vessel value from \$16 to \$39 million dollars from 1990-1996. Geoducks range in price from \$6/lb. live to \$3.50/lb. processed. Alaskan waters contain abundant amounts of these fishery resources plus many others not currently harvested. This legislation will encourage the identification and development of these resources. The potential for future jobs for harvesters, processors and support industries is considerable.

The commitment to work together is evidenced in the red sea urchin fishery. In 1996, the Alaska Department of Fish & Game (ADF&G), after a test fishery, was unable to open the red sea urchin fishery because of lack of funding. Based on positive results in the test fishery and a vision to diversify and develop their local economy, the Ketchikan Gateway Borough provided funding to ADF&G to conduct bioassessment surveys needed to open the fishery. The Borough continued in its involvement by facilitating and participating in a local task force comprised of Borough personnel, divers, processors and ADF&G. The resulting plan was for processors to "forward fund" the management costs of the fishery with agreements to recoup their funding through a \$.05/lb. assessment on divers. Thus, in January 1997, a red urchin fishery opened in districts 1 through 4 in the Ketchikan and Craig areas.

Sponsor Statement
HB 198
Page Two

This temporary fishery opening is based on a one time source of funding that will expire June 30, 1997. In order to continue this fishery, and to develop the other dive fishery resources, a stable source of funding is necessary.

The August 1996 red urchin management plan states: "Developing a long-term program to fund the costs of stock assessment, research and management remains an outstanding issue. If sufficient funds are not provided to the department each year, the fishery will not open." This is the dilemma divers face and House Bill 198 provides a creative and progressive vehicle to move towards a solution.

House Bill 198 does not mandate but allows the creation of regional dive fishery development associations for the purpose of developing dive fisheries and creates a working relationship between the divers and ADF&G to develop annual operating plans. The legislation is permissive and once a regional association is formed, divers can hold a ballot election of all interim-use permit holders to answer two questions: 1) shall we assess ourselves, and 2) at what rate shall we assess ourselves.

If approved by election, divers would be assessed, the state would collect, and the legislature may appropriate the assessment back to ADF&G. The appropriation will be based on the mutually developed annual operating budget and plan. ADF&G would then fund the specific purposes outlined in the legislation for the regional dive fishery development association and ADF&G.

All the appropriate checks and balances are in place and all parties are held accountable. In addition, all other fisheries business taxes are collected and deposited into the general fund.

House Bill 198 is a positive step forward by the private sector to support economic development and diversification without seeking a general fund appropriation. Time is of the essence. I would appreciate your support of this legislation for passage this session to keep the economic development for southeast moving forward.

Alaska State Legislature

Committees:
Transportation, Chairman
Resources
Economic Development
Rules



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Fax (907) 465-3793

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352 Front Street
Ketchikan, AK 99901
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Representative William K. Williams

SECTIONAL ANALYSIS

CS for House Bill 198(FIN)

“An Act relating to regional dive fishery development associations and to dive fishery management assessments; and providing for an effective date.”

Section 1

Sec.16.40.240. Regional dive fishery development associations.

- Allows the creation of regional dive fishery development associations for the purpose of developing dive fisheries.
- Association becomes qualified if the commissioner of Fish & Game makes the following determinations:
 1. it is incorporated as a nonprofit corporation;
 2. represents commercial divers in the region; and
 3. the board has representation from each of the significant commercial dive areas in the region; a processor of dive fishery resources; and, a representative of the municipalities in the administrative area.

Section 2

Sec.43.76.150. Dive fishery management assessment.

- Allows the divers to first form an association. The association then holds an election to determine their rate of assessment from rates (1%, 3%, 5%, 7% of value) set forth in the bill.
- If the association forms, determines to assess themselves at a certain rate, then this portion of the bill provides for the collection of this assessment by the Department of Revenue.

Sec. 43.76.160. Election to approve, amend, or terminate dive fishery management assessment.

- This section mirrors other language currently in statute. It outlines the time line, what must appear on the ballot. The commissioner of Fish & Game certifies the results of the election.
- This section also provides the same procedure for amending or terminating an assessment by the regional dive association.

Sec. 43.76.170. Amendment of dive fishery management assessment.

- Allows the Department of Revenue to amend a dive fishery management assessment if:
 1. 25% of the number of persons who voted in the original election present a petition to the commissioner of Fish & Game;
 2. an election is held asking the question to amend;
 3. a majority votes to amend; and
 4. the regional association provides proper notice.

Sec. 43.76.180. Termination of dive fishery management assessment.

- Allows the Department of Revenue to terminate a dive fishery management assessment if:
 1. 25% of the number of persons who voted in the original election present a petition to the commissioner of Fish & Game;
 2. an election is held asking the question to terminate;
 3. a majority votes to terminate; and
 4. the regional association provides proper notice.

Sec. 43.76.190. Collection of assessment. (Follows current method in statute.)

- Requires assessment to be collected at point of sale.
- Requires quarterly remittal to Department of Revenue.
- Requires the maintenance of buyer records.
- Requires the "owner" of the fishery resources to remit the assessment and maintain records if they remove the fishery resource from the state.
- Assessment deposited into general fund.

Sec. 43.76.200. Funding for qualified regional dive fishery development associations.

- Provides for appropriation of revenue to ADF&G for funding of qualified regional dive fishery development associations.
- The assessment collected in a particular administrative area will be returned to that administrative area.
- Funds may be expended by regional association for costs of management, research, and planning for dive fisheries and for the administration of the association.

- Requires associations receiving funding to:
 1. to develop an annual operating plan with the cooperation of ADF&G;
 2. plan must describe activities for which funds will be spent including:
 - a. identification of species and areas for bioassessment surveys;
 - b. description of management and research activities to be performed by both the regional association and ADF&G.
- Funds appropriated to ADF&G for the regional association cannot be spent by either the association or ADF&G (except for administration costs of the association) unless both parties have approved the annual operating plan.
- Requires an annual financial report to be submitted by the association to ADF&G.

Sec. 43.76.210. Definitions.

Provides definitions for the legislation.

Section 3

The bill will become effective upon passage.

Management Plan for the Harvest of Red Sea Urchins
in Districts 101-104 of Southeast Alaska



Regional Information Report ¹ NO. 1196-19

Alaska Department of Fish and Game
Commercial Fisheries Management and Development Division
P.O. Box 240020
Douglas, Alaska 99824

August 1996

¹ The Regional Information Report Series was established in 1987 to provide an information access system for all unpublished divisional reports. These reports frequently serve diverse ad hoc informational purposes or archive basic uninterpreted data. To accommodate timely reporting of recently collected information, reports in this series undergo only limited internal review and may contain preliminary data, this information may be subsequently finalized and published in the formal literature. Consequently, these reports should not be cited without prior approval of the author or the Commercial Fisheries Management and Development Division.

INTRODUCTION

Fishers and seafood processors have expressed interest in developing a red sea urchin fishery in southern southeast Alaska since at least the late 1980s. While the department has sought an appropriation from the legislature to develop this fishery for many years, no such appropriation has been provided. In 1994, the department began to explore alternative funding sources to develop this resource.

In late 1994 the department chose test fishing to generate revenue for a stock assessment survey. District 101 was selected because of its large urchin resource and close proximity to Ketchikan (Figure 1). Ocean Fresh Alaska was the sole bidder, paying the department \$139,567 to cover costs of a stock assessment survey and for the costs associated with the monitoring the subsequent year long test fishery. In exchange, Ocean Fresh Alaska was allowed to harvest 3 million pounds of urchins from March 1995 to April 1996. The results of the survey and subsequent test fishery clearly demonstrated the economic potential of a red sea urchin fishery in the Ketchikan area.

In 1996, industry representatives sought legislation that would resolve funding and management issues necessary to begin a fishery. Legislation to resolve these issues did not emerge. The department proposed test fishing be used once again as the source of revenue but this approach met with significant opposition. As an alternative, industry representatives sought funding from the Ketchikan Gateway Borough to conduct stock assessment surveys in Districts 103 and 104 (the west coast of Prince of Wales Island and coasts of Dall and nearby islands to the north) and began discussion of alternative sources of revenue to pay for long term research and fishery management. In May of 1996, when it appeared that the borough would fund the stock assessment in District 103 and 104, a task force formed with the aid of staff of State Representative Williams (Saxman) to address the issues of long term funding and to advise the department on management of the fishery.

Members of the task force included dive fishermen, fish processors, and community representatives. Department staff served as advisors to the task force. The task force held a series of meetings through June 1996 and provided the department with a report that included a list of recommendations for management measures.

The Ketchikan Gateway Borough contracted with the department in July 1996 to conduct a survey of urchin biomass in Districts 103 and 104. These assessments, in addition to those in Districts 101 and 102, are a necessary step to allow the department to establish quotas for a commercial fishery over a wide geographic area.

With information available on stock size, two tasks remain prior to opening a commercial fishery. First, the department must adopt regulations to manage the fishery under the High Impact Emerging Fisheries Regulation (5 AAC 39.210) and the Administrative Procedures Act (AS 44.62.180-290). Second, funding must be provided to the department to cover all management costs and to begin the research program.

While adoption of interim regulations and short term funding will allow the department to open a fishery, successful completion of these steps do not assure a fishery in the longer term, nor

necessarily define how the fishery will be managed after the first year. Developing a long-term program to fund the costs of stock assessment, research and management remains an outstanding issue. If sufficient funds are not provided to the department each year, the fishery will not open. Last, the regulations adopted under the High Impact Emerging Fisheries Regulation are subject to review and change by the Alaska Board of Fisheries at its next regularly scheduled meeting.

In developing this management plan, the department incorporated many of the recommendations of the sea urchin task force. Some recommendations were deemed inappropriate by the department and either modified or eliminated. Significant changes in management from those recommended by the task force are noted and discussed.

STATE OF ALASKA
 COMMERCIAL FISHERIES ENTRY COMMISSION

13:40 Friday, January 24, 1997

PROJECT NUMBER : 96157
 PROJECT NAME : Southeast Dive Fisheries

Moratorium Eligibility List For Out Of State Permit Holders

,ADDR,CITY

A_CITY	Frequency	Cumulative Frequency
ANCHORAGE	6	6
ANGOON	1	7
AUKE BAY	5	12
BETHEL	1	13
COFFMAN COVE	2	15
CORDOVA	4	19
CRAIG	51	70
DOUGLAS	1	71
EDNA BAY	6	77
GUSTAVUS	1	78
HAINES	4	82
HOMER	2	84
HYDABURG	4	88
JUNEAU	8	96
KENAI	1	97
KETCHIKAN	98	195
KLAWOCK	5	200
METLAKATLA	14	214
MEYERS CHUCK	1	215
PALMER	1	216
PETERSBURG	37	253
PORT ALEXANDER	2	255
SEWARD	2	257
SITKA	116	373
SLANA	1	374
THORNE BAY	16	390
WARD COVE	12	402
WASILLA	2	404
WRANGELL	34	438

Addresses listed are the most current ones on file.

,ADDR,STATE

A STATE	Frequency	Cumulative Frequency
CA	26	26
CO	1	27
ID	1	28
NM	1	29
NV	1	30
NY	1	31
OR	13	44
WA	74	118
WY	1	119

S.E. DIVE FISHERIES ELIGIBILITY
 (Based on final version of HB 547)

DIVE FISHERY OPTIONS	Number Eligible Participants
Abalone: All persons who harvested abalone in 1994 or 1995 (and) any persons who harvested any of the four species in the five consecutive years 1991-1995.	190
Geoducks: All persons who harvested geoducks in 1994 or 1995 (or) January 1996 (and) any persons who harvested any of the four species in the five consecutive years 1991-1995.	170
Sea Cucumbers: All persons who harvested sea cucumbers in 1994 or 1995 and any persons who harvested any of the four species in the five consecutive years 1991-1995.	472
Sea Urchins: All persons who harvested sea urchins in 1992 or 1993, (and) any persons who harvested sea cucumbers in 1994 or 1995, harvested abalone in 1994 or 1995 or harvested geoduck in 1994 or 1995 or January 1996.	559



KAKE TRIBAL CORPORATION

April 1997

P.O. Box 263

Kake, AK 99830

COURT RULES AGAINST KTC

Past errors haunt Kake Tribal

The Alaska Supreme Court dealt a blow to a majority of Kake Tribal shareholders on February 21, 1997 when it upheld a lower court decision in the Arlene Bell Hanson et. al v. Kake Tribal Corporation. The highest court in Alaska ruled that Kake Tribal must pay 173 shareholders approximately \$98 per share as res-

Continued on page 3

Going After MONY

The only bright lining to the otherwise dark cloud created by the Alaska courts is that Kake Tribal has preserved its right to sue Mutual of New York (MONY), the company responsible for the insurance program that discriminated against certain shareholders.

"There is a wide paper trail that leads directly to Mutual of New York, the insurance company that sold the program to Kake Tribal in 1980," says Gordon Jackson. "It was naive of the board back then to accept a program that was discriminatory, but it was irresponsible for a huge enterprise like Mutual of New York to sell such a life insurance program. Certainly a corporation such as this insurance company should have known about corporate laws, fiduciary responsibilities, and shareholder rights."



The Kake Crew: over 40 residents of Kake are employed processing sea urchin this winter.

KAKE SEA URCHIN PROJECT

The processing crew at Kake is given credit for producing high quality sea urchin roe that commands top prices at the famed Tsukiji Market in Tokyo, the largest sea food market in the world. Mike Ellis, the sea urchin specialist hired by Larry Cambronero to oversee processing at Kake Fisheries, says the Kake Fisheries' crew is producing a product that sells for a higher average price than that of other Alaskan urchin producers.

"For those who understand the system, the key is the average price you receive," Ellis explains. "The market is an auction, and while

someone else might sell a portion of their product for a higher price, the bragging rights go to whoever gets the best price over-all."

Start-up of the project in January coincided with the low end of the market price for sea urchin. The sales strategy Cambronero and Ellis devised was to enter the market at the low end and to build a demand for the product as prices rise. The strategy appears to be paying off. In the 7th week of producing sea urchin roe the project is making profits.

"This project is labor intensive, and fortunately, we have a good

Continued on page 2

THE 1997 WORK SEASON BEGINS

In 1996 KTC employed over 400 people. Over 500 may work in 1997.

SEA URCHIN PROCESSING

is the place to be

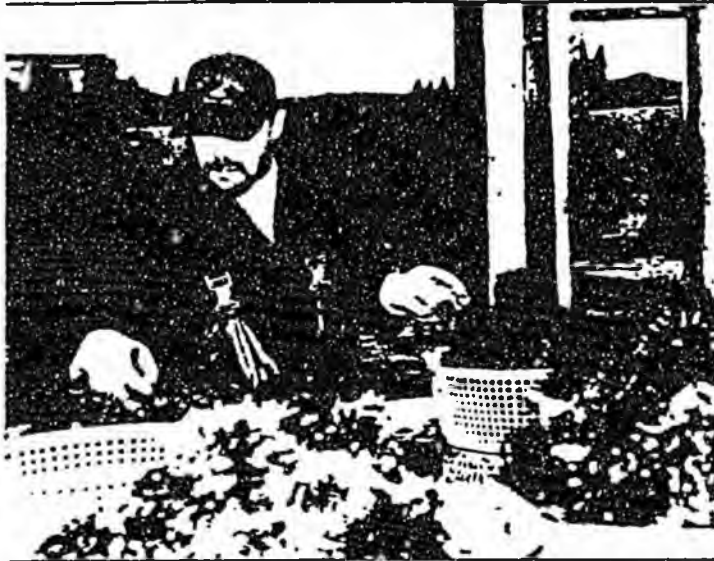
The early morning scene at the Kake Cold Storage is unusual only for the time of year. People, mostly young, stream into work, engaging in good natured banter as time cards are punched and rubber gloves and aprons are put on. Within a few minutes after eight in the morning the processing line

and workers talk, gossip and joke with one another.

During coffee break at 10:00 a.m. Carole Jackson, a widow with three children, is seated in the lunch room. She says that were it not for this job, she would be trying to raise money at bake sales to keep her family going.

are," he says with a grin. "Sea urchin processing is a nice job. It doesn't require heavy lifting like processing halibut and salmon."

When the break ends, Sandra Thomas and Melody Martin, both 19 years old and 1995 graduates of Kake High School, are back at work. Sandra is on the production line using a table spoon to separate the sea urchin roe from the spiny shells. Nearby, Melody sits at the table where the product is packaged. Using a tweezers, she



Dan Varnetti is one of the first to arrive at the plant. He and several other workers set things up so the full crew can go right to work at 8 a.m.



George Skeek, Danny Jackson, and Dawd Thomas crack the sea urchin shells with reverse-jaw pliers.

is up and running. For the first time in living memory there is mid-winter seafood production work in Kake.

"People came out of the woodwork for these jobs," says Larry Jackson, employee coordinator for Kake Fisheries. "We are paying good wages: this is the place to be."

Anyone who has ever seen a seafood processing plant in operation would be struck by the high morale of these workers. Rock and roll blasts from a boom box and the only time harsh criticism is voiced occurs when a heavy metal tape is replaced by the easy listening rock favored by management.

Even with the music, the noise level is much lower than during the height of the salmon season,

George Skeek, a heavy equipment operator during the logging season, seated across from Carol, says he would be drawing unemployment.

At the end of the table is George's father, Wilfred Skeek,

"People came out of the woodwork for these jobs."

who has regular employment as the driver of the senior services van and works part-time as a long-shoreman whenever a log ship pulls in. The elder Skeek says he doesn't need the check, but he likes the companionship. "Might as well

removes spine and gut fragments before sliding two pounds of product into a styrofoam cup filled with chilled water. Both Sandra and Melody are saving to afford attendance at the colleges of their choice, decisions available to them only with the earnings from winter season processing jobs.

Leonard Johnson, whose present job is to tend the trays of product during the drip-drying phase between extraction and packaging, is one of several people from the nearby village of Angoon who came to Kake last summer for work at the cold storage. The others left after the salmon season ended in September, but Johnson stayed on and has worked steadily ever since. "Sea urchin processing



About 18 people work the roe extraction line including Sandra Thomas, Wilfred Sikeek, Ray Kadake, Ella Vernetz and others.



Melody Martin and Kari Hale pack the product in styrofoam containers.

is good work. I wouldn't have a job otherwise," says Johnson who was unable to find employment in Angoon after his fourteen year stint with the local National Guard unit ended due to force reductions.

Mike Ellis, hired by Kake Fisheries manager Larry Cambronero to supervise the processing end of the project has been a commercial diver since 1976. He is also a seasoned processor with experience in markets up and down the west coast.

"We are processing red sea

"Sea urchin processing is good work. I wouldn't have a job otherwise."

urchin, which are much larger than green sea urchin. You have to extract the roe of red urchin, unlike green sea urchin which are often shipped whole," says Ellis. Because of the processing requirements for red sea urchin the project is labor intensive. "The beauty of this fishery is that it doesn't require a lot of capital or equipment. Just labor and typical plant facilities."

According to Ellis, the Kake product is receiving high marks

for quality. "We were amazed that the Japanese compare our product favorably to Santa Barbara sea urchin, which has the best reputation for flavor and consistency."

Processing, while mechanically simple, is labor intensive and requires great care, especially once the roe is extracted. If not handled properly, vibrations during shipment will render the roe into a soupy, unmarketable mess.

"There is a learning curve for processing like this," Ellis notes. "Although it's simple work, it is a manual dexterity thing. Like typing: you start out and 20 words a minute seems fast, 70 words per minute impossible." With a start up project like this, Ellis is pleased that everything has gone so smoothly that no product has been lost, and that it is receiving such high marks from the buyers.

UNI FOR SUSHI

Two to three times a week, a tender pulls into Kake with loads of sea urchins that vary from 12,000 pounds to 20,000 pounds per delivery. The variables are largely weather induced. A bad storm on the coast, and the divers will be unable to work. Really bad storms can keep the tender weather bound; and mild but foggy weather can delay delivery of the valuable, fragile, and quick to spoil processed sea urchin roe from getting to market. Despite a season of quirky weather, no shipment has spoiled, and the reports from Japan have praised the Kake Fisheries' product.

"We were amazed that the Japanese compare our product favorably to Santa Barbara sea urchin, which has the best reputation for flavor and consistency," says Mike Ellis.

The roe, known as uni in Japan where it is usually eaten as sushi, is actually gonads, either male or female, but to the untrained eye uni looks like a thumb-sized golden skein of tiny eggs. Unlike caviar of fin fish, this product does not demand an acquired taste. It has a pleasant tangy sour cream flavor and texture, palatable even to the uninitiated. The Japanese are extremely discriminatory. If the sea urchin roe is off-colored, too small or too large, not firm enough, not fresh enough, it may be rejected out of hand or will barely command any price at all.

KETCHIKAN
GATEWAY
BOROUGH

OFFICE OF THE MAYOR
John "Jack" Shay
344 Front Street
Ketchikan, AK 99901-6494
907-228-6605
(Fax) 907-247-8439

April 9, 1997

Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Legislators:

The Ketchikan Gateway Borough supports House Bill 198 sponsored by Representative Bill Williams, "An Act relating to regional dive fishery development associations and to a dive fishery management assessment."

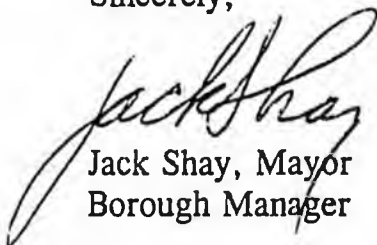
This legislation is part of a broader Dive Fisheries Economic Development Project for Southeast Alaska in which the Ketchikan Gateway Borough is participating. We have appropriated \$20,000 for Phase I of this project as part of a regional effort to develop dive fisheries.

The Ketchikan Gateway Borough has allocated substantial time and money seeking the development of the dive resources. The red sea urchin fishery now open in the Ketchikan management area is due largely to our efforts.

Southeast Alaska dive fishermen have been trying for the last decade to establish an orderly, consistent and stable fishery capable of providing dependable economic opportunity. House Bill 198 is another step in this direction.

The Ketchikan Gateway Borough appreciates your support for economic development and diversification for our region. Thank you for your consideration.

Sincerely,



Jack Shay, Mayor
Borough Manager



April 7, 1997

Representative Austerman
Alaska State Legislature
State Capitol Juneau, Alaska
99801-1182

Subject: House Bill 198, Regional Dive Fishery Development Associations

Dear Rep. Austerman:

The City of Craig supports House Bill 198 sponsored by Reps. Williams, Grussendorf, Kookesh, Hudson and Elton. This bill is entitled "An Act relating to regional dive fishery development associations and to dive fishery management assessments;...".

The city has supported this legislation as part of a broader project called the Dive Fisheries Economic Development Project to which the City of Craig has appropriated \$20,000 of our scarce city resources in support of phase I of this project.

The reason that our city has committed time and money to this project is that the dive fishery is an extremely important part of our community economic activity. The dive fishery produced over 270 jobs in our community just this past year in the following developing fisheries: sea cucumbers, sea urchins and geoducks. These fisheries have a very bright future along with other developing dive fisheries and, with proper resource management, we look to this fishery for many more jobs on a sustainable basis.

As you will note from the bill, management of the fishery pays for itself with an assessment from participating permit holders. Eligible divers vote on the amount that is assessed and placed into the general fund monthly. The legislature may then appropriate an amount to be determined by the legislature based on the amount of assessment received into the general fund. We wish that more programs were self-funding as is this one.

The City of Craig appreciates your consideration of this bill and points out that a vote for this bill is a vote for regional economic development and diversification. Please incorporate this letter into the bill-file for hearings on April 10th & 11th.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Watson".

Dennis Watson, Mayor
City of Craig



ADOPTED AUGUST 1875
March 17, 1897

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 18, 1893

BOX 621, 99800 907) 874-3951
FAX: 907) 874-3952

Alaska State Legislature
State Capitol
Juneau, AK 99801-1162

Dear Legislators:

The City of Wrangell supports House Bill 188, sponsored by Representative Bill Williams, "An Act relating to regional dive fishery development associations and to a dive fishery management assessment."

This legislation is part of a broader Dive Fisheries Economic Development Project for Southeast Alaska in which the City of Wrangell is actively participating. We have allocated \$20,000 for Phase I of this project as part of a regional effort to develop dive fisheries.

Southeast Alaska dive fishermen have been trying for the past decade to establish an orderly, consistent and stable fishery capable of providing dependable economic opportunity. The urgency to create an economically viable fishery in Southeast is magnified by the recent reduction in timber harvest and the closure of several forest products manufacturing plants in the region. In fact, in Wrangell we have at least eight displaced timber workers who are now participating in the dive fishery.

The City of Wrangell appreciates your support for economic development and diversification for our region. Thank you for your consideration.

Sincerely,

Douglas W. Roberts
Douglas W. Roberts
Mayor

DWR:fv



City and Borough of Sitka

Providing for Today . . . Preparing for Tomorrow

100 LINCOLN STREET • SITKA, ALASKA 99835

747-1811

March 17, 1997

Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Legislators:

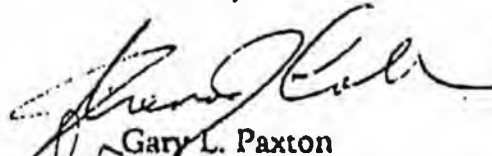
The City and Borough of Sitka supports HB 198 sponsored by Representative Bill Williams. "An Act relating to regional dive fishery development associations and to a dive fishery management assessment."

This legislation is part of a broader Dive Fisheries Economic Development Project for Southeast Alaska in which the City & Borough of Sitka is actively participating. We have allocated \$20,000 for Phase I of this project as part of a regional effort to develop dive fisheries.

Southeast Alaska dive fishermen have been trying for the past decade to establish an orderly, consistent, and stable fishery capable of providing dependable economic opportunity. The urgency to create an economically viable fishery in Southeast is highlighted by the recent reduction in timber harvest and the closure of several forest products manufacturing plants in the region.


The City & Borough of Sitka appreciates your support for economic development and diversification for our region. Thank you for your consideration.

Sincerely,



Gary L. Paxton
Municipal Administrator

END



NORQUEST

Lafayette, Silver Lining Crusader
Phone: 907-826-3334
Fax: 907-826-3353
PO Box 412
Craig Ak. 99921

March 26, 1997

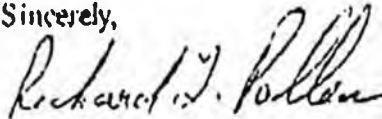
Dear Senator Mackie,

I wish to thank you for your support of House Bill 198. This Bill would set the stage for dive fishery production, which in turn will offer seafood processors the opportunity to operate year round. This would offer employment to many local folks who other wise would not have it at this time of year.

Norquest currently has a payroll of forty-five people which contributes around \$2400.00 daily into the local economy. This fishery has the potential of allowing other, now empty plants to open and operate in these labor intensive fisheries.

Again, your support of House Bill 198 is greatly appreciated.

Sincerely,



Richard L. Pollen
Plant Manager
Norquest/Craig



NORQUEST

Lafayette, Silver Lining Crusader

Phone: 907-826-3334

Fax 907-826-3353

PO Box 412

Craig Ak. 99921

3-25-97

Alaska State Legislature
Representitive Bill Williams
Juneau, Alaska

Representitive Williams,

Thankyou for introducing H.B. 198. Positive action by the Legislature on this bill will solve the permanant funding of ADF&G management for Red Sea Urchins and clear the path for the development of several other dive fishery resources that we see promising futures in.

Dive fisheries are an important part of our winter program in S.E. Alaska. We currently employ 30-35 people on a full-time basis in each of our facilities in Craig and Ketchikan. We are looking forward to expanding the program to Petersburg when resource becomes available in that area.

I am confident that fisherman are in support of the mechanism put forth in H.B. 198. We have been deducting a .05 cents assessment from fisherman on urchins. To date we have collected \$17,000.00 with only \$380.00 not paid. This current method is temporary. Your bill addresses all of the concerns that I have and I support it. I favor this permanant solution so our company can make investments in these resources with confidence of a future.

Sincerely yours,

Stephen LaCroy



SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

January 7, 1997

To Alaska Harvest Divers Association:

First of all I would like to thank you for the effort you have put forward concerning the dive fisheries in Southeast Alaska. Individual divers from other major communities in southeast have formed their own associations which have been modeled after yours and there is every indication that this movement will continue and develop into a regional association.

At a time when competition for other species are resulting in limited entry, moratorium, and quota based management systems, resources available to the diving industry remain in abundance and at near historic levels.

Markets for many of these products available in our area have been utilizing production from other coastal areas around the world. How our stocks will compete against these other sources in the marketplace depends on many factors, primarily on our ability to provide a consistent supply, which up until just recently has only been possible with Sea Cucumbers.

The problem is funding. Simply put, without funding to do stock assessments and to manage these fisheries, there will be no new fisheries. Knowing this, ADF&G has (within the last 2 years) been receptive to non legislative funding from the private sector. One example of this has been the Red Urchin fishery which just recently opened. Another is an area opened to Cucumber harvesting in Sea Otter Sound with money put forward by a Seafood Processor. That survey which cost \$15,000 opened an area which provided a 200,000 lb. quota in the first period. Considering an ex-vessel price of \$1.30 p/lb. that is a good first season return on anyone's calculator. When you take into account contributions to processing, transportation, equipment and other service related jobs as well as generating raw fish taxes, the benefits are significant. I believe that this is just the beginning.

I encourage you to continue in your efforts to secure ADF&G funding for the purpose of stock assessment surveys, and to explore self funding strategy, so that these new fisheries may be opened.

Sincerely,

Craig Shoemaker

SEAFOOD PRODUCERS COOPERATIVE



Wrangell FISHERIES INC.

641 SHAKES STREET, P.O. BOX 908, WRANGELL, ALASKA 99929

TEL. (907)874-3346. FAX (907)874-3035

MARCH 6, 1997

To whom it may concern:

Wrangell Fisheries, Inc. supports the dive fishery in S.E. Alaska. The development of this fishery is important to this community as well as to ourselves, to be able to provide an opportunity for employment in this industry during the "off season". Being able to keep a plant operational on a year round basis is dependant on these other fisheries.

Thank you for your consideration on the development of this dive fishery and hope you view it favorably.

Sincerely

Levi Dow
Plant Manager
Wrangell Fisheries, Inc.



Sitka Tribal Enterprises

Mr. Bert Bergman
Alaska Harvest Divers Association
PO Box 6423
Sitka, Alaska 99835

RE: Letter in Support of the Dive Fisheries Development Project

Dear Mr. Bergman:

With this letter, I would like to offer my support for the Dive Fisheries Economic Development Project. Sitka Tribal Enterprises is in the process of developing a fish-waste composting facility. The waste materials generated from this fishery, such as geoduck shells, would be a great additive for our compost. Seafood shells are an excellent source of calcium and would improve the quality of our finished product.

If this fishery project has the opportunity to come to fruition, we would like to offer The Alaska Harvest Divers Association a place for them to take their waste.

The Sitka Tribal Enterprise fish-timber waste composting facility, along with the Dive Fisheries Development Project, will help provide an economic stimulus for the community of Sitka, as well as provide an outlet for environmentally conscious business development within the Native community and the community at large. We look forward to working with the Alaska Harvest Divers Association as they move forward with this project.

Sincerely,

Bobi Rinehart
Environmental Resources Manager
Sitka Tribal Enterprises



February 25, 1997

City and Borough of Sitka Assembly
100 Lincoln Street
Sitka, AK 99835

Dear Assembly Members:

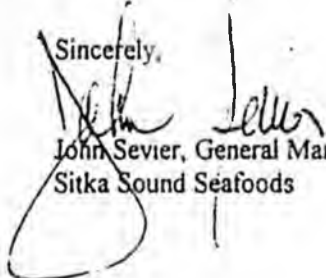
Sitka Sound Seafoods supports the development of the dive species in southeast Alaska. We have shore plants in both Sitka and Yakutat and we presently process sea cucumbers at our plant in Sitka.

The development of the dive species will provide opportunity for our organization to consider additional investment for the processing of these species. Being able to keep a plant operational on a year round basis is dependent on the availability of product.

Many of the dive species require labor intensive processing which affords the opportunity of employment to a broad base.

As the new general manager of Sitka Sound Seafoods, I look forward to getting to know each of you and working with you over the years to come. Thank you for your consideration of the dive fishery development proposal and I hope you will view it favorably.

Sincerely,


John Sevier, General Manager
Sitka Sound Seafoods

(907) 747-6662

FAX (907) 747-6268

FRESH AND FROZEN SALMON, COD, SABLEFISH, HALIBUT, ROCK FISH, CRAB, HERRING



NorQuest Seafoods, Inc.

Petersburg Plant
101 Harbor Way
P.O. Box 292
Petersburg, Alaska 99833

PH: (907) 272-1111

FAX: (907) 272-0130

April 8, 1997

Dear Representative Williams:

Just a brief letter to thank you for your efforts to support the Dive fisheries and progress on House Bill 198. As a full range seafood processor, we depend on resource harvest to survive and prosper in a challenging industry. Consistent work opportunities for our crews as well as earning opportunities for our fishermen are dependent on taking advantage of available viable resources.

House Bill 198 addresses an excellent fisheries development opportunity and provides a funding source that fits our declining State revenues. I hope that with its successful passage, we will be able to provide increased opportunity for our community. Thanks again for all your work.

Sincerely,

Dave Ohmer
Dave Ohmer,
Plant Manager
Norquest/Petersburg

Post-It® Fax Note	7671	Date	4/8/97
To	STEVE LA CRUZ	From	DAVE O
Co./Dept			
Phone #		Phone #	
Fax #		Fax #	

Tenass Pass Shellfish Company

Gourmet Oysters and Clams from Alaska Pure Waters



April 9, 1997

Rep. Bill Williams
Capitol Building, Room 524
Juneau, AK 99802-0704

Dear Rep. Williams:

As a small-scale processor just entering the geoduck business, I wish to strongly endorse House Bill 198 as the only apparent option for developing Alaska's great under-utilized clam resources. My company is one of the state's oldest shellfish farms and currently is the leading oyster and clam producer in the state, but we are still struggling to make a profit as we enter our second decade of business on Prince of Wales Island.

We began processing and shipping live geoducks last year, but we were stopped dead in our tracks after only three weeks as shipments began to fail PSP (paralytic shellfish poisoning) tests. We will test a system of purging geoducks of high levels of PSP during the 1997 fishery and fully expect to be able to consistently sell our geoducks on the lucrative live market in Hong Kong by the following year.

Your legislation should allow new geoduck and horse clam beds to open. These large clams can sell for more than \$10 per pound in Asian markets, and Alaska appears to have large quantities of untapped commercial scale resources. Here's the problem: state policies essentially prohibit the opening of new fisheries until there is sufficient research to verify resource strength and the Alaska Department of Fish and Game has the resources to manage a new fishery, but reduced state and federal spending has led to a virtual halt in research into new fisheries and ADF&G's budget is shrinking several sizes each year.

The result is a virtual assurance that no new fisheries will open, at least none under state control, or that only large companies with deep pockets need apply. HB 198 essentially gives the divers the ability to use the resource to help fund stock assessment and provides a method of funding ADF&G management. HB 198 has the potential to break down the existing barriers to development of some of Alaska's highest value seafood resources. It has my full support.

Sincerely,

Rodger Painter



THE 1 GREATER SITKA
chamber
OF COMMERCE

329 Harbor Drive, Suite 209
Mail: P.O. Box 638 • Sitka, Alaska 99835
(907) 747-8604 • Fax (907) 747-7413

April 8, 1997

The Honorable Bill Williams
Alaska House of Representatives
State Capitol Room 424
Juneau, AK 99801-1182

Dear Representative Williams:

The Greater Sitka Chamber of Commerce hereby strongly urges passage of HB 198.

Because of the continued lack of State funding for dive fisheries, HB 198 is the only reliable way of developing dive organizations and establishing a means of providing consistent funding to take advantage of the emerging economic opportunities available in these marine resource species.

Developing dive fisheries is one of the few bright spots for the economy of Sitka and the Southeast Alaska region at this time. There are hundreds of fishermen and dozens of seafood processors and their employees who would benefit directly from passage of HB 198.

We applaud and stand behind the efforts of the diver fishermen to take the initiative to make positive steps, without relying on State funds.

Sincerely,

GREATER SITKA CHAMBER OF COMMERCE

Anita VanDyck
President



United States
Department of
Agriculture

Rural Development

210 Seward Street, Suite 101
Sitka, Alaska 99835
Phone: (907) 747-5492
Fax: (907) 747-4965
FTS: A07AK60019

E-Mail: kperkins@rda-un2.rurdev.usda.gov

"Partners in helping the people of rural America develop sustainable communities."

April 11, 1997

Representative Bill Williams, Saxman ✓
Representative Ben Grussendorf, Sitka
Representative Al Kookesh, Angoon
Representative Bill Hudson, Juneau
Representative Kim Elton, Juneau

RE: HB 198 Dive Fishery Management Association and Assessment

Dear Representatives:

I am writing with regard to this important development on the SE Alaska efforts for a regional dive fishery and your related efforts to enact legislation (HB 198) to assist this development. As I understand it, HB 198 provides for the formation of regional dive associations for the purpose of development and cooperative management of dive fisheries. The associations would be financed by an assessment on the dive catch; if it is approved in an election of permit holders.

With this concept in mind, it is a very intriguing one that would be a very welcome development for SE Alaska. We all know that the region is suffering from the downturn in the economy with a dramatic decline in the timber industry as well as the current volatile nature of the fishing economy. Natural Resource extraction is the economy of this region. With a sound development and management plan, I firmly believe that this emerging industry may be able to contribute to the stabilization of the SE Alaska region's economy.

From an agency perspective involved in rural development issues, we would be willing to assist this project along in any fashion that any of our programs may fit. We provide loan guarantees for private sector business development for the individual businesses as well as technical assistance programs for cooperative development issues. While this concept of a cooperative has not evolved yet, we stand ready to assist if this is the desired direction of the region's divers. We recently had a staff person from our Rural Development Cooperative Services Division stop through here (SE Alaska) from Washington, DC. He provided us a copy of the following success story of a related dive fishery development in the State of Oregon that seems to show that there may be some value to cooperative development processes. We have also received additional detailed information on this free technical assistance program for Cooperative Development that Rural Development offers out of the Washington, DC office.

Thank you for allowing this input regarding further development opportunities of this fishery. I believe it will be very beneficial to SE Alaska. All of the programs we offer are accessible to the communities of the region. Should you have any questions regarding our programs, please feel free to call me. Rural Development looks forward to assisting this program in any manner that we have programming available.

Sincerely,

Keith R. Perkins, Manager
SE Alaska Area

CC: Ernest Brannon, State Director - Rural Development
Frank Muncy, Director - Rural Business Services, Rural Development



Southeast Alaska Harvest Divers Association
Ketchikan Chapter
P.O. Box 6263
Ketchikan, AK 99901
March 29, 1997

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

Dear Representative Williams:



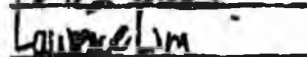
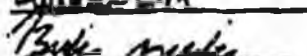
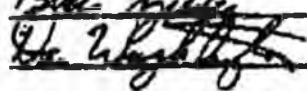
We would like to thank you for securing funding for the red urchin fishery for the continuation of the fishery after June 30. We understand that it is one year's funding only and that you were able to secure the money because of our initiative in stepping forward in our support of House Bill 198. While the red urchin fishery is important, and many of us participate in it, it is only one small part of what is addressed in House Bill 198 and the Dive Fishery Economic Development Project. We view this legislation as an opportunity to provide economic development for not only Ketchikan, but, for all of southeast. It will allow us to work in a positive manner with the Department of Fish & Game to develop these resources.

The most important fact relating to House Bill 198 is that it provides a level entrance for all the participants in the fishery. The funding mechanism currently in place is voluntary and has caused considerable confusion. House Bill 198 will provide opportunity for stability and accountability which we believe is very important.

The following individuals support House Bill 198 and the development project. We will continue to work in a forward looking manner to ensure the goals of the project are met. Thank you for your vision and support.

Sincerely,

Southeast Alaska Harvest Divers Association

-  P.O. 8155 KTN F/V Motivation 21
-  429 W. ONIUS L.P. RD. LA STEVENS WA
-  P.O. B. 157 Ktn Grand Isle Marine Products
-  Box 5582 Ktn F/V Clear Light
-  Box 23472 KTN F/V OSPREY

Representative Bill Williams

Page 2

March 29, 1997

~~Van Nguyen~~ Box 5703 KETCH. ALASKA
~~Jim Kim~~ PORT ANCHORAGE
~~Bob Miller~~ 670 Bill St Anchorage
~~Scott Stewart~~ Yak Wash Penn
~~Paul De~~ 777 P () Sitka
~~Ray De~~ " " "

Alaska Harvest Divers Association

Sitka Branch
P.O. Box 6423
Sitka, Alaska 99835
March 31, 1997

Representative Bill Williams
Alaska State Legislature
State Capitol, Room 424
Juneau, AK 99801-1182

Dear Representative Williams:

The Sitka divers support House Bill 198. We have been working for many years to develop our dive fishery in the Sitka area. Funding for this fishery has been requested as City and Borough priorities for a decade; however, the fishery has not developed because money has not been appropriated for the developing fishery.

In the Sitka area we have some geoduck and sea cucumber dive fisheries which are currently open. These fisheries represent a small portion of the dive resources located adjacent to our city and borough. House Bill 198 is part of a Dive Fisheries Economic Development Project which will begin to move us forward in the development of these resources.

At the same time we are working on several other elements connected with the project. It is our desire to develop these resources for the long-term benefit of our fishermen and community.

The following individuals support House Bill 198. Thank you for your support in this effort and we look forward to our continuing work with you and your staff.

Sincerely

Greg Cushing

- William R Arnold 1308 SMC S, Sitka (MANAGER Hidden Falls Hatchery)
- Timothy D White P.O. Box 253 Sitka (S.E. Dive Shop)
- Don He 8631 Aurora Circle, Anchorage AK
- Robert Gray 17C Price St Sitka AK owner/op (F/V MARIE)
- Norma May 147 Price St Sitka AK
- Harry H Bradley P.O. Box 1043 Sitka, AK 99835
- Charles M. Hamrick Box 117 Sitka, AK 99835 (OWNER LAKE SIDE Groc)
- Greg Bradley P.O. Box 2416 Sitka AK 99835
- Jim White 705 HPR SITKA AK 99835 (owner Whites + Race Pharmacy)
- Robert Collins 603 HPR SITKA AK 99835 (owner ROCK RACK)
- Paul L. Johnson 617 Kathleen E-33 Sitka, AK 99835

Dawn Neush 3201 HPR SITKA
Ramon San Pedro HPR
Rebecca Jaurio 138 WEA DR SITKA (Owner F/V Jenny Leah)
Angela n: Bradley P.O. Box 1043 Sitka, AK
Richard S. Daniel 101 B Kuhnle Dr Sitka AK
Philipp Hoff 224 Lakoniew Dr. Sitka AK
Billy West 2309 HPR #42 Sitka AK
Jung Phillip 2103 SMC Sitka, AK
Bill 2200 SMC Sitka, AK (Owner F/V Roshell)
John Kuhn P.O. Box 6517 Sitka AK, (F/V STAMSON OWNER)
Terri Guntter P.O. Box 6212 Sitka AK (F/V MAGIC OWNER)
Mary McMeater 1722 Eduecumbre S. HKA AK (Owner F/V Bria)
Edward J. Bunt 101 Rudolph Watson Cir SITKA, AK (Owner F/V)
Verdell E. Swan 617 Kathleen St A13 SITKA AK
Murd. B. Kuhn 409 HPR #35 Sitka, AK (F/V Puffin)
Ann K. Ali P.O. Box 6342 Sitka AK
Denise P. Klunker 909 HPR #35 Sitka AK
Gregory J. Atkins P.O. Box 2501 Sitka, AK (Owner Pristeen Seab)
Gizet, J. K. 637 ORONOVA SITKA, AK
Darlene M. Long 1302-27 SMC Sitka, AK
Mark Simon 3307 HPR #4 SITKA, AK
Clarita Helen 805 SUSTAD Sitka, AK
Idome Phillips PO Box 854 Sitka AK
Karen Cornacchio P.O. Box 1925 Sitka, AK
Mitch Cowan 605 DeGroat Sitka, AK (F/V WILD HORSES)
Kau Weis P.O. Box 6343 SITKA AK
Jerry Flemming 1924 BODGE Circle Sitka, AK (Owner Fleming, Jr)
James Lecrone P.O. Box 591 Sitka AK (F/V)

Richard Stephens PO Box 6358 SITKA AK, 99835

William J. Corwell PO Box 6484 SITKA AK 99835

M. K. Warr Box 6467 SITKA AK 99835 ^{annual op} FN Int'l.

Ward Eldridge Box 6245 SITKA AK 99835 SAIPWRIGHT

Gene Calder PO Box 252 Sitka, AK, 99835 SN

Alan Newman 2309-22 HPR, Sitka AK, 99835-

Brenda Reynolds 207 Jeff Davis, Sitka, AK, 99835

Camelia Hyde Box 6444 Sitka, AK 99835

Alula Box 6444, Sitka, AK 99835 FV LOON

Koller, Warren Box 6467, SITKA AK 99835

Marie J. Gordon Box 1043, Sitka, AK, 99835

Richard G. Urias 612 BIORKA Sitka, AK 99835

Dorothy Gordon 908 HPR #3 Sitka AK 99835

George A. Carlos 908 H.P.#3 Sitka AK 99835

Barbara Box 6423, Sitka, AK 99835 FV NORMAN

Burke Box 277 SITKA, AK 99835 (SITKA VET)

March 28, 1997

Representative Bill Williams
Fax (907) 465-3793

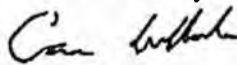
Dear Representative Williams

I support House Bill 198 and the whole concept of developing the dive fishery in southeast.

There are alot of untapped dive resources out there in southeast that Divers can earn their living from.

I believe this dive fisheries will help improve the economy for southeast people who need it, because of reduction in the timber harvest and the closure of several forest products manufacturing plants in southeast.

Sincerely,



Cam Tulloch
Petersburg Commercial Diver
Fax (907) 772 2141

James B. Dennis
 Box 591
 Craig, Alaska 99921
 March 19, 1997

Senator Jerry Mackie
 Alaska State Legislature
 Juneau, Alaska 99801-1102

Dear Senator Mackie:

The undersigned divers support House Bill 198 "An Act relating to regional dive fishery development associations and to dive fishery management assessments." We would urge your support of a Senate version of the bill.

A public meeting was held today in Craig and the legislation was reviewed. As you know, we have been attempting to develop the dive fishery resources in southeast for over a decade. This bill will provide a mechanism for moving forward with the development of these resources.

The legislation is part of Dive Fisheries Economic Development Project for southeast and we look forward to its passage which will move this project forward.

Thank you for your consideration.

James B. Dennis Box 591 Craig 99921 826-7010

Robert Baste Box 384 Craig 99921 826-3047

Harriet K. Walker Box 318 Craig 99921

Robert E. Linder Box 177 Craig 99921 755-2700

Bob Knutson Box 527- Graham 826-3476

Matt Kasper Box 542 Craig 826-3651

William A. Miller Box 1131 Craig 99921 254-1179

Michael F. Bell Box 849 Craig 99921 826-3456

Rick Summers Box 227 CRAIG 826-2271

Tracy S. Hummer Box 260 CRAIG 99921

Alaska Harvest Divers Association

Sitka Branch
P.O. Box 6423
Sitka, Alaska 99835
March 31, 1997

Representative Bill Williams
Alaska State Legislature
State Capitol, Room 424
Juneau, AK 99801-1182

Dear Representative Williams:

The Sitka divers support House Bill 198. We have been working for many years to develop our dive fishery in the Sitka area. Funding for this fishery has been requested as City and Borough priorities for a decade; however, the fishery has not developed because money has not been appropriated for the developing fishery.

In the Sitka area we have some gexluck and sea cucumber dive fisheries which are currently open. These fisheries represent a small portion of the dive resources located adjacent to our city and borough. House Bill 198 is part of a Dive Fisheries Economic Development Project which will begin to move us forward in the development of these resources.

At the same time we are working on several other elements connected with the project. It is our desire to develop these resources for the long-term benefit of our fishermen and community.

The following individuals support House Bill 198. Thank you for your support in this effort and we look forward to our continuing work with you and your staff.

Sincerely

Greg Cushing

- Barton Sollars Sr. 3315 HPR Sitka Ak 99835 (owner trailer solars amex)
- Carol A. Sollars 3315-HPR Sitka AK 99835
- Jerry Lundvall 313 Lake Sitka AK 99835 (owner ALASKA AUTOMOTIVE)
- Edith Deason 1302 SMC #13 Sitka Ak 99835
- Alan A. L. Ther 313 Lake St Sitka AK 99835 (FUNKY)
- David Hoja PO Box 1285 Sitka, AK 99835

Alaska Harvest Divers Association
Sitka Branch
P.O. Box 6423
Sitka, Alaska 99835
March 31, 1997

Representative Bill Williams
Alaska State Legislature
State Capitol, Room 424
Juneau, AK 99801-1182

Dear Representative Williams:

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The following individuals support House Bill 198. Thank you for your support in this effort and we look forward to our continuing work with you and your staff.

Sincerely

Greg Cushing

- ~~Paul Shumaker P.O. Box 2024 Sitka AK~~
- ~~1511-5 5th St Sitka AK~~
- James Galun 507 KATLON CT SITKA AK
- Virginia Daigler 317 Paterson Sitka AK
- Paul Hill P.O. Box 3204 Sitka AK
- Gerry Hill P.O. Box 6373 Sitka, AK

Southeast Alaska Harvest Divers Association
Ketchikan Chapter
P.O. Box 6263
Ketchikan, AK 99901
March 29, 1997

Representative Bill Williams
Alaska State Legislature
State Capitol
Juneau, AK 99801-1102

Dear Representative Williams:

We would like to thank you for securing funding for the red urchin fishery for the continuation of the fishery after June 30. We understand that it is one year's funding only and that you were able to secure the money because of our initiative in stepping forward in our support of House Bill 198. While the red urchin fishery is important, and many of us participate in it, it is only one small part of what is addressed in House Bill 198 and the Dive Fishery Economic Development Project. We view this legislation as an opportunity to provide economic development for not only Ketchikan, but, for all of southeast. It will allow us to work in a positive manner with the Department of Fish & Game to develop these resources.

The most important fact relating to House Bill 198 is that it provides a level entrance for all the participants in the fishery. The funding mechanism currently in place is voluntary and has caused considerable confusion. House Bill 198 will provide opportunity for stability and accountability which we believe is very important.

The following individuals support House Bill 198 and the development project. We will continue to work in a forward looking manner to ensure the goals of the project are met. Thank you for your vision and support.

Sincerely,

Southeast Alaska Harvest Divers Association

James H. Bray 2134 2nd Ave Ketchikan Alaska 99901
Dennis M. Stedell 12410 Sanger St Ketchikan AK 99901
M. Annemiele POB 7022 Ketchikan, AK 99901
George Pihlman P.O. Box 5322 KTW AK
Barbara Jones 237 Madison Ketchikan AK 99901
Sandra Swain 1850 Water Street, KTW, AK 99901

March 29, 1997

~~Russell Schow~~ Russell Schow PO Box 6451 S. Hoadik
 Bill Shat 10437 Kingfisher Rd Ktn AK
 Nancy Davies Nancy DAVIES Box 8335 Ktn AK
 Scott Swain SCOTT SWAIN 1050 WATER ST. KTN. AK.
 Swain Murman Pox 6335 KTN. AK.
~~Christine Underst~~ Christine Underst Box 3031 Ktn, AK 99901
 Mark L. Gatti MARK L. GATTI 316 Sheehan B-3 Ktn. AK
 Rod Bray Rod BRAY 324 Alder St.
 Don E. Hanzgen Don Hanzgen PO Box 20008 KTN.
 James B. Clark 312 Front Ktn
 PO Box 7801 Ketchikan
 Nora Bain 334 Front St 11 11
 Paul McIntosh Paul M. S. Intosh PO Box 6412 Ketchikan, AK 99901
 Greg [unclear] 1740 Sayles St - Ktn AK 99901

March 7, 1997

Devin & Bridget Myers
PO Box 8155
Ketchikan, AK 99901

Dear Mr. Williams:

We appreciate your efforts in trying to create jobs in the community through the dive fisheries. The intent of this letter is to give you a little ammunition in the form of real numbers related to the urchin fishery. We would also like to offer our warm bodies and opinions whenever you think they would be helpful.

We moved to Ketchikan specifically because we believe in the long term viability of the fisheries affected by the moratorium. We attempted to move here in the fall of 1995, but we were forced to reconsider when the cucumber fishery in Southeast ended about three months earlier than projected. We love the area and hope to become a valuable part of the community here.

The following is a bare-bones list of money I (Devin) have spent since the opening of the fishery in the second week of January:

\$1,600	Boyer Barge	\$2,000	Fuel
\$400	Murray Pacific	\$1,100	Gray Marine
\$100	Alaska Dive Svc.	\$345	Service Auto
\$250	Southeast Comm.	\$175	Moorage
\$700 in wages to tenders whom are Ketchikan residents			
\$600 in groceries from local merchants to feed the crew			

This list is by no means comprehensive! Using only these expenses, just one boat is responsible for returning \$6,225 to Ketchikan. This is in 6 weeks - and the Alaska Department of Fish and Game projected a October 1 - September 30 fishery prior to its opening and in the future.

My wife is also employed full-time, and paying her own share of taxes locally, and we rent an apartment in town. We have several friends who also have made what they hope is a permanent move to Ketchikan. Please do all you can to help us stay, purchase homes, and raise families in this wonderful community.

We ask you to help secure funding to keep the fishery alive. The peak prices for urchin roe are November and December, when we weren't yet

fishing, but we should be in coming years. Also, studies have shown that the quality of urchin roe improves when some "thinning" occurs, and even if there is no increase in catch limits, the dollar return will improve in coming years - IF we have a fishery.

We support local processors and jobs, and are confident that in the years to come, the majority of the product will be processed locally. However, the fact remains that we make more money if there are more potential buyers, and we do not like to see buyers excluded. When fisheries shut down the out-of-state processors last week, it cost us a minimum of \$1500. Please keep the divers at the top of your list when negotiating in the future. They have the least power, particularly because they are out fishing during much of the negotiations, and are taking on the most risk to get this fishery rolling. Fund the fishery, and the processing will follow.

Again, don't hesitate to call us if you need further information, or if you feel our voices can make a difference. We wish you the best of luck in getting the maximum amount of dollars into the community!

Sincerely;

Handwritten signatures of Devin and Bridget Myers. The signature on the left is 'Devin' and the one on the right is 'Bridget Myers'.

Devin and Bridget Myers
(907) 247-7774

Greg Cushing
407 Hemlock Street
Sitka AK 99835

April 8, 1997

Representative Alan Austerman
Chairman Special Committee on Fisheries
State Capitol
Juneau AK 99801-1182

Dear Representative Austerman:

I am writing to urge your committee to approve HB 198. This bill is vital to our efforts to conduct an orderly development of our region's dive fisheries.

As a lifelong resident of Sitka and a commercial fisherman and diver for 25 years, I have become very familiar with our area's resources. The potential for region-wide, long-term, stable dive fisheries is great. We have been working hard to establish a survey / assessment program in order to initialize the development of these fisheries.

We have a strong commitment to this development. We are willing to assess ourselves to ensure that future management is funded.

These fisheries will be very important to S E Alaska communities as they will be carried out during the Fall and Winter months, the traditional off-season. This will result in local divers having multi-specie work opportunities for months, rather than for a few days as is currently.

I would have preferred to be at this committee meeting in person, but could not because of family matters.

Thank you for your consideration of H B 198.

Sincerely,

Greg Cushing