

HB

288

22-LS1108L
Utermohle
2/13/02

CS FOR HOUSE BILL NO. 288()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SCALZI, Stevens, Hudson, Fate, Dyson, Wilson

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to commercial fishing limited entry permit buy-back programs and to
2 relinquishment of commercial fishing permits; and defining 'optimum number'."

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

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

5 (f) Except for permits that are not transferable under AS 16.43.170(e)
6 [AS 16.43.170(c) OR (e)], an entry permit survives the death of the holder.

7 * Sec. 2. AS 16.43.150 is amended by adding a new subsection to read:

8 (i) The holder of a transferable or nontransferable entry permit or of an
9 interim-use permit may relinquish the permit to the commission.

10 * Sec. 3. AS 16.43.170(b) is amended to read:

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

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

8 * Sec. 4. AS 16.43.170(e) is amended to read:

9 (e) The [BEFORE THE DETERMINATION, UNDER AS 16.43.290 AND
10 16.43.300, OF THE OPTIMUM NUMBER OF ENTRY PERMITS FOR A
11 FISHERY, THE] holder of an entry permit who qualified for that entry permit in a
12 priority classification designated under AS 16.43.250(c) may not transfer that permit
13 [UNLESS THE COMMISSION ESTIMATES THAT THE OPTIMUM NUMBER
14 FOR THAT FISHERY WILL BE EQUAL TO OR GREATER THAN THE
15 NUMBER OF OUTSTANDING ENTRY PERMITS AND INTERIM-USE
16 PERMITS].

17 * Sec. 5. AS 16.43.310 is repealed and reenacted to read:

18 **Sec. 16.43.310. Establishment of buy-back funds.** When the optimum
19 number of entry permits is less than the number of entry permits outstanding in a
20 fishery, the commission may establish a buy-back program and a buy-back fund for
21 that fishery. If the commission establishes a buy-back program for a fishery, the
22 commission shall request the legislature to appropriate money to capitalize the buy-
23 back fund. The commission shall expend money in a buy-back fund for the purpose of
24 reducing the number of entry permits in the fishery to the optimum number, at a rate to
25 be established by the commission.

26 * Sec. 6. AS 16.43.320 is repealed and reenacted to read:

27 **Sec. 16.43.320. Administration of the buy-back program.** The commission
28 shall adopt regulations providing for the purchase of transferable entry permits with
29 money in the buy-back fund for each fishery. The buy-back program for a fishery
30 shall terminate when the number of entry permits for the fishery is reduced to the
31 optimum. The unexpended balance of appropriations made to the buy-back fund for a

1 fishery shall lapse back into the fund from which the money was appropriated at the
2 end of the fiscal year in which the buy-back program is terminated.

3 * Sec. 7. AS 16.43.990 is amended by adding a new paragraph to read:

4 (10) "optimum number" includes an optimum range of numbers.

5 * Sec. 8. AS 16.43.170(c) is repealed.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 288
 (H) Publish Date: 2/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish & Game
 Title Commercial fisheries entry permit buy-back BRU Comm Fish Entry Commission
programs Component Comm Fish Entry Commission
 Sponsor Rep. Scalzi
 Requester House Fish Component No. 471

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)

No fiscal impact

Prepared by: Roger Kolden Phone 790-6950
 Division Commercial Fisheries Entry Commission Date/Time 2/1/02 9:08 AM
 Approved by: Mary McDowell, Commissioner Date 02/01/2002
 Agency Commercial Fisheries Entry Commission

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 288
(H) Publish Date: 2/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish & Game
Title Commercial fisheries entry permit buy-back BRU Comm Fish Entry Commission
programs Component Comm Fish Entry Commission
Sponsor Rep. Scalzi
Requester House Fish Component No. 471

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:

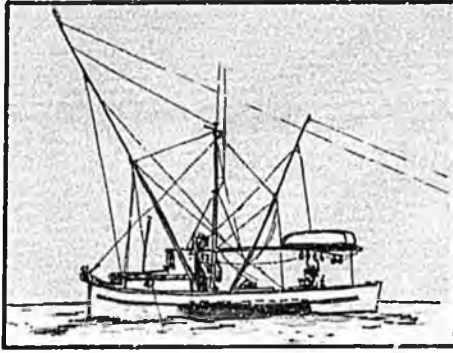
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact

Prepared by: Roger Kolden Phone 790-6950
Division: Commercial Fisheries Entry Commission Date/Time 2/1/02 9:08 AM
Approved by: Mary McDowell, Commissioner Date 02/01/2002
Agency: Commercial Fisheries Entry Commission



Alaska Trollers Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

February 7, 2002

Representative Beverly Masek, Co-Chair
Representative Drew Scalzi, Co-Chair
House Resources Committee
Alaska State Legislature
Juneau, AK 99811

Dear Resources Committee Members:

The Alaska Trollers Association supports HB 288, relating to commercial fisheries limited entry permit buy-back programs. ATA thinks this legislation is necessary to provide an appropriate tool for those fleets that believe buyback is a viable option.

We ask for your support of HB 288.

Respectfully,

A handwritten signature in cursive script that reads "Dale Kelley".

Dale Kelley
Executive Director

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



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 288 Limited Entry Buy-Back Program

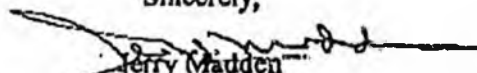
United Southeast Alaska Gillnetters (USAG) supports passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program, should it become necessary

Specifically, we support language that allows for an optimum numbers study to be completed without automatically triggering a buyback. We believe that it is prudent to conduct the optimum study and they allow the permit holders to assess their options before they move ahead with a state buyback. A second issue of concern is that a better mechanism is needed to ensure that funds provide by fishermen for the buyback are used specifically for that purpose.

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
 Executive Director



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 4, 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 288 Limited Entry Buy-Back Program

United Fishermen of Alaska supports passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program, should it become necessary

Specifically, we support language that allows for an optimum numbers study to be completed without automatically triggering a buyback. We believe that it is prudent to conduct the optimum study and they allow the permit holders to assess their options before they move ahead with a state buyback. A second issue of concern, is that a better mechanism is needed to ensure that funds provide by fishermen for the buyback are used specifically for that purpose.

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. Gemmell
Executive Director

MEMBER ORGANIZATIONS

Alaska Longline Fisherman's Association • Alaska Trollers Association • At-sea Processors Association • Bristol Bay Reserve
Chignik Regional Aquaculture Association • Concerned Area "M" Fisherman • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fisherman United • Douglas Island Pink and Chum
Kona Peninsula Fisherman'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 Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters

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 288 - CFEC Buyback

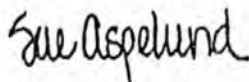
Dear Members,

Cordova District Fishermen United, representing the fishing fleets of Area E-- Prince William Sound and the Copper River--strongly supports HB 288. The existing buyback statute is inefficient, inflexible and needs to be cleaned up for consistency with other State law. HB 288 accomplishes that.

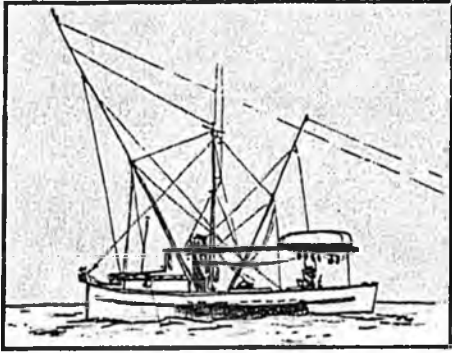
Given the volatility of the salmon industry at present, harvesters need maximum flexibility in order to successfully respond to our changing needs. HB 288 makes several important changes to existing law: 1) It makes buyback optional, rather than mandatory following an optimum number study that finds a number lower than that in the existing fishery; 2) It doesn't require purchase of all associated fishing boats, gear, etc.; and 3) removes the mandatory 7% assessment which is illegal under other existing law.

We support this legislation and urge your positive consideration.

Sincerely,



Sue Aspelund
Executive Director



Alaska Trollers Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

February 7, 2002

Representative Beverly Masek, Co-Chair
Representative Drew Scalzi, Co-Chair
House Resources Committee
Alaska State Legislature
Juneau, AK 99811

Dear Resources Committee Members:

The Alaska Trollers Association supports HB 288, relating to commercial fisheries limited entry permit buy-back programs. ATA thinks this legislation is necessary to provide an appropriate tool for those fleets that believe buyback is a viable option.

We ask for your support of HB 288.

Respectfully,

A handwritten signature in cursive script that reads "Dale Kelley".

Dale Kelley
Executive Director



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 288 Limited Entry Buy-Back Program

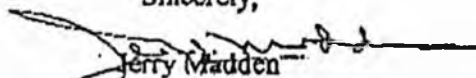
United Southeast Alaska Gillnetters (USAG) supports passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program, should it become necessary

Specifically, we support language that allows for an optimum numbers study to be completed without automatically triggering a buyback. We believe that it is prudent to conduct the optimum study and they allow the permit holders to assess their options before they move ahead with a state buyback. A second issue of concern is that a better mechanism is needed to ensure that funds provide by fishermen for the buyback are used specifically for that purpose.

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
 Executive Director



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 4, 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 288 Limited Entry Buy-Back Program

United Fishermen of Alaska supports passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program, should it become necessary

Specifically, we support language that allows for an optimum numbers study to be completed without automatically triggering a buyback. We believe that it is prudent to conduct the optimum study and they allow the permit holders to assess their options before they move ahead with a state buyback. A second issue of concern, is that a better mechanism is needed to ensure that funds provide by fishermen for the buyback are used specifically for that purpose.

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. Gemmell
Executive Director

MEMBER ORGANIZATIONS

Alaska Longline Fisherman's Association • Alaska Trollers Association • Al-sea Processors Association • Bristol Bay Reserve
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
Kenai Peninsula Fisherman's Association • Kodiak Regional Aquaculture Association • Kodiak Spinners 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 Spinners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters

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 288 - CFEC Buyback

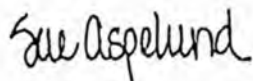
Dear Members,

Cordova District Fishermen United, representing the fishing fleets of Area E-- Prince William Sound and the Copper River--strongly supports HB 288. The existing buyback statute is inefficient, inflexible and needs to be cleaned up for consistency with other State law. HB 288 accomplishes that.

Given the volatility of the salmon industry at present, harvesters need maximum flexibility in order to successfully respond to our changing needs. HB 288 makes several important changes to existing law: 1) it makes buyback optional, rather than mandatory following an optimum number study that finds a number lower than that in the existing fishery; 2) it doesn't require purchase of all associated fishing boats, gear, etc.; and 3) removes the mandatory 7% assessment which is illegal under other existing law.

We support this legislation and urge your positive consideration.

Sincerely,



Sue Aspelund
Executive Director



Official Business

Alaska State Legislature

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

HB288: "An Act relating to commercial fisheries limited entry permit buy-back programs."

Efficiencies in commercial fishery harvest practices have increased since the inception of the limited entry program. Arguably more permits were originally issued than necessary to effectively harvest the resource for sustained yield in some areas. Alaska presently has approximately 12,000 commercial fishing permits, with about three-fourths of those owned by Alaskans. The limited entry program instituted in the early 1970s worked well for those times; however, with low prices and an excess of harvesters, it is apparent that what worked thirty years ago is splitting the pie into minute portions today.

With the advent of foreign-farmed fish, members from the Alaska commercial fishing industry are now looking at ways to consolidate efforts, maximize efficiencies, and promote better quality. One such method of consolidation is a buy-back or buy-down program.

The provision currently in statute allowing for a buy-back, requires purchase of the fishing vessel, skiff, nets, and related equipment involved in an individual's fishing operation as well as the permit. This last requirement can be cumbersome, costly, and an inherent disincentive to effectively promote a desired buy-back plan. This bill would allow for a buy-back plan that would incorporate the purchase of *permits only*, thus making it easier to clarify the costs associated with implementing such a plan. While the legislature would need to appropriate the funding to capitalize the buy-backs, the source of the funds could originate from several sources such as federal grants and permit holder self-assessment.

In no way does this legislation imply or change in existing statute the status of voluntary participation in any such buy-back.