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206

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 206(2d RES)
 (H) Publish Date: 2/13/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish & Game
 Title Vessel Limited Entry for Commercial Fisheries BRU Comm Fish Entry Commission
 Component Comm Fish Entry Commission
 Sponsor House Resources
 Requester House Resources 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						
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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:

SITIONS

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 2/11/02 9:34 AM
 Approved by: Mary McDowell, Commissioner Date 02/11/2002
 Agency: Commercial Fisheries Entry Commission



ALASKA STATE LEGISLATURE

REPRESENTATIVE DREW SCALZI
State Capitol, Juneau
Alaska 99801-1182

OFFICIAL BUSINESS

(907) 465-2689; (800) 665-2689

Fax: (907) 465-3472

Email: Representative_Drew_Scalzi@legis.state.ak.us

April 18, 2002

To: Senator Robin Taylor
Chair, Senate Judiciary Committee

From: Representative Drew Scalzi 

Re: HB206 – Vessel Limited Entry for Commercial Fisheries

Senator Taylor, please schedule HB208 before your committee pending referral from Senate Resources Committee.

Thank you for your consideration.

Alaska State Legislature

Representative Beverly Masek
Co-Chair
State Capitol
Juneau, AK 99801-1182
(907) 465-3715
Fax: 465-4822
1-800-505-2678



Representative Drew Scalzi
Co-Chair
State Capitol
Juneau, AK 99801-1182
(907) 465-6890
Fax: 465-3472
1-800-665-2689

House Resources Committee

House Bill 206 Sponsor Statement

"An Act relating to a vessel-based commercial fisheries limited entry system for the Bering Sea Korean hair crab fishery and for weathervane scallop fisheries, to management of offshore fisheries, and to the definition of 'person' for purposes of the commercial fisheries entry program; and providing for an effective date."

HB 206 establishes a vessel-based commercial fisheries limited entry program. The bill preserves the State's current limited entry program as the primary form of limitation, and authorizes the Commercial Fisheries Entry Commission (CFEC) to implement a vessel-based limitation in a fishery only under certain tightly defined conditions.

In its bill enacting the Hair Crab moratorium in 1996, the Legislature recognized the need to establish a vessel-based limitation program and directed CFEC and the Department of Law to draft and bring to the Legislature legislation to accomplish that. Such legislation was drafted but failed to gain passage during the 21st Session. HB 206 reintroduces enabling provisions for this important fisheries management tool.

Under the current limited entry statute, CFEC may only issue limited entry permits to gear operators in a fishery, not to vessels or vessel owners. This type of limited entry system, based on an "owner-operator" model, is appropriate for fisheries where typically vessels are small and fished by one person usually in nearshore waters. But other fisheries in Alaska, particularly some of those in the Gulf of Alaska and the Bering Sea, are characterized by larger vessels fishing in offshore waters. These vessels move from area to area and may be operated by successive skippers hired by vessel owners to keep the vessel fishing throughout a season. Current law may not be appropriate or workable for this kind of fishery; in fact, it could potentially increase rather than limit the units of gear and not achieve the resource conservation and economic viability purposes of the Limited Entry Act. Further, it would award ongoing fishing privileges to many who have worked essentially as hired crew, and not those who have invested in the fishery.

The bill establishes the framework for a vessel-based limitation system, much as existing law provides the framework for the operator-based program. Effective fishery management tools, such as those authorized in HB 206, will help ensure the State has the flexibility to effectively manage a wide range of fisheries and, in some fisheries, to gain or retain State management authority in the years ahead.

Introduced 3/21/2001
Prepared by Co-chairman Drew Scalzi

***CSHB206 (RLS) Vessel- Based Commercial Fisheries Limitation Program
For Bering Sea Korean Hair Crab and Weathervane Scallop Fisheries***

- Under the current limited entry statute, CFEC may only issue limited entry permits to a person, based on participation in a fishery as a *gear operator*, not to persons or entities based on their ownership of a vessel that has participated in the fishery. This restriction may not be appropriate for some large vessel fisheries in which multiple hired skippers operate vessels owned by others.
- Recognizing this, the Legislature in 1996 directed CFEC and the Department of Law to draft legislation to establish a vessel-based limitation program that could be used in fisheries that cannot be effectively limited under the existing program.
- CS HB 206 (RLS) authorizes the use of a *vessel-based* limited entry program for the Bering Sea Korean Hair Crab and Weathervane Scallop fisheries
- Without this legislation, the Entry Commission will have no alternative approach to use if it finds that limiting these two fisheries under the existing program would not achieve the purposes of the Limited Entry Act. The legislation provides for the protection of these fisheries from a potential influx of new participants upon expiration of the moratoriums
- Presently these fisheries are under legislatively-enacted moratoriums set to expire in 2003 and 2004; passage of this legislation this session is necessary to provide the time required to get the program in place
- Originally the bill's provisions were set forth for generic application. In the House Resources Committee, the bill was amended to allow the program to be used ONLY in the Bering Sea Korean hair crab and weathervane scallop fisheries
- The bill passed the house 34-4
- It is important that the Legislature provide the tools necessary to meet the needs of Alaska's evolving fisheries. This legislation does that, and will help ensure the state's ability to provide for the sound management of the resource and the long-term health of these fisheries

HB206: Vessel-Based Commercial Fisheries Limitation Program

Authorizes implementation of a vessel-based commercial fisheries limited entry program for the Bering Sea Korean Hair Crab and Weathervane Scallop fisheries. (Resources CS)

Why we need this legislation?

Under current statute, CFEC may only issue limited entry permits to gear operators, not to vessels or vessel owners, and only to individual human beings, not to partnerships, corporations, or other "entities." These requirements may not be appropriate for some fisheries, particularly some Gulf of Alaska and Bering Sea fisheries with large vessels operated by successive skippers hired by vessel owners.

Recognizing that, in 1996, the legislature directed CFEC and Dept. of Law to draft legislation to establish a vessel-based limitation program that could be used for fisheries in which limitation under the state's existing operator-based program would not be effective.

Legislatively-enacted moratoria in hair crab and scallop fisheries will expire soon. Passage of HB206 this session is essential to the state's ability to limit these fisheries effectively and avoid their return to open access.

What this legislation will accomplish:

The original HB206 would have established the framework for a vessel-based limitation program much as existing law provides a framework for the operator-based program. The vessel-based program would then have been a tool, an alternate method of limitation, available to CFEC to use for limiting fisheries that could not be effectively limited under the current operator-based system.

House Resources narrowed bill to allow use of vessel-based limitation only in the hair crab and scallop fisheries, which the committee recognized as those in immediate need of new program. Committee was not ready to provide generic authority for use of a vessel-based program in other fisheries.

Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Fax (907) 772-4495

March 8, 2002

Senator Torgerson
Chair
Senate Resources Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

RE: Support HB 206 Vessel Limited Entry System

Petersburg Vessel Owners Association is a group of commercial fishermen who participate in a variety of fisheries statewide. Some of our members participate in the Bering Sea Korean hair crab fishery that would be affected by this bill. The Bering Sea Korean hair crab fishery and the weathervane scallop fishery that are addressed in this bill are both large boat fisheries where the number of participants is restricted by moratorium. These moratoriums will soon expire. Therefore it is necessary to move quickly in establishing a limited entry system for these fisheries. The vessels that participate in these fisheries are large vessels with multiple owners. Therefore, if the entry commission were to offer an individual limited entry system, the number of permits issued would far exceed the current and historical number of participants.

Therefore the most reasonable option for these fisheries is a vessel based limited entry system. This bill will ensure that the entry commission has the necessary tools to limit these fisheries in a meaningful way. A system of vessel limited entry will allow the entry commission to issue a number of permits that corresponds to the current and historical participation in the fisheries. These stocks cannot support a level of fishing effort that far exceeds historical levels. Therefore it is necessary to institute vessel limited entry in these fisheries before the expiration of the moratorium.

We appreciate your consideration of these comments and hope you will support this bill. If we can assist you in any way, please feel free to contact us.

Respectfully,



Cora Crome
Director

Cc: Senator Taylor, Representative Scalzi