

HB

204

SENATE COMMITTEE REPORT

DATE: 2/10/98

FURTHER:

DATE TURNED
IN TO OFFICE: 2-19-98

Resources Committee considered SENATE BILL NO. 204

"An Act providing the commissioner of natural resources with the authority to make grants of state land to municipalities for the construction and operation of sport and recreational facilities and structures."

and recommends:

- be replaced with _____ CS SB 204 (les)
- 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 title
- new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Thomas J. Jeman</i>	✓	<i>Amendments</i>	✓		
<i>Kevin T. Kelly</i>	✓				
<i>Bob D'Amico</i>	✓				
<i>Richard H. H. H.</i>	✓				
<i>Paul H. H. H.</i>	✓				
CHAIR: <i>John T. Kelly</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DNR - LANDS	2/18	X	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOT

No. 1

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CS SB 204 (CRA)
(S) Publish Date: 2-10-98

Revision Date: _____
Title: "...Grants of state land to municipalities for construction...of sport and recreational facilities..."
Sponsor: Sen. Taylor
Requestor: S CRA

Dept Affected Natural Resources
BRU: Resource Development
Component: Land Development
Component Serial No. 431

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
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	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
305 GF/Program Receipts						
307 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ _____

POSITIONS

POSITIONS	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

No fiscal impact is anticipated because the bill largely duplicates existing DNR authority. AS 38.05.810(a) already allows DNR to grant land to a municipality for public purposes, which would include a public recreation or sport facility, and AS 38.05.810(g) already requires DNR to retain a reversionary interest in the granted land. The bill's new authority, allowing the municipality to trade the former state land for other land, would probably not be used and therefore is not anticipated to have any fiscal impact. The reverter clause would attach to the land granted by DNR, not to other land the municipality swaps it for. Private landowners would probably not be willing to exchange their parcels for municipal land encumbered by a reverter clause, as the private landowners would lose title to their new land if the municipality's development plans fall through or are not executed on time.

Prepared by: Jane Angvik *[Signature]* Phone: 907-269-8503
 Division: Land Date: 6-Feb-98
 Approved by Commissioner: [Signature]
 Agency: Natural Resources Date: 2-6-98

ALASKA STATE LEGISLATURE



House of Representatives
Special Committee on Fisheries

Sponsor Statement

HB 204

HB 204 amends the existing moratorium law to provide for a workable and effective moratorium process as part of Alaska's existing fisheries management. The current moratorium statute has proved unworkable and confusing.

The current process involves multiple steps where a fisher seeking a moratorium must first go to the Commissioner of Fish and Game, who, in turn must seek authorization from the Board of Fisheries. Once authorization is granted from the Board of Fisheries, the Commissioner may then petition the Commercial Fisheries Entry Commission to provide a moratorium. The Commission is then authorized to go forward if it can make findings required by the current statute, which are difficult to understand and mutually inconsistent.

This cumbersome and confusing process prevents a quick response in fisheries that are growing too rapidly to ensure effective management. As a result, the resource and the economic livelihood of fishers could be jeopardized. In some situations, ADF&G's only recourse is to close the fishery or refuse to open a new fishery if effort cannot be controlled.

HB 204 would allow fishers seeking a moratorium to petition the commission directly. This legislation would also give the commission the authority to place a moratorium on vessels and gear as well as individuals. This is important in a fishery like the Bering Sea Korean hair crab fishery where large vessels may use a number of different skippers in a season.

Under the current statute, eligibility to participate during the moratorium is based on past participation. This requirement precludes the use of a

moratorium in new fisheries or in fisheries that have remained closed for years. In these two situations, participation levels in an open-access fishery may be initially too great to promote resource conservation and sustainable fisheries. HB 204 would allow the commission to implement a moratorium in such fisheries and base eligibility on other reasonable standards such as participation in similar fisheries.

Additionally, HB 204 would allow the state to extend its moratorium authority to offshore fisheries adjacent to state waters when consistent with federal law.

Improving the moratorium law is consistent with our concern for developing and protecting jobs, as well as streamlining government and resource protection.

SENATE CS FOR CS FOR HOUSE BILL NO. 204(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE SPECIAL COMMITTEE ON FISHERIES

A BILL

FOR AN ACT ENTITLED

1 "An Act revising the procedures and authority of the Alaska Commercial Fisheries
2 Entry Commission, the Board of Fisheries, and the Department of Fish and Game
3 to establish a moratorium on participants or vessels, or both, participating in
4 certain fisheries; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 16.43.150(f) is amended to read:

7 (f) Except for permits that are not transferable under AS 16.43.170(c), [OR]

8 (e), or (i), an entry permit survives the death of the holder.

9 * Sec. 2. AS 16.43.170(b) is amended to read:

10 (b) Except as provided in (c), [AND] (e), and (i) of this section, the holder of
11 an entry permit may transfer the permit to another person or to the commission upon
12 60 days notice of intent to transfer under regulations adopted by the commission. No
13 sooner than 60 days nor later than 12 months from the date of notice to the
14 commission, the holder of an entry permit may transfer the permit. If the proposed

1 transferee, other than the commission, can demonstrate the present ability to participate
2 actively in the fishery and the transfer does not violate any provision of this chapter
3 or regulations adopted under it, and if a certificate for the permit under
4 AS 16.10.333(b)(1) - (2), 16.10.338, or AS 44.81.231(a) is not in effect, the
5 commission shall approve the transfer and reissue the entry permit to the transferee
6 provided that neither party is prohibited by law from participating in the transfer.

7 * Sec. 3. AS 16.43.170 is amended by adding a new subsection to read:

8 (i) The holder of an entry permit that is subject to regulations adopted under
9 AS 16.43.225(b)(2) may transfer the permit only to the commission.

10 * Sec. 4. AS 16.43.225(a) is repealed and reenacted to read:

11 (a) Subject to (b) of this section, the commission may establish a moratorium
12 on entry of new participants or vessels, or both, into a fishery when the commission
13 finds that the purposes of this chapter under AS 16.43.010(a) would be served.

14 * Sec. 5. AS 16.43.225(b) is repealed and reenacted to read:

15 (b) The commission may establish a moratorium on

16 (1) entry of new participants or vessels, or both, into a fishery as
17 described in (a) of this section in order to

18 (A) allow time for the commission, in consultation with the
19 Department of Fish and Game and the Board of Fisheries, to investigate and
20 evaluate management alternatives, including establishment of a maximum
21 number of entry permits under AS 16.43.240;

22 (B) allow the Department of Fish and Game and the Board of
23 Fisheries to open a fishery or potential fishery that would otherwise remain
24 closed for protection against overharvest resulting from open access into the
25 fishery; or

26 (C) develop regulatory or legislative proposals to address needs
27 of the fishery that cannot be met under existing statutes or regulations; and

28 (2) entry of new participants into a fishery if concurrently with the
29 adoption of regulations establishing the moratorium the commission adopts regulations

30 (A) prohibiting the transfer of any entry permit that may be
31 issued for the fishery at any time following the establishment of the

1 moratorium; and

2 (B) allowing the holder of an entry permit for the fishery to
3 transfer the entry permit only to the commission for reissuance under
4 procedures established by the commission.

5 * Sec. 6. AS 16.43.225(c) is amended to read:

6 (c) The commission may establish a moratorium under this section for a
7 continuous period of up to four years. A moratorium established under this section
8 may be extended for no more than two additional years if necessary to serve a
9 purpose under (b)(1) of this section. After a moratorium has expired, the [A]
10 fishery [THAT HAS BEEN SUBJECT TO A MORATORIUM UNDER THIS
11 SECTION] may not be subjected to a subsequent moratorium under this section unless
12 five years have elapsed [SINCE THE PREVIOUS MORATORIUM EXPIRED].

13 * Sec. 7. AS 16.43.225(d) is amended to read:

14 (d) While a moratorium is in effect, the commission shall investigate and
15 evaluate management alternatives, including establishment of [CONDUCT
16 INVESTIGATIONS TO DETERMINE WHETHER] a maximum number of entry
17 permits [SHOULD BE ESTABLISHED] under AS 16.43.240, by

18 (1) conducting research into conditions in the fishery;

19 (2) consulting with the Department of Fish and Game and the Board
20 of Fisheries; and

21 (3) consulting with participants in the fishery and other members of
22 the public.

23 * Sec. 8. AS 16.43.225(e) is amended to read:

24 (e) The commission shall establish by regulation the qualifications for
25 applicants for an interim-use permit, annual vessel permit, or both for a fishery
26 subject to a moratorium under this section. When applicable, the [THE]
27 qualifications must include the minimum requirements for past or present participation
28 and harvest in the fishery as of the qualification date described in AS 16.43.260(f).
29 When establishing a moratorium for a new fishery or for a closed fishery, the
30 commission may use other reasonable standards to determine qualifications
31 consistent with this section, which may include past participation in similar or

1 related fisheries. The commission may not issue an interim-use permit for a fishery
2 subject to a moratorium under this section unless the applicant satisfies [CAN
3 SATISFY] the qualifications established under this subsection and establishes
4 [ESTABLISH] the present ability and intent to participate actively in the fishery.

5 * Sec. 9. AS 16.43.225 is amended by adding new subsections to read:

6 (f) A permit issued under this section is a use privilege that may be modified
7 or revoked by the legislature without compensation.

8 (g) Notwithstanding AS 16.05.815 and AS 16.43.975, the commission may
9 release to a vessel owner information on the vessel's history of harvests in a fishery
10 or other relevant information that is necessary to apply for a vessel permit.

11 (h) The commission may charge a fee for the privileges conveyed by a vessel
12 permit issued in this section. The fee must reasonably reflect the rate of economic
13 return for the relevant fishery, except that, by regulation, the commission may provide
14 for a reduced fee for an applicant who has a family income falling within the federal
15 poverty guidelines as adjusted by the commission to reflect appropriate cost-of-living
16 differentials.

17 (i) Unless provided otherwise by a state statute or regulation, neither a permit
18 issued under this section nor the use of the permit or a permitted vessel in the fishery
19 subject to a moratorium under this section may be used to establish eligibility for a
20 permit in that fishery after the expiration of the moratorium.

21 (j) The commission may adopt regulations providing for the transfer of a
22 vessel permit to another vessel if the original permitted vessel is sunk, destroyed, or
23 damaged to the extent that the vessel is inoperable for the fishery for which the permit
24 is issued.

25 (k) As permitted by federal law and consistent with this chapter, the
26 commission may establish a moratorium in offshore fisheries adjacent to territorial
27 waters of the state.

28 * Sec. 10. AS 16.43.260(f) is amended to read:

29 (f) When the commission establishes the maximum number of entry permits
30 under AS 16.43.240 for a fishery that is subject to a moratorium under AS 16.43.225,
31 an applicant for an entry permit for the fishery shall be assigned to a priority

1 classification based solely upon the applicant's qualifications as of the [EFFECTIVE]
2 date of the commission's order providing for public notice of the proposed
3 regulatory action to establish [STATUTE OR REGULATION ESTABLISHING] the
4 moratorium.

5 * Sec. 11. AS 16.43.911 is amended by adding a new subsection to read:

6 (f) In this section, "vessel permit" includes a vessel permit issued under
7 AS 16.43.225, 16.43.901, or 16.43.906.

8 * Sec. 12. Section 6, ch. 97, SLA 1997, is amended to read:

9 Sec. 6. AS 16.43.906, added by sec. 3 of this Act, and AS 16.43.911(c)
10 [AS 16.43.911] are repealed July 1, 2001.

11 * Sec. 13. AS 16.05.050(19) and 16.05.251(g) are repealed.

12 * Sec. 14. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

No. 1
 Bill Number: HB 204
 (H) Publish Date: 3/25/97

STATE OF ALASKA
 1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: An Act revising the procedures and authority of the Alaska BRU: Commercial Fisheries (Limited) Entry Commission
Commercial Fisheries Entry Commission Component: Limited Entry Program Administration
 Sponsor: House Special Committee on Fisheries
 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						
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: 3/21/97
 Approved by Commissioner: Bruce Twamley Date: 3/21/97
 Agency: Commercial Fisheries (Limited) Entry Commission

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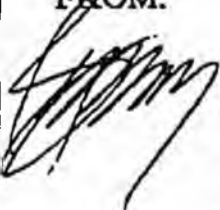
TO: The Honorable Tony Knowles
Governor of Alaska

DATE: February 4, 1997

HAND - CARRY

FAX NO.: 789-6170

TELEPHONE NO.: 789-6160

FROM: COMMERCIAL FISHERIES
ENTRY COMMISSION
 Dale Anderson, Commissioner
Marlene Johnson, Commissioner
Bruce Twomley, Chairman
Mail Stop: 0302

SUBJECT: Improved Moratorium
Legislation for
Commercial Fisheries

1. Introduction: The Task for the Alaska Commercial Fisheries Entry Commission and the Alaska Department of Fish and Game

Last July, you signed into law HB 547 and HB 538, that, respectively, established a four-year moratorium in the Southeast Alaska dive fisheries and the Bering Sea Korean hair crab fishery. At the time your July 3, 1996 letter (copy attached) to The Honorable Drue Pearce, President of the Senate and The Honorable Gail Phillips, Speaker of the House, expressed concern about fisheries management decisions made by legislation, and you asked the Commercial Fisheries Entry Commission and the Department of Fish and Game to review existing statutes and recommend changes to existing law to provide more workable and effective general moratorium provisions.

2. Problems of the Existing Moratorium Law

We are happy to undertake this task because we recognize (1) the dysfunctionality of the current moratorium provisions and (2) the heavy burden on individual fishers to seek legislation to achieve a moratorium in their fisheries. This memo suggests ideas for new legislation to provide a functional moratorium tool as part of Alaska's existing fisheries management process.

Existing statutes do provide a means to establish a moratorium in a commercial fishery. However, as your valued staff member Mary McDowell well recognizes, the current statutes are unworkable. We worked with Ms. McDowell at the time this legislation was developed, and the final product to emerge from the Legislature bore little resemblance to the legislation originally supported by Senator Eliason.

One seeking a moratorium must first go to the Commissioner of Fish and Game, who, in turn, must seek authorization from the Board of Fisheries. AS 16.43.225; AS 16.05.251(g). If the Board of Fisheries authorizes the Commissioner to go forward, the Commissioner may then petition the Commercial Fisheries Entry Commission to provide a moratorium. *Id.*

The Commission is then authorized to go forward if it can make the findings required by AS 16.43.225(b)(2). However, the Commission must also meet the requirements of AS 16.43.225(a), which are inconsistent with those of AS 16.43.225(b)(2). Additionally, the standards set forth in AS 16.43.225(a) are difficult to understand and mutually inconsistent.

This cumbersome and confusing, multi-step process prevents quick response in fisheries that are growing too rapidly to ensure effective management. As a result, the resource and the economic livelihood of the fishers could be jeopardized. In some situations, ADF&G's only recourse is to close the fishery or refuse to open a new fishery if effort cannot be controlled.

Petitioners should be able to approach CFEC directly to request a moratorium in their fisheries. The Alaska Department of Fish and Game would not be bypassed in such a procedure. Unless the Alaska Department of Fish and Game could defend a moratorium proposal from the standpoint of resource conservation, our proposal could not realistically go forward. All moratoria to date were adopted because additional advice, regulations or new laws were needed to formulate an effective management plan. Consultations with industry, ADF&G, the Board of Fisheries and the Legislature are extremely important during a temporary moratorium.

In short, the ambiguity and inconsistency of the standards in the existing legislation create an obstacle to a moratorium. Additionally, by the time one pursued the matter before the Board of Fish, through ADF&G's Commissioner, and then before CFEC, the situation sought to be addressed by a moratorium would likely be aggravated by additional participants wanting to beat a moratorium deadline.

3. CFEC Suggestions for Better Moratorium Legislation

Our ideas below suggest more effective procedure and standards that we believe we and the public could understand and apply.

(a) The purpose of a moratorium is to quickly put a lid on participation levels in order to buy time to develop better management tools and avoid risks from greater participation. The Entry Commission has existing authority to make permanent decisions to limit entry into a commercial fishery. In contrast, a moratorium would likely be limited to four years. Therefore, it is difficult to justify the more burdensome existing procedure for establishing a moratorium. We recommend the Commission be authorized to establish a moratorium under appropriate standards, so fishers are required to go to only one agency.

(b) Appropriate standards can be found in the existing limited entry legislation. Limited entry under the existing system is authorized when limiting a fishery would "promote the conservation and sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska" AS 16.43.010(a). We propose

legislation that would authorize a moratorium when necessary to serve these same statutory purposes, but where it can not be shown (for example, due to lack of sufficient information) that limited entry under the existing system would be most beneficial.

* (c) Another problem with the existing moratorium legislation is the qualification date can only be the effective date of the regulation adopted following the full administrative procedure. In practice, this can not be accomplished in less than four months, and if a fishery is open during the process, large numbers of new participants can enter the fishery in the hope of beating the moratorium qualification date. We have recent examples of this well-known phenomenon. We believe a moratorium could be more effective if the qualification date could clearly be authorized as the date of public notice of the proposal for a moratorium (or another reasonable date). Such a qualification date would allow the Commission to provide actual notice of the proposal to anyone holding a license in the fishery as well as anyone purchasing a license in the fishery from that date forward.

(d) CFEC should be able to use a moratorium instead of limited entry if new or additional information surfaces during the regulatory process that suggests reconsideration of a proposed limitation.

Our recent proposal to limit entry into the Southeast shrimp pot fishery is a case in point. There was substantial support for our proposal, but the record that developed from the public hearings pointed toward a greatly increased number of permit holders above the level ADF&G said was manageable. Participation levels in the fishery had already swelled, and continued to rise in anticipation of limited entry. CFEC either had to adopt a higher maximum number or allow the open-access shrimp fishery to continue escalating unchecked. Either choice resulted in a fishery with a large number of participants.

The shrimp fishery might have benefitted from a moratorium rather than limited entry, but CFEC did not have that option. A moratorium would have allowed a period with no further increase in participants, during which time CFEC could have consulted with ADF&G and the Board of Fisheries about the most effective way to manage this rapidly expanding fishery. A moratorium could have allowed time for ADF&G and the Board to adopt regulations establishing a management plan for the fishery or additional regulations defining shrimp pot gear. These regulations would have provided the means for a limited entry program, if adopted, to effectively control effort, protect the resource and maintain the economic viability of the fishery.

(e) Eligibility to participate during the moratorium could be based on past participation prior to the qualification date or other reasonable standards that serve the purposes of the legislation. This alternative is important, because there are fisheries that remain closed for fear participation levels would be too great to sustain them if reopened. Similarly, there are potential new fisheries that would not be opened for the same reason. In such fisheries, there would be no recent past participation to measure for purposes of eligibility. Alternatives such as a lottery to select a manageable number of participants would be useful. Eligibility to participate in a lottery could be conditioned on relevant fishing experience and other reasonable criteria. This authority could allow fishers and the state (through additional jobs and revenue) to benefit from a fishery that would otherwise remain closed.

February 4, 1997

The Southeast sea urchin dive fishery is a good example of a new fishery that could have benefitted from improvements in the current moratorium statutes. ADF&G had been reluctant to open new urchin fisheries because there may be too many divers for the available resource. CFEC could not implement a moratorium under existing statutes because of the difficulty in applying the standards and the lack of history of participation on which to base eligibility. The Legislature was left to create a moratorium for the Southeast dive fisheries (including sea urchins), but over 500 persons will be eligible to fish in a new sea urchin fishery.

(f) To be effective, moratorium authority would need to be available to limit vessels and gear as well as individuals. Additionally, the four-year limit to the duration of a moratorium is the standard the Legislature has so far embraced. It would be useful if the moratorium could be extended beyond four years provided certain standards could be met: for example, in the event that additional legislation was required to provide the means to rationalize a fishery.

4. Conclusion and Recommendation

If the ideas presented here appear to be workable and desirable, we would be happy to consult with the Department of Law to develop specific statutory language. Our experience with proposed legislation affecting limited entry leads us to make a recommendation: limited entry legislation has been most successful when real fishers promoted the legislation and enlisted sponsorship by their local legislators. There are various groups of fishers who might have a direct stake in such legislation. For example, demersal shelf rockfish fishers from Sitka might have an interest in this matter. Paul Larson, Deputy Director, Commercial Fisheries Management and Development, has also suggested participants in the new groundfish fisheries emerging in State waters might see such legislation as a valuable tool to check growth in their fisheries.

We suggest improving the moratorium law would be consistent with your concern for developing and protecting jobs, as well as streamlining government and resource protection. A workable moratorium law would allow CFEC to do the job the Legislature intended it to do, and allow the Legislature to focus on other issues.

Attachment

cc: Jim Ayers, Chief of Staff
Mary McDowell, Special Assistant for Fisheries
Patrick Pourchot, Legislative Director
Shari Kochman, Deputy Legislative Director
Frank Rue, Commissioner, ADF&G
David Benton, Deputy Commissioner, ADF&G
Robert C. Clasby, Director, CFMD
Paul R. Larson, Deputy Director, CFMD
Steven Daugherty, Assistant Attorney General

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
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July 3, 1996

The Honorable Drue Pearce
President of the Senate
716 W. 4th Avenue, Suite 500
Anchorage, AK 99501-2133

The Honorable Gail Phillips
Speaker of the House
716 W. 4th Avenue, Suite 620
Anchorage, AK 99501-2133

RECEIVED

JUL - 5 1996

OFFICE OF THE GOVERNOR
JUNEAU, ALASKA

Dear President Pearce and Speaker Phillips:

Today I am signing House Bill 547, establishing a four-year moratorium on entry into the Southeast Alaska dive fisheries, and House Bill 538, establishing a four-year moratorium for the Bering Sea Korean hair crab fishery and providing for a vessel permit limited entry system. While there are important pragmatic reasons to implement provisions of these bills, I am concerned about the legislation from a public policy and resource management standpoint.

Addressing management of specific fisheries through legislation is not the ideal approach. Alaska's fisheries management system has proven highly effective in maintaining healthy and sustainable resources because it is run by scientists, professional fisheries administrators, and boards and commissions, rather than through the legislative process.

However, over the last few years, situations in several developing fisheries have pointed out that the provisions in existing law regarding the imposition of a moratorium are cumbersome and ineffective. The lack of sufficient funding for the Department of Fish and Game to conduct needed biological research on new or developing fisheries aggravates this situation. Thus, in fisheries such as those addressed in HB 547 and HB 538, we find ourselves having to quickly impose a moratorium through legislation to prevent damage to a fragile resource or the economic health and stability of a dynamic fishery.

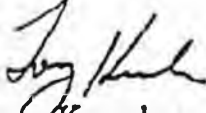
Given the current lack of workable alternative approaches, I recognize several compelling reasons for signing these bills. These include:

- Significant increases in numbers of participants, both recent and anticipated, and the lack of adequate information threaten the conservation of stocks and the stability of these fisheries.
- Severe budget constraints on the Department of Fish and Game prevent gathering of sufficient information and necessitate conservative management of these fisheries.
- A veto of these bills and return to open access could create a stampede into these fragile fisheries. A moratorium will allow a "time out" for proper evaluation to ensure a well managed fishery providing conservation of the resources and sustained economic opportunity for Alaskans in the future.
- The bills establish moratoriums of set duration, not permanent limitations. Nor do they require limited entry. The moratoriums will provide opportunity for public participation in the design of future management options for each of the fisheries, as well as cooperation between the Commercial Fisheries Entry Commission, the Department of Fish and Game, and the Board of Fisheries.

As these bills demonstrate, we need to develop new statutes that provide our professional fisheries managers with the means to easily establish a moratorium in a particular fishery when the need arises. Therefore, I am directing the Commercial Fisheries Entry Commission to work with the Department of Fish and Game to review existing statutes and to recommend changes to make the fishery moratorium provisions more workable and effective.

I will provide the legislature with the results of this review and look forward to working with its members on amending our statutes. The goal is to avoid the need for future emergency legislation for our developing fisheries as exhibited by these two bills.

Sincerely,


Tony Knowles
Governor

cc: Commissioner Frank Rue
Dept. of Fish and Game

Bruce Twomley, Chair,
Commercial Fisheries Entry Commission