

HB

283

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB283
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
 Title "An Act relating to appointments to BRU Executive Operations
the Board of Fisheries..." Component Executive Office
 Sponsor Representative Scalzi
 Requester Special Committee of Fisheries Component No. 6

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Michael A. Nizich, Administrative Director
 Division: Administrative Services
 Approved by: David Ramseur, Chief of Staff
 Agency: Office of the Governor

Phone 465-3876
 Date/Time 2/7/02 9:21 AM
 Date 02/07/2002



Alaska State Legislature

Official Business

REPRESENTATIVE DREW SCALZI
State Capitol
Juneau, Alaska 99801-1182

(907) 465-2689; (800) 665-2689
FAX: (907) 465-3472

Representative_Drew_Scalzi@legis.state.ak.us

Sponsor Statement

HB283: "An Act relating to appointments to the Board of Fisheries and to the ex officio secretary of the Board of Fisheries."

Despite record catches in recent years, the present salmon industry is reeling from the impact of foreign farmed-fisheries driving Alaska's prices to historic lows. As early as 1892, the Alaska salmon industry has been plagued by glutted world salmon markets and falling prices – *but has always recovered and it can recover again*. However, to compete in the world market today, it is imperative that we utilize leading edge expertise in the management of our salmon industry.

To bring this expertise to the Alaska Board of Fisheries, (ABOF) this bill effectively does two things: it designates three seats to the commercial fishing sector, three seats to the sport/personal-use sector, and one seat to the subsistence users throughout the state; and, it limits the terms of the board members while allowing reappointment after sitting out one term.

Section 1 - Seat Designation: Under the first item, it is important to note that the designation of board seats is not a unique proposal in regard to appointing membership to boards. As an example, the International Pacific Halibut Commission has designated seats, with one member from each country representing harvesters, one representing processors, and one representing the government. The designation mentioned above would assure representation from all segments of industry pertinent to the biological management of the fishery.

Commercial representation is lacking with the present appointment procedure: The 2001 APOC report shows that only one member earned commercial fishing income of over \$1,000. This amount hardly constitutes adequate representation of a billion-dollar/year industry, the state's leading employer, the second largest contributor of revenue to the general fund, and most importantly, an industry in desperate need of revitalization. With the entry of high quality, lower-priced foreign-farmed fish on the world-market, Alaska needs innovative, knowledgeable, and progressive individuals from the commercial fishing sector to ensure that our fisheries can hold their own against such challengers.

Knowledgeable sport and personal-use representation is necessary to address several critical issues:

Riverbank degradation, international salmon treaties reflecting migration patterns and harvest levels, and local area stock depletion of federally managed fisheries all are concerns related to Alaska sport and personal use fisheries.

Additionally, sport and personal-use fisheries throughout the state are burgeoning. To effectively manage the river systems for sustained yield and imminent growth, knowledgeable representation needs to be a part of the process.

A dedicated subsistence seat needs to be added to the ABOF:

The lack of settlement between the state of Alaska and the federal government on the subsistence issues has led to co-management of our resources between the two entities. The ABOF in its management would bode well to have representation from the subsistence users of this state. Alaskans need to adequately address commercial, sport, personal use, and subsistence all within the context of each other.

Section 2 - Term Limits:

While good argument exists against term limits regarding elected officials, appointed officials fall into a somewhat different category. The people of the state have a voice through the governor, who appoints the board members, and the legislature, which confirms them. However, there is no direct vote as in a general election to remove members. This bill compromises the concept of limiting members' terms by allowing reappointment after sitting out one term.

THE
FOLLOWING
DOCUMENT(S)
ARE
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Sent By: UFA;
To: Rep. Drew Scalzi

At: 465-3472

JetSuite;

Jan-30-02 9:45AM;

Page 1

FROM : BRAD BARR

PHONE NO. : 253 833 5776

Jan. 30 2001 11:45AM P1



C.A.M.F.

Concerned Area M Fishermen

5126 Foster Avenue S.E., Auburn, WA 98002

Phone: (253) 833-5776 • Fax: (253) 833-5776

January 28, 2002

Representative Gary Stevens
Representative Peggy Wilson,
Co-Chairs
House Special Committee on Fisheries
Alaska State Legislature
State Capital (MS 3100)
Juneau, Alaska 98801-1182

Dear Representatives Stevens and Wilson,

I am writing to give Concerned Area M Fishermen's support for HB 283 & HB 284. Both of these bills will bring a balance back to the Board of Fisheries that is badly needed. The Board needs more geographical representation as well as better balance between commercial, sport and subsistence. The present Board is weighted heavily towards sport and central Alaska. The bias towards certain user groups and regions could be eliminated with the passage of HB 283. The issue of Conflict of Interest has been an ongoing concern for many participating in the board process and HB 284 would bring relief on this issue to commercial fishermen and many coastal communities of Alaska.

Concerned Area M Fishermen represents 110 drift gillnet salmon permit holders from the Alaska Peninsula/ Aleutian Islands and is a member group of the UFA. We appreciate both of you taking the time to read our comments on what we feel are two very important issues. Hopefully the Alaska House of Representatives will consider these bills during this session to help improve the Board of Fisheries process.

Sincerely,

A handwritten signature in cursive script that reads "Brad Barr".

Brad L. Barr
President



UNITED FISHERMEN OF ALASKA

February 4, 2002

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2546 Fax
E-Mail: ufa@ufa-flsh.org
www.ufa-flsh.org

Representative Peggy Wilson
Representative Gary Stevens
Co-Chairs
House Special Committee on Fisheries
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Co-Chairs,

Re: HB 283 Appointments to Board of Fisheries

United Fishermen of Alaska supports passage of this bill to provide for designated seats on the Board of Fisheries and term limits for Board members.

Designated seats for sport, subsistence, and commercial are needed to ensure that the board members has recent, substantive, experience and expertise in the various fisheries they represent. The ex-vessel value of commercially caught seafood has exceeded \$1B in some years; it is critical that some board members have the expertise necessary to manage this renewable permanent fund. This expertise requirement exists for other boards, such as the Marine Pilot Board.

Term limits are needed to achieve two goals. The first is to avoid burnout by board members; six years is long enough in the demanding environment of the Board of Fisheries. Second, limits are needed to ensure that fresh faces are at the table to address changing circumstances while maintaining some basic continuity.

The twenty-nine members groups of UFA would appreciate your support in passing this bill.

If you have any questions about our position or if you need additional information, please feel free to contact me.

Sincerely,

Thomas M. Gemmill
Executive Director

MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • Alsea Processors Association • Bristol Bay Reentry
Chignik Regional Aquaculture Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fishermen Union • Douglas Island Pink and Chum
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Old Harbor Fishermen's Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association • Seafood Producers Cooperative
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Quilliners

Cordova District Fishermen United

Celebrating 65 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box.939 Cordova, Alaska 99574 / phone (907) 424-3447 / fax (907) 424-3430 /
e-mail cdfu@ptlakaska.net

February 4, 2002

House Special Committee on Fisheries
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1192

RE: HB 283 - Appointments to the Board of Fisheries

Dear Members,

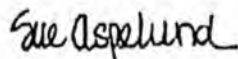
CDFU, representing the fishing fleets of Area E - the Copper River and Prince William Sound - supports the intent of HB 283. The Alaska Board of Fisheries plays an extremely important role in the viability of our fisheries resources and the commercial fishing industry, as well as in the sport, personal use and subsistence fisheries of our state. As the lion's share of the Board's decisions deal with the intricate "nuts and bolts" of regulating Alaska's commercial fishing industry, CDFU believes that knowledge and understanding of commercial fishing is a resource critically important to the Board. All fisheries issues are complex, but commercial fisheries are particularly so, and the Board of Fisheries needs the benefit of those knowledgeable of the subtleties and nuances that will make or break the industry.

The current language of the bill that details the criteria for representation of the commercial fishing seats likely restricts the number of capable and effective fishing industry representatives to too small a pool. We look forward to a broader discussion of that definition.

We fully support the provision in this legislation for terms limits. The Board of Fisheries is likely the most grueling and demanding Board or Commission in the State of Alaska. Six years is more than enough for any individual to serve. Over time, it is only natural that positions and biases tend to develop and firm on the divisive issues facing this Board. It is only fair to the stakeholders being regulated that folks with fresh vision and energy be allowed to serve on this very important board.

Thank you for considering our comments. We look forward to working with you.

Sincerely,



Sue Aspelund



United Southeast Alaska Gillnetters
PO Box 22427
Juneau, Alaska 99802
(907) 586-5860 Fax (907) 586-0167
E-mail: usag@gci.net

February 6, 2002

Representative Peggy Wilson
Representative Gary Stevens
Co-Chairs
House Special Committee on Fisheries
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Co-Chairs,

Re: HB 283 Appointments to Board of Fisheries

United Southeast Alaska Gillnetters (USAG) supports passage of this bill to provide for designated seats on the Board of Fisheries and term limits for Board members.

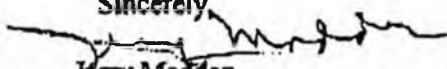
Designated seats for sport, subsistence, and commercial are needed to ensure that the board members has recent, substantive, experience and expertise in the various fisheries they represent. The ex-vessel value of commercially caught seafood has exceeded \$1B in some years; it is critical that some board members have the expertise necessary to manage this renewable permanent fund. This expertise requirement exists for other boards, such as the Marine Pilot Board.

Term limits are needed to achieve two goals. The first is to avoid burnout by board members; six years is long enough in the demanding environment of the Board of Fisheries. Second, limits are needed to ensure that fresh faces are at the table to address changing circumstances while maintaining some basic continuity.

The 100-plus members of USAG urge your support in passing this bill.

If you have any questions about our position or if you need additional information, please feel free to contact me.

Sincerely,



Jerry Madden

RION

FEBRUARY 27, 2002 Soldotna/Kenai, Alaska

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ng refuge

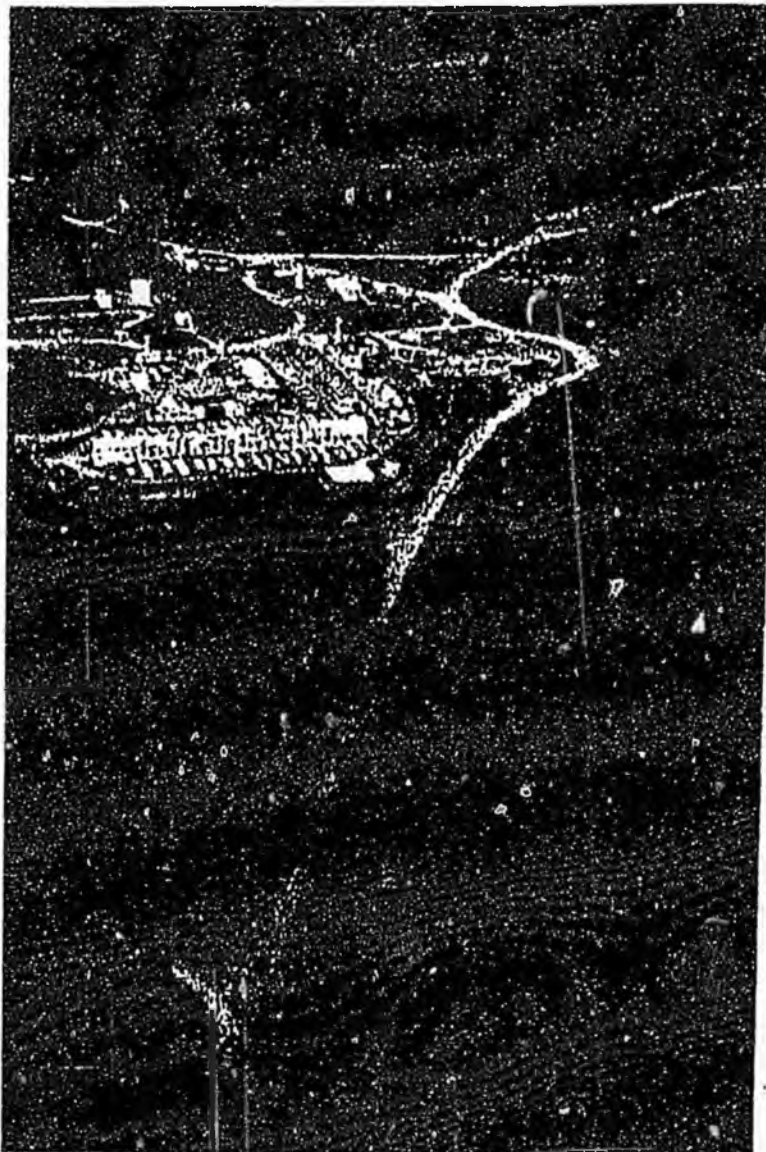


Photo by M. Good Moon

a production facility on the Swanson River Oil Field, pictured from the air in 1968. Oil exploration and production have been a fixture on the Kenai National Wildlife Refuge

at the same thing." as had problems more than 300 ive been reported liver and associat-

ed Beaver Creek Industrial sites, ranging from a few gallons leaked onto the ground to a major explosion in 1972, which subsequently led to a \$40 million polychlorinated biphenol (PCB) cleanup that

wasn't done until 20 years later. Other incidents may have been undetected or unreported, according to a report released one year ago by Tiffany Parsons of the U.S. See OIL, back page



HB 283

Fish Board makeup disputed

Scalzi bill would designate seats

By HAL SPENCE
Peninsula Clarion

If Alaska's ailing fisheries are to be winners on the world market, decisions on how those fisheries are run should be made by experts in the field, not political appointees who may have little real-life fishing experience, says Rep. Drew Scalzi, R-Homer, sponsor of a bill to change the way members of the Alaska Board of Fisheries are appointed.

The latest version of House Bill 283, a committee substitute passed Monday by the House Special Committee on Fisheries, is scheduled for a teleconferenced hearing at 1 p.m. today before the House Resources Committee.

If adopted in its present form, the seven appointed seats on the Board of Fish would be designated — two going to commercial fishers, two going to sport fishers, another pair to subsistence fishers and one named at large.

In each case, the designees would have to have at least five years of active participation in commercial, sport or subsistence fisheries to qualify. Where required, each would also have to hold the appropriate fishing permits. Board members could not be appointed to more than two consecutive terms.

The governor currently appoints board members, but without specific seats going to specific user

See BOARD, page A-11

(OVER)

orce clearing expected to be OK'd

The latest move includes an ordinance introduced at last week's Kenai Peninsula Borough

Latest infestation deadliest ever

leaving in the Fanny River Road area and an area north of the Kenai River. There have been three federal

funds had been expended by the beginning of this year. Much more of it has been earmarked for specific projects.

on the southern peninsula, where what Fastabend calls the "unprecedented outbreak" has wiped out almost all the seed-bearing mature

in the Anchor Point area," he said. "We've already done work on Oilwell Road at Ninilchik. The funding should enable taking the

said. Besides the existing and proposed cooperative agreements with BFA, the borough also has an agreement

two years," Fastabend said. "The reforestation program is anticipated to go on for another four or five years."

...Beetles

Continued from page A-1

Anchor Point, however, new trees will be attacked, said Michael Fastabend, a forester with the mitigation program, who for the past 15 years has been working in a field known as disturbance ecology.

"On most parts of the southern peninsula, the (beetle) population is collapsing and has been for the last 10 or 15 years," Fastabend said. "But you can expect to see infestation along the Sterling Highway and the Old Sterling Highway."

An active beetle population also exists along the Kenai River from Arling to the coast and from Kenai Nikiiski, he said.

In a so-called "normal" bark beetle outbreak, it is typical for more than half the mature trees to survive unscathed, allowing the rest to regenerate as seedlings live under the protective cover of

a healthy canopy.

"But in this outbreak, the mature seed-bearing trees (on the southern peninsula) have been killed," and the canopy of needles is falling to the ground, Fastabend said. The current infestation is the largest and most intense ever recorded; program personnel refer to it as an "unprecedented outbreak," he said.

Without the protective cover of the canopy, grasses sprout rapidly in the sunlit ground. Grasses compete for water and produce thick root systems that chill the soil, preventing seedlings from taking hold, Fastabend said.

An outbreak in the 1890s killed a significant portion of the peninsula forest, but nothing rivaling the present damage. Given time, forests slowly reclaim grassy areas as their leading edges mature and areas partially shielded by the overhanging canopy are reseeded successfully. It took about 80 years for the peninsula forest to recover from the 1890s outbreak, Fastabend said.

...Board

Continued from page A-1

groups. A flaw in that system, said Scalzi, is that appointment rules do not require a board member to be particularly knowledgeable about fisheries.

"The way it is now, it's very political," he said Tuesday. "You can have seven nurses on there."

The current board lacks adequate commercial fishing representation, he said in a sponsor statement accompanying the bill. "With the entry of high-quality, lower-priced foreign-farmed fish on the world market, Alaska needs innovative, knowledgeable and progressive individuals from the commercial fishing sector to ensure that our fisheries can hold their own against such challenges," he said.

A Fish Board of designated seats probably won't win the backing of

Gov. Tony Knowles, according to Bob King, Knowles' press secretary, who said that he believes Knowles would oppose it.

"I can't see the governor supporting any limitation on appointments to boards such as this," he said. "I can understand what Scalzi is getting at, and I imagine that would be popular among various commercial fishing groups."

It would, however, limit the ability of future governors to select people to the board, he said. Beyond that, King questioned whether designating would make any difference.

"What problem would it solve?" he asked.

Commercial fishers may feel frustrated by what they perceive as a lack of commercial representation on the board, yet the major challenges facing the salmon industry are well beyond the jurisdiction of the Fish Board — questions of marketing, quality, competition from farmed fish. Those

are not board issues, he said.

"To a certain extent, regardless of what they do, people have to recognize this won't address a lot of the fundamental needs of the salmon industry," he said.

Scalzi, a commercial fisherman himself, said the current bill would fill the seats with people intimately familiar with the various fisheries and produce more balance to the board.

Indeed, issues such as riverbank degradation, international salmon treaties covering migration patterns and harvest levels and stock depletion make good arguments for a board with seats specifically designated for sport and personal-use fishers, he said.

As for the subsistence seats, Scalzi said, the current co-management of Alaska fish resources by the state and federal governments makes it vital that subsistence users be at the board's table.

"The Alaska Board of Fish, in its management, would bode well

'The way it is now, it's very political.'

—Rep. Drew Scalzi, R-Homer

to have representation from the subsistence users of this state," he said. "Alaskans need to adequately address commercial, sport, personal use and subsistence all within the context of each other."

Will the bill pass in its present form?

"To be honest, I don't have a good feel for it right now," Scalzi said. "I'm trying to get everybody on board. I know I don't have the administration on board, yet, but I think the industry likes it."

In the end, he wants consensus.

"I'm not pushing it come hell or high water, but I think it is important, and I want the support of the Legislature," he said.

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Alaska State Legislature, House of Representatives, House Resources and Fisheries committees
Rep. Drew Scalzi, co-chair Resources fax 465-3472

Problems with HB 283

2/27/2002

Dear Sirs,

I see several problems with the bill and do not believe that this tinkering with the makeup of the Board of Fisheries [BOF] will solve the fundamental problems that many Alaskans have with the BOF process.

***1] During the fisheries subcommittee debate the "problem" of having people who hold commercial fishing licenses or permits holding some of the other designated seats because they were also sport or subsistence fishermen was addressed as - the legislature could see through this and if the industry wanted they could be sure to specify a guide representing an association instead of someone who 'just' holds a sport license. [Paraphrased from memory] This would mean we are changing the complexion of the board from actual sport fishermen to people representing the commercial transport of fishermen industry. Often the interest of the individual sport fishermen is at odds with the charter operator. We need to be VERY careful of changing the complexion from the individual board member to industry segment lobbyists.

***2] By following 1] above, you would ensure that no more than 2 members could be commercial fishermen. The commercial fisheries managed by the BOF are so diverse and complex that mandating that only two can have expertise for all the crab, salmon, herring, groundfish, and dive fisheries would ensure a poor level of knowledge in the future.

***3] By far, the greatest problem at the BOF is the conflict between sport and commercial salmon fishermen, leavened with subsistence. The solution to this foremost problem is to separate the BOF into two boards, one to deal with salmon and the other to deal with all other fisheries. If you look at a listing of the fisheries, basically five gear types [trawl, longline, pot, jig, and dive], and multiply it times the fish species and regions, you will know that a lot of commercial experience is necessary to adequately understand the issues. So much of the BOF expertise is predicated on the salmon debate that the other vast commercial fisheries are shorted. A "balanced" 'Salmon Board' and a diversity of expertise for the 'Other Fisheries Board' would accomplish the goal to make the BOF more effective. It should also reduce the overwhelming workload that BOF members must endure. Hopefully, each board would have a shorter manageable schedule and thus would not significantly increase the number of days of meetings and cost for the aggregate.

***4] Regionalization of the BOF would not accomplish this goal, as the regional board would still have to deal with the full diversity of problems. Additionally, regional boards would tend to compartmentalize the state instead of maintaining a statewide perspective and consistent regulation.

***5] Available time precludes most active fishermen from serving on the current BOF where there may be 100 days of meetings per year. Restricting the commercial fishing representatives to currently active fishermen - not recently retired - eliminates many good candidates. Having a recent, say within 5 years, participation would be better.
Paul Seaton -Representing - self 58395 Bruce Street, Homer, AK 99602 Ph9072356342