

HB

286

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Date of Committee Action: 2/28/02

The RESOURCES Committee considered:

HB 286

HOUSE BILL NO. 286

OWNERSHIP OF MORE THAN ONE FISHERY PERMIT

"An Act allowing a person to hold more than one commercial fishing entry permit for a fishery; relating to the power of the Board of Fisheries to establish fishing periods and areas for subgroups of commercial fishing permits and commercial fishing permit holders and to establish limits on the amount of fishing gear that may be used by certain commercial fishing permit holders; and providing for an effective date."

Recommends it be replaced with CS HB 286 (RES) [] Same Title [] New Title
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev. for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LAA
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DFG				<input checked="" type="checkbox"/>

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Mary Kapsner</i>	Kapsner	<input checked="" type="checkbox"/>			
<i>Billy Keettula</i>	Keettula	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	STEVES	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	Fate	<input checked="" type="checkbox"/>			
Chair: <i>[Signature]</i>	SCALZI	<input checked="" type="checkbox"/>			
Chair: <i>Beverly Masek</i>	Masek			<input checked="" type="checkbox"/>	

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SCALZI

TO: CSHB 286(), Draft Version "T"

- #1
- 1 Page 8, following line 2:
 - 2 Insert a new subsection to read:
 - 3 "(e) The provisions of AS 43.05 and AS 43.10 apply ^{to} for the enforcement and
 - 4 collection of a salmon fishery assessment levied under AS 43.76.220 - 43.76.280."

apud 2/22

Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway
Juneau, AK 99801



Phone 907-586-6652

Fax 907-586-5648

E-mail: seafa@gci.net

February 22, 2002

Rep. Drew Scalzi, Co-Chair
Rep. Beverly Masek, Co-Chair
House Resources
Alaska State Legislature
State Capitol, Room 124
Juneau, AK 99801

RE: Support for HB 286

The Southeast Alaska Fishermen's Alliance is a multi-gear group representing the interests of salmon, crab, shrimp and longline fishermen of Southeast Alaska. We support HB 286 but would like HB 286 to be amended for all state fisheries and not confined to salmon only for the following reasons:

- The original bill was for statewide fisheries, I sent the information to my members as a bill for statewide fisheries and did not receive any opposition from them on the aspect of the bill being statewide and since the bill has been changed to salmon only my members have been contacting me to see if we could change it back to statewide fisheries.
- The bill is written so that the individual, regional fishery has to choose the options provided under this bill. It cannot be forced on the majority of the fleet, they have to agree, and therefore what is the harm in allowing all the fisheries the same options as the salmon industry.
- We believe that the statewide option in this bill is necessary, as other fleets besides salmon have struggled over the past several years with trying to deal with excess effort in their fishery. This legislation would provide these fleets with an option that could possibly work for them.
- As the salmon fleet might take advantage of the options this bill provides them, there is the possibility as permits are sold, and stacked that the fishermen selling out of the salmon fishery but still owns their boat may look at alternative fisheries to get into. These fisheries need the same tools as the salmon industry at the same time to prevent possible harm to their fishery by permits being fished.
 - As an example, lets look at the SE AK pot shrimp fishery. Since the shrimp fishery went limited entry, this fleet has tried to find ways to reduce the number of permits that were issued. While HB 288 which deals with CFEC buy back statutes is a very worthy bill, it will not work in the shrimp fishery because the problem there is ½ the permits issued are non-transferable. HB 288 does not allow the purchase of non-transferable permits. Under HB 286, it might be possible to put together an association to assess the fishermen, and contract with the willing non-transferable permit owners to not renew their permits for two years so the

permit disappears. To purchase transferable permits in this fleet would almost guarantee some time in the future when the non-transferable permits have phased away that it would have become too exclusive and new permits would need to be issued.

It has been suggested that we allow this bill to go through the legislature with just Salmon included at this time and try to amend the statute next year, instead we suggest that since the bill has the safe guards built in and that a program can not be forced onto a fleet that the bill be for all fisheries at this time.

Southeast Alaska Fishermen's Alliance supports this legislation whether it is for salmon only or amended to provide a tool for all fisheries in the State. We thank you for considering our arguments to amend the legislation for all fisheries and hope that the resource committee can support and pass this bill on to the next committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathy Hansen", followed by a horizontal line extending to the right.

Kathy Hansen
Executive Director

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SCALZI

TO: CSHB 286(), Draft Version "T"

1 Page 8, following line 2:

2 Insert a new subsection to read:

3 "(e) The provisions of AS 43.05 and AS 43.10 apply for the enforcement and
4 collection of a salmon fishery assessment levied under AS 43.76.220 - 43.76.280."

SITE: KETCHIKAN LIO

COMMITTEE: HRES

DATE: 02.13.02

SUBJECT OF MEETING: HB 286, 288

UPDATE #: First list

PLEASE SIGN IN

DO YOU WANT

PRINT YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?

Y OR N

PRINT YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	TO TESTIFY? Y OR N
BRUCE WALLACE		Self	Y HB286
Email address:			
RUDY JOHANSEN		Self	Maybe
Email address:			HB 286
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

CS FOR HOUSE BILL NO. 286()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SCALZI, Fate

A BILL
FOR AN ACT ENTITLED

1 "An Act allowing a person to hold two commercial fishing entry permits for a salmon
2 fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relating to
3 salmon fishery associations and to salmon fishery assessments; and providing for an
4 effective date."

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

6 * Section 1. AS 16.40 is amended by adding a new section to read:

7 Article 5. Salmon Fishery Associations.

8 Sec. 16.40.250. Salmon fishery associations. The commissioner may assist
9 in and encourage the formation of qualified salmon fishery associations for the
10 purpose of promoting the consolidation of the fishing fleet in a salmon fishery for
11 which the Alaska Commercial Fisheries Entry Commission has issued commercial
12 fishing entry permits under AS 16.43. A salmon fishery association is qualified if the
13 commissioner determines that the regional association

14 (1) is incorporated as a nonprofit corporation under AS 10.20;

1 (2) represents interim-use permit and entry permit holders who
2 participate in the salmon fishery for which the association is established; and

3 (3) has a board of directors that is representative of interim-use permit
4 and entry permit holders who fish in the salmon fishery.

5 * Sec. 2. AS 16.43.140(c) is amended to read:

6 (c) A person may hold more than one interim-use or entry permit issued or
7 transferred under this chapter only for the following purposes:

8 (1) fishing more than one type of gear;

9 (2) fishing in more than one administrative area;

10 (3) harvesting particular species for which separate interim-use or
11 entry permits are issued;

12 (4) if authorized by regulations of the commission, fishing an entire
13 unit of gear in a fishery in which the commission has issued entry permits for less than
14 a unit of gear under AS 16.43.270(d); under this paragraph, a person may not hold
15 more than two entry permits for a fishery; however, the person may not

16 (A) fish more than one unit of gear in the fishery; or

17 (B) acquire a second entry permit for the fishery after the
18 person has acquired an entry permit that authorizes the use of an entire unit of
19 gear in the fishery;

20 (5) consolidation of the fishing fleet for a salmon fishery; however,
21 a person may hold not more than two entry permits for a salmon fishery under
22 this paragraph, but the person who holds two entry permits for a salmon fishery
23 may not engage in fishing under the second entry permit.

24 * Sec. 3 AS 37.05.146(b)(4)(AA) is amended to read:

25 (AA) dive fishery management assessment receipts
26 (AS 43.76.150) and salmon fishery assessment receipts (AS 43.76.220);

27 * Sec. 4. AS 43.76 is amended by adding new sections to read:

28 **Article 4. Salmon Fishery Assessment.**

29 **Sec. 43.76.220. Salmon fishery assessment.** (a) A salmon fishery
30 assessment shall be levied on the value of the salmon sold in a salmon fishery. The
31 rate of the assessment, not to exceed five percent, shall be determined by an election

1 under AS 43.76.230.

2 (b) A salmon fishery assessment may only be levied or collected on salmon
3 sold in a fishery if

4 (1) there exists in the administrative area in which the fishery occurs
5 an association determined by the commissioner of fish and game to be a qualified
6 salmon fishery association under AS 16.40.250; and

7 (2) the rate of the salmon fishery assessment is determined by an
8 election under AS 43.76.230.

9 **Sec. 43.76.230. Election to approve, amend, or terminate salmon fishery**
10 **assessment.** (a) A qualified salmon fishery association may conduct an election
11 under this section after the commissioner of fish and game approves

12 (1) the notice to be published by the qualified salmon fishery
13 association; the notice must state that all salmon sold in the fishery are subject to the
14 salmon fishery assessment and the rate of the salmon fishery assessment to be
15 approved, amended, or terminated at the election;

16 (2) the ballot to be used in the election; and

17 (3) the registration and voting procedure for the approval, amendment,
18 or termination of the salmon fishery assessment.

19 (b) The salmon fishery assessment is levied under AS 43.76.220 in a fishery
20 on the effective date stated on the ballot if

21 (1) the assessment is approved by a two-thirds majority vote of the
22 eligible interim-use permit and entry permit holders in the fishery; and

23 (2) the election results are certified by the commissioner of fish and
24 game.

25 (c) In conducting an election under this section, a qualified salmon fishery
26 association shall adopt the following procedures:

27 (1) the qualified salmon fishery association for the fishery shall make
28 copies of the articles of incorporation and bylaws of the association available to all
29 interim-use permit and entry permit holders in the fishery;

30 (2) the qualified salmon fishery association for the fishery shall hold at
31 least one public meeting not less than 30 days before the date on which ballots must be

1 postmarked to be counted in the election to explain, as appropriate, the reason for
2 approval or amendment of the proposed salmon fishery assessment, the reason for the
3 proposed rate of the salmon fishery assessment, or the reason for termination of the
4 salmon fishery assessment, and to explain the registration and voting procedure to be
5 used in the election; the qualified salmon fishery association shall provide notice of
6 the meeting by

7 (A) mailing the notice to each eligible interim-use permit and
8 entry permit holder;

9 (B) posting the notice in at least three public places in the
10 administrative area in which the fishery occurs; and

11 (C) publishing the notice in at least one newspaper of general
12 circulation in the administrative area in which the fishery occurs at least once a
13 week for two consecutive weeks before the meeting;

14 (3) the qualified salmon fishery association shall mail two ballots to
15 each eligible interim-use permit and entry permit holder; the first ballot shall be
16 mailed not more than 45 days before the date ballots must be postmarked to be
17 counted in the election; the second ballot shall be mailed not less than 15 days before
18 the date ballots must be postmarked to be counted in the election; the qualified salmon
19 fishery association shall adopt procedures to ensure that only one ballot from each
20 eligible interim-use permit and entry permit holder is counted in the election;

21 (4) the ballot must

22 (A) state that all salmon sold in the fishery are subject to the
23 salmon fishery assessment;

24 (B) state the rate of the assessment to be levied under
25 AS 43.76.220;

26 (C) ask the question whether the salmon fishery assessment
27 addressed on the ballot shall be approved, amended, or terminated, as
28 appropriate;

29 (D) indicate the fishery for which the salmon fishery
30 assessment will be levied or terminated;

31 (E) provide an effective date for the approval, amendment, or

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termination of the salmon fishery assessment; and

(F) indicate the date on which returned ballots must be postmarked in order to be counted;

(5) the ballots shall be returned by mail and shall be counted by an auditor selected by the qualified salmon fishery association and approved by the commissioner of fish and game; the qualified salmon fishery association shall pay the costs of counting the ballots.

(d) The commissioner of fish and game shall certify the results of an election under this section if the commissioner determines that the requirements of (a) and (c) of this section have been satisfied.

(e) A qualified salmon fishery association may employ or contract with another person to administer an election under this section subject to the supervision of the association.

(f) Except as otherwise provided under AS 43.76.240 and 43.76.250, an election to amend the rate of a salmon fishery assessment or to terminate a salmon fishery assessment shall be conducted under the same procedures established under (a), (c), and (d) of this section for an election to approve a salmon fishery assessment.

(g) In this section, "eligible interim-use permit and entry permit holder" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal holder of an interim-use permit for salmon fishing gear or an entry permit for salmon fishing gear that authorizes the individual to fish commercially in the salmon fishery for which the salmon fishery assessment is to be approved, amended, or terminated.

Sec. 43.76.240. Amendment of salmon fishery assessment. (a) The rate of the salmon fishery assessment levied on salmon under AS 43.76.220 may be amended by the commissioner of revenue upon a two-thirds majority vote at an election held under AS 43.76.230 among the eligible permit holders for the fishery in which the salmon fishery assessment is levied.

(b) The commissioner of revenue shall amend the rate of a salmon fishery assessment under (a) of this section following an election among the eligible permit

1 holders for the fishery if

2 (1) a petition that is signed by at least 25 percent of the interim-use
3 permit and entry permit holders in the fishery that is the subject of the petition is
4 presented to the commissioner of fish and game requesting amendment of the rate of
5 the salmon fishery assessment; the petition must state the proposed rate of the salmon
6 fishery assessment to be levied under AS 43.76.220; only a person who holds an
7 interim-use permit or entry permit for the fishery at the time of signing the petition
8 may validly sign the petition;

9 (2) an election is held in accordance with AS 43.76.230; the ballot
10 must ask the question whether the salmon fishery assessment on salmon sold in the
11 fishery shall be amended and must state the salmon fishery assessment to be levied
12 under AS 43.76.220 if the assessment is amended; the ballot must be worded so that a
13 "yes" vote is for amendment of the salmon fishery assessment and a "no" vote is for
14 continuation of the current salmon fishery assessment;

15 (3) a two-thirds majority of the eligible interim-use permit and entry
16 permit holders in the fishery casts a ballot for the amendment of the salmon fishery
17 assessment; in this paragraph, "eligible interim-use permit and entry permit holder"
18 has the meaning given in AS 43.76.230; and

19 (4) the qualified salmon fishery association provides notice of the
20 election in accordance with AS 43.76.230 within six months after receiving notice
21 from the commissioner of fish and game that a valid petition under (1) of this
22 subsection has been received.

23 **Sec. 43.76.250. Termination of salmon fishery assessment.** (a) The salmon
24 fishery assessment levied under AS 43.76.220 shall be terminated by the
25 commissioner of revenue upon a two-thirds majority vote at an election held under
26 AS 43.76.230 among the eligible permit holders for the fishery in which the salmon
27 fishery assessment is levied.

28 (b) The commissioner of revenue shall terminate a salmon fishery assessment
29 under (a) of this section following an election among the eligible permit holders for
30 the fishery if

31 (1) a petition that is signed by at least 25 percent of the interim-use

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permit and entry permit holders in the fishery that is the subject of the petition is presented to the commissioner of fish and game requesting termination of the salmon fishery assessment; only a person who holds an interim-use permit or entry permit for the fishery at the time of signing the petition may validly sign the petition;

(2) an election is held in accordance with AS 43.76.230; the ballot must ask the question whether the salmon fishery assessment shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the salmon fishery assessment and a "no" vote is for termination of the salmon fishery assessment;

(3) a two-thirds majority of the eligible interim-use permit and entry permit holders in the fishery casts a ballot for the termination of the salmon fishery assessment; in this paragraph, "eligible interim-use permit and entry permit holder" has the meaning given in AS 43.76.230; and

(4) the qualified salmon fishery association provides notice of the election in accordance with AS 43.76.230 within six months after receiving notice from the commissioner of fish and game that a valid petition under (1) of this subsection has been received.

Sec. 43.76.260. Collection of assessment. (a) A buyer who acquires salmon that is subject to a salmon fishery assessment levied under AS 43.76.220 shall collect the salmon fishery assessment at the time of purchase and shall remit the total salmon fishery assessment collected during each month to the department by the last day of the next month.

(b) A buyer who collects the salmon fishery assessment shall maintain records of the value of salmon that is subject to the assessment that is purchased in each salmon fishery of the state.

(c) The owner of salmon removed from the state is liable for payment of the salmon fishery assessment levied under AS 43.76.220 if, at the time the salmon is removed from the state, the assessment payable on the salmon has not been collected by a buyer. If the owner of the salmon is liable for payment of the salmon fishery assessment under this subsection, the owner shall comply with the requirements under (a) and (b) of this section to remit the assessment to the department and to maintain records.

Consistent w/ ASMI Salmon enhancement



1 (d) The salmon fishery assessment collected under this section shall be
2 deposited in the state treasury.

3 **Sec. 43.76.270. Funding for qualified salmon fishery associations.** (a) The
4 legislature may make appropriations of revenue collected under AS 43.76.260 to the
5 Department of Fish and Game for funding of the qualified salmon fishery association
6 for the fishery in which the assessment was collected. Funds received under this
7 section by a qualified salmon fishery association may be expended in accordance with
8 the annual operating plan developed under (b) of this section.

9 (b) The Department of Fish and Game may assist a salmon fishery association
10 in developing an annual operating plan. The annual operating plan must describe the
11 activities for which the association intends to expend the funding received under this
12 section, including consolidation of the fishing fleet in the salmon fishery, financial
13 assistance to permit holders in the fishery to promote consolidation of the fishing fleet
14 for the fishery, and administrative activities of the association.

15 (c) A qualified salmon fishery association receiving funding under this section
16 shall submit an annual report to the Department of Fish and Game and to the members
17 of the association describing the activities of the association and how those activities
18 are consistent with the articles of incorporation and bylaws of the association.

19 (d) This section does not establish a dedication of a state tax or license.

20 (e) This section does not restrict or qualify the authority of the Department of
21 Fish and Game or the Board of Fisheries under AS 16.

22 **Sec. 43.76.280. Definitions.** In AS 43.76.220 - 43.76.280,

23 (1) "administrative area" means an area established by the Alaska
24 Commercial Fisheries Entry Commission under AS 16.43.200 for regulating and
25 controlling entry into salmon fisheries;

26 (2) "buyer" has the meaning given in AS 43.76.040;

27 (3) "fishery" has the meaning given in AS 16.43.990;

28 (4) "qualified salmon fishery association" means an association that is
29 qualified under AS 16.40.250;

30 (5) "salmon" means salmon sold under the authority of a limited entry
31 permit or interim-use permit issued under AS 16.43 for salmon;

1 (6) "sold" means the transfer of ownership of salmon from an interim-
2 use permit or entry permit holder to a buyer at the first point of sale;

3 (7) "value" has the meaning given in AS 43.75.290.

4 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

February 20, 2002

Representative Drew Scalzi
Representative Beverly Masek
Co-Chairs
House Resources Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: HB 286 Ownership Of More Than One Fishery Permit

Dear Co-Chairs:

United Fishermen of Alaska supports passage of this bill to allow fishery permit stacking for the purpose of fleet reduction. Specifically, we support allowing:

- A natural person to own up to two permits in a salmon fishery
- Formation of regional non-profit associations to facilitate funding.
- A 2/3 majority vote by permit holders to authorize a self assessment of up to 5% of ex-vessel value

As you are aware, the Alaska salmon industry is facing challenges due to imports of farmed fish, the value of the Japanese yen, the lagging Japanese economy, and inefficiencies in the present harvesting structure. It is important that fishermen have a self-directed means of removing excess capacity without the use of state funds and in a manner that is constitutionally viable.

We discussed expanding this permit-stacking program to fisheries other than salmon, but do not feel there has been adequate discussion with other non-salmon fisheries of this option at the present time.

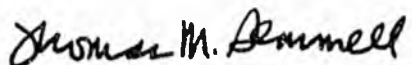
MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • At-sea Processors Association • Bristol Bay Reservo
Chignik Regional Aquaculture Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fishermen United • Douglas Island Pink and Chum
Kona Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Old Harbor Fisherman's Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association • Seafood Producers Cooperative
Southeast Alaska Regional Diver Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters

The twenty-nine member 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,

Handwritten signature of Thomas M. Gemmell in cursive script.

Thomas M. Gemmell
Executive Director

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 286
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title Authorizing persons to hold more than one limited BRU Administration and Support
entry fishing permit Component Boards of Fisheries and Game
Sponsor Representative Scalzi
Requester House Fisheries Component No. 2048

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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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)

Prepared by: Gordy Williams Phone 465-6143
Division Commissioner's Office Date/Time 1/31/02 2:00 PM
Approved by: Gordy Williams for Commissioner Frank Rue Date 1/31/2002
Agency Fish and Game



Alaska State Legislature

Official Business

REPRESENTATIVE DREW SCALZI
State Capitol
Juneau, Alaska 99801-1192

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

Representative_Drew_Scalzi@legis.state.ak.us

Sponsor Statement

HB286: "An Act allowing a person to hold two commercial fishing entry permits for a salmon fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relation to salmon fishery associations and to salmon fishery assessments; and providing for an effective date."

The health of the salmon industry should be of the utmost importance to the state of Alaska as it directly impacts the economic health of the state. While nearly 175 million salmon were landed last summer, the fishermen's take was only \$216 million -- less than half of what they got 15 years ago. The upside is that global demand for salmon is exploding with the world consumption at almost 4 billion pounds last year, three times the amount of 20 years earlier. With a refocusing of fisheries management, the state should be able to regain its strong foothold in the worldwide market.

The goal of this bill is to voluntarily reduce the fleet size where desired and deemed necessary to promote greater economic incentives in a manner that would leave sufficient harvest capacity for large fish returns. With HB286, salmon limited entry and interim use permit holders will be allowed to hold no more than two permits; the provision applies exclusively to salmon fisheries.

Holders of two permits will not be granted any special fishing privileges over the holder of one permit; the Board of Fish would be prohibited from enacting regulations that would grant these privileges. This measure will facilitate removing a vessel and gear from a fishery; however, permits are not permanently removed from the system. If conditions improve, permits can be added back into fisheries, allowing each administrative area to address its particular difficulties by gear type.

HB286 provides the means for fishermen to tax (assess) themselves to assist fleet consolidation, thereby improving the fisheries for all participants. Fishermen are not asking the legislature to appropriate money for permit buybacks; they are seeking solutions from within the industry. This bill would provide the vehicle for collection of the self-assessment and the appropriation back to the association formed by the holders who wish to consolidate. Two-thirds of gear-type in an administrative area must approve the assessment; thus this measure ensures voluntary participation and approval from the majority of the permit holders. The assessment can be no greater than 5% of the ex-vessel value of the salmon landed by the permit holder; hence the value and assessment would vary from year to year. Some fisheries may feel they can only afford ¼%, while others may feel secure in voting for 5%; allowing the individual needs of each fishery to be met.

The bill clearly delineates the assessment process with all checks and balances adequately addressed to ensure the intent of the measure is correctly administered.

2/4/02

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@ptialaska.net

February 9, 2002

House Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

SENT VIA FACSIMILE TO 907.465.3472

RE: CS for HB 286 - Permit Stacking for Fleet Reduction Purposes

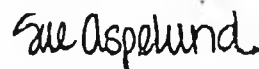
Dear Members,

Cordova District Fishermen United, representing the fishing fleets of Area E-- Prince William Sound and the Copper River--supports the CS for HB 286. The salmon industry in Alaska is reeling from the impacts of low-cost farmed fish and a weakened Japanese economy, and must utilize a variety of mechanisms aimed at decreasing costs and increasing efficiencies. Harvesters in our industry need the ability to remove excess capacity, where desirable, so that their investments in efficiencies and decreased costs are not mooted by reactivation of present latent licenses once industry viability increases.

Additionally, we are in full support of the assessment mechanism that provides fleets, regionally and voluntarily, to assess themselves to accomplish their fleet reduction goals. The 2/3rd majority of the permit holders of any gear group that is required prior to any assessment provides an important safeguard.

This is thoughtful, responsible legislation that provides an extremely significant tool for salmon fishermen to utilize as they attempt to find viability in today's volatile salmon industry. We urge your full support of CS for HB 286.

Sincerely,



Sue Aspelund
Executive Director

Sectional Analysis

CS for HB 286(FSH)

“An Act allowing a person to hold two commercial fishing entry permits for a salmon fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relating to salmon fishery association and to salmon fishery assessments; and providing for an effective date.”

Section 1. Salmon Fishery Associations

- The commissioner of the Alaska Department of Fish and Game shall assist and encourage the formation of salmon fishery associations if a fishery desires to form such an association
- Allows for the voluntary formation of salmon fishery associations **for the purpose of fleet consolidation**
- The associations would be comprised of entry permit holders by fishery (gear type) within administrative areas
- The association must be incorporated as a nonprofit corporation under Alaska law (AS 10.20); represent the salmon interim-use and entry permit holders within the designated fishery; and, have a board of directors representative of these individuals
- The association must develop by-laws and articles of incorporation

Section 2.

- Adds a new section to existing law (AS 16.43.140©) to allow an individual to hold two entry permits, but a person who holds two entry permits for a salmon fishery **is not afforded additional fishing privileges for the second permit**
- Upon passage of this bill, a salmon interim-use or entry permit holder may purchase a second permit in the same fishery
- The creation of an association or a vote on an assessment **is not required** before an individual may purchase a second permit in the same fishery

Section 3.

- Provides the assessment receipts flow for the budget process

Section 4.

Salmon Fishery Assessment

- Provides the mechanism and legal process for salmon fishermen to levy an assessment on themselves
- To proceed with a proposed assessment in a fishery it is a **voluntary action** of the salmon fishermen within a particular fishery (gear type)

- They must first create a qualified salmon fishery association meeting the qualifications outlined in Section 1
- The value voted upon **cannot exceed 5%** of the ex-vessel (first wholesale) value
- Salmon fisherman choosing to proceed with an assessment vote will by fishery (gear type) determine through an election of all the interim-use and entry permit holders in the fishery if they want to assess themselves
- They also determine the rate of the assessment **“not to exceed five percent”** of the ex-vessel value
- **Passage requires a 2/3 majority vote of all interim-use and entry permit holders in the fishery (gear type)**

Amendment or Termination of a Salmon Fishery Assessment

- If salmon fishermen vote to approve an assessment, there is a process for them to amend the rate of the assessment or to terminate the assessment
- A petition for amending the rate or for terminating the assessment requires 25% of the interim-use or entry permit holders in the fishery that is the subject of the petition to propose either an amended assessment or termination of the assessment
- **To pass it still requires a 2/3 majority** of the eligible interim-use or entry permit holders and utilizes the public notice process and time line utilized for adopting an assessment

Collection of Assessment

- The collection of an approved assessment follows the same process as all other fishery taxes recorded, reported and collected by the Department of Revenue at the first point of sale

Funding for Qualified Salmon Fishery Associations

- All approved assessments collected by the Department of Revenue are appropriated to the Department of Fish and Game for funding the qualified salmon fishery association for the fishery in which the assessment was collected
- The assessment is appropriated to the salmon fishery association for the purposes outlined in its annual operating plan
- These purposes include consolidation of the fishing fleet in the salmon fishery, financial assistance to permit holders in the fishery to promote consolidation of the fishing fleet for the fishery, and for the administrative activities of the association
- An association receiving funding under this section is required to submit an annual report to both the Department of Fish and Game and its members (the entire gear type) describing their activities and how they are consistent with their articles of incorporation and bylaws

Definitions

- The definitions contained in this section are consistent with those for the Department of Revenue and the Department of Fish and Game already contained in law

Effective Date

- There is an immediate effective date under AS 01.10.070©