

HB

260

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 260(FIN)
 (H) Publish Date: 4/29/01

Revision Date/Time (Note if correc _____ Dept. Affecte Environmental Conservation
 Title: "An Act requiring the owners or operators of BRU: Air and Water Quality
certain passenger vessels operating in the marine waters... Component: Water Quality
 Sponsor: House Finance Committee
 Requester: House Finance Component Number: 2062

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	140.4	140.4	140.4	140.4	140.4	140.4
Travel	10.0	10.0	10.0	10.0	10.0	10.0
Contractual	244.8	159.8	149.8	134.8	134.8	134.8
Supplies	3.0	3.0	3.0	3.0	3.0	3.0
Equipment	13.8	2.0	2.0	2.0	2.0	2.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	412.0	315.2	305.2	290.2	290.2	290.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (Coastal Protecti	764.7	764.7	400.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.0	25.0	20.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Coastal Protection Fund)	406.0	290.2	285.2	290.2	290.2	290.2
TOTAL	412.0	315.2	305.2	290.2	290.2	290.2

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget prop

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Lynn J. Tomich Kent Phone 465-5312
 Division Air and Water Quality Date/Time April 26, 2001 6 p.m.

Approved by: Kurt Fredriksson Date 4/26/2001
 Agency Department of Environmental Conservation

For distribution information, call the Governor's Legislative Office

Funding for the first two and one half years is from the Alaska Commercial Passenger Vessel Coastal Protection Fund created by this legislation. It consists of fees, legislative appropriations and penalties. The fee collection terminates January 1, 2004. The fiscal note assumes that all vessels covered under the legislation will pay the fee – the Department cannot estimate at this time how many small vessels may apply for and be granted an exemption from the fee and effluent standards and cannot estimate the potential penalties or legislative appropriations to the fund. Based upon these assumptions, there will be insufficient Coastal Protection Funds to support operating costs in FY 08. HB 260 does not allow use of the Coastal Protection Fund for the assessment report. General Funds are needed to cover support this work.

Personal Services

One full time Environmental Specialist IV in Juneau will be required to register approximately twenty-five large passenger vessels annually; establish an information management system; coordinate with the USCG, EPA, the public, and the cruise ship industry; in consultation with other agencies, the cruise industry and interested persons, develop fee regulations and regulations covering exemptions for small vessels under 46.03.488 and develop and implement the superior environmental protection recognition program; complete an assessment report for sewage and graywater by January, 2004; designate areas less than one nautical mile from the nearest shore where treated sewage or graywater may be discharged; designate areas where the discharge of treated sewage or graywater is prohibited; and review and approve vessel-specific exemption plans for certain smaller vessels.

One full time Environmental Engineer Associate I in Juneau will request and review as many as 175 monthly logbooks each year covering limited information about the release of sewage and graywater; review and approve graywater and sewage sampling techniques and analytical methods; review approximately 70 analytical reports for graywater and sewage; review immediate reports of exceedances of effluent standards; provide technical and compliance assistance to the cruise ship industry and the public; contract for assistance developing no discharge zones; manage contracts for opacity emissions monitoring in Prince William Sound and the Kenai Peninsula; review opacity emissions reports; and provide technical assistance to the attorney general's office on any necessary enforcement actions.

Travel

Travel funds are for providing compliance assistance to the cruise ship industry, working with interested parties on the assessment report and establishment of the no discharge zones, development and implementation of the superior environmental protection recognition program, public meetings associated with regulations development for fees and small vessel exemptions and technical/professional training for staff.

Contractual

Contractual funds cover development of a database to manage and store effluent data received from the cruise ship industry; technical assistance for risk analysis; technical assistance with development and implementation of the superior environmental performance recognition program (the amount is reduced in FY 03 to reflect that ongoing implementation of the program will cost less than initial development of the program); development of no discharge zones; air emissions opacity readings in Prince William Sound and the Kenai Peninsula; and advertising, printing, meeting, and mailing costs for public notice of the regulations. All fiscal years include standard position support costs.

Supplies and Equipment

Supply and equipment funds during FY 02 cover standard office supplies, furnishings and computers for the positions. Equipment funds are reduced in subsequent years.

Personal Services New Position Detail

DRAFT, FN#1

Department of Environmental Conservation

Scenario: 02 DEC Fiscal Note Backup (1822)
 Component: Water Quality (2062)
 BRU Name: Air and Water Quality (206)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range &	Budgeted Count	Split / Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#002	Environmental Spec IV	FT	A	SS	Juneau	1A	20B	12.0	52,500	1,250	0	17,013	70,763

Justification:

To implement HB260. (The other fund source used to support this bill is the Coastal Protection Fund)

Funding Detail:

1004	General Fund Receipts	1.41%	1,000
1999	Other Fund Source	98.59%	69,763
Total Funding:		100.00%	70,763

18-#005 Env Eng Associate

FT A GG Juneau 1A 20B 12.0 52,116 620 0 16,916 69,652

Justification:

To implement HB260. (The other fund source used to support this bill is the Coastal Protection Fund.)

Funding Detail:

1999	Other Fund Source	100.00%	69,652
Total Funding:		100.00%	69,652

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	0.71%	1,000
1999 Other Fund Source	99.29%	139,415
1999 Other Fund Source	99.29%	139,415
Total Funding:	199.29%	140,415

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

MEMORANDUM

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION

TO: Darwin Peterson
Office of Senator John Torgerson

DATE: March 26, 2002

PHONE: (907) 789-6160 VOICE
(907) 789-6170 FAX

FROM: Commercial Fisheries Entry Commission
Marlene Johnson, Commissioner
Mary McDowell, Commissioner
Bruce Twomley, Chairman

SUBJECT: Response to your questions on
HB206

Below are CFEC's answers to the questions you sent by email yesterday regarding HB206.

Your Question #1:

"Do you have an official CFEC position on HB 206? There appears to be a divergence between your testimony and Bruce Twomley. The Chairman was very specific on SB 329 that the Commission opposed any granting of entry permits to any entities as a slippery slope, yet you seemed to support the concept in HB 206."

Response:

CFEC's three commissioners agree on CFEC's approach to the two bills, and we support passage of CSHB206 (RLS).

While both HB206 and SB329 propose making narrow exceptions to the current prohibition to entities holding limited entry permits, the two bills would make dramatically different policy calls. SB329 would allow certain entities to hold permits in fisheries (such as salmon and herring) that *can be, and already have been, effectively limited under the state's existing "person-based" limited entry program*. These fisheries, generally characterized by owner-operators who are the active participants in the fishery, are exactly the kinds of fisheries for which the existing program was designed. It is not necessary for resource conservation or management purposes, nor to preserve the ownership or participation patterns of the fishery, to allow entities to hold permits in such fisheries.

In sharp contrast, HB206 would authorize the limitation of the scallop and hair crab fisheries based on vessel ownership (and thus, in cases where a vessel is owned by an entity, the issuance of permits to such entities), rather than under the current program, *only* if (1) limitation of that fishery under the current limited entry program would not achieve the purposes of the Limited Entry Act, or (2) limiting by vessel would enable the state to gain or retain management of the fishery. (See page 2, lines 14-25 of the bill.)

Virtually all of the fisheries the state has limited since enactment of the Limited Entry Act have fit the "owner-operator model" which is the basis of our existing limited entry program. The scallop and hair crab fisheries are very different. They are characterized by large vessels, most of which are owned by partnerships or corporations and operated by a series of hired skippers. If we were to limit these two fisheries under the current program, fishing privileges would have to be awarded to hired skippers, rather than those with investment in the vessels, possibly resulting in the issuance of too many permits and creation of a conservation problem for the fishery. Under the statutes governing the current program, the

commission would have try to design a hardship ranking system to determine which of the vessel operators would receive permits. Developing a ranking system to effectively distinguish among applicants could be a nearly impossible task. Another "fairness" issue is the question of granting all fishing privileges in these fisheries to those who have participated essentially as hired crewman, with no significant investment in the fishery, while leaving the owners of these large vessels with no fishing privileges to go with their vessels. Limitation under the vessel-based program would simply allow these two fisheries to function without altering current ownership patterns.

The Entry Commission does strongly support maintaining the existing prohibition against entities holding limited entry permits in every instance where the existing program can be applied effectively. We do, however, recognize that as we are called upon to limit fisheries that simply don't fit the ownership or operational patterns upon which our existing limited entry system is premised, an occasional, carefully constructed modification may need to be made. In directing CFEC to draft HB206, the legislature acknowledged that a new tool was needed to address the needs of a few fisheries that differ significantly from the type of fisheries for which the existing limited program was designed. Certainly, HB206 presents some policy issues for the legislature to consider, but the commission believes the bill is a pragmatic approach to meeting a fisheries management challenge without undermining the integrity of the existing limited entry program.

Your Question #2:

"You said you don't know if you would use this program even if adopted. The language of the bill only allows a vessel-based system if you can't find a way to configure the 'fisherman' based system to effectively limit the entry. Can you put together a simple matrix chart of years of participation for the small number of vessels in these fisheries and another of permit holder landings for a few years before and after the moratorium with the number of landings?"

Response:

See attached tables.

SUMMARY:

The Hair Crab moratorium is scheduled to expire in 2003, and the scallop moratorium in 2004. If CFEC is to have the option of using a vessel-based system to limit these two fisheries, it is essential that HB206 pass the legislature this session. Please let us know if you or Chairman Torgerson or members of the Resources committee would like further information to assist in the committee's consideration of this legislation.

State of Alaska
 Commercial Fisheries Entry Commission
 March 26,2002

Number of Vessel Operators and Vessels in the Weathervane Scallop Fishery
 1980-2001

Year	Number of Vessel Operators	Number of Vessels	Pounds	Earnings	% of Operators Who Owned the Vessel They Fished
1981	21	17	841,340	\$3,520,872	19.0
1982	15	12	912,296	\$3,186,066	33.3
1983	7	6	194,116	\$911,247	14.3
1984	9	8	380,223	\$1,683,983	22.2
1985	8	8	627,679	\$2,253,251	0.0
1986	13	9	682,622	\$2,329,101	15.4
1987	5	4	583,043	\$2,103,319	0.0
1988	5	4	341,070	\$1,201,201	0.0
1989	8	7	534,763	\$2,010,551	0.0
1990	13	9	1,481,457	\$5,049,338	0.0
1991	8	7	1,191,014	\$4,484,590	0.0
1992	12	8	1,823,083	\$7,070,632	8.3
1993	19	15	1,522,069	\$7,030,179	15.8
1994	22	18	1,256,736	\$7,039,263	13.6
1995	10	10	351,023	\$1,847,667	10.0
1996	10	9	728,424	\$4,670,516	20.0
1997	11	9	802,383	\$4,329,672	9.1
1998	10	8	834,638	\$3,956,042	0.0
1999	10	10	837,934	\$2,982,760	10.0
2000	10	8	714,285	\$3,925,279	20.0
2001	1	1	32,163	Unavailable	0.0

NOTE:

Moratorium effective July1, 1997, so figures for 1997-2001 reflect participation during moratorium.

State of Alaska
Commercial Fisheries Entry Commission

Number of Vessel Operators and Vessels in the
Bering Sea Korean Hair Crab Fishery
1983-2000

March 26, 2002

Year	Number of Vessel Operators	Number of Vessels	Pounds	Earnings	% of Operators who owned the vessels they fished
1983	33	28	861,341	\$608,916	12.1
1984	16	16	553,872	\$727,882	12.5
1985	3	3	59,591	*	0.0
1986	3	2	14,145	*	0.0
1987	6	6	22,369	\$41,728	33.3
1988	2	2	610	*	0.0
1991	5	5	372,287	\$1,213,283	0.0
1992	16	16	1,337,217	\$2,812,167	0.0
1993	26	21	1,438,894	\$3,109,289	7.7
1994	20	14	1,904,287	\$5,768,782	10.0
1995	25	21	1,986,106	\$5,441,930	16.0
1996	20	19	713,309	\$1,993,699	10.0
1997	18	16	650,240	\$2,078,167	5.6
1998	12	12	290,347	\$810,939	0.0
1999	9	8	216,979	\$702,578	0.0
2000	3	3	1,546	\$5,932	0.0

NOTES:

Moratorium effective July 1, 1996, so figures for 1996-2000 reflect participation during moratorium.

Fishery was not open in 2001.

*Earnings information is confidential when fishery has fewer than 4 participants.

Petition against corporate, processor, or entity ownership of State Limited Entry Permits

Under HB 206 vessel owners may get Limited Entry permits for the scallop and Korean Hair crab fisheries instead of the fishermen with interim-use permit history.

These new permits would **not** require the permit holder to be on board the vessel while fishing - Palm Springs or Hawaii is just fine.

To 'reward' investor corporations instead of fishermen is the **dramatic change** in State law that is being pushed by a few lobbyists. Other fisheries might be added later.

Scallops already have federal limited entry for federal waters where 90% of the scallops are located. Those owners just want to be the only ones permitted to harvest any small State water fishery as well.

The Korean Hair Crab fishery would probably have 21 to 24 vessel-based limited entry permits compared to 19 to 24 fishermen-based limited entry permits.

There are no 'sideboards' to prevent a few boats co-op harvesting for all the vessel permits. This is done for the scallops with only 5 boats. This would leave the other 16 to 20 boats free to come to the Gulf or Aleutians and overcapitalize those rebounding crab and groundfish fisheries while others are fishing their hair crab.

Tell the Alaska Senate you don't want corporate or entity ownership of permits.

HB 206 is on the web. Listen to the Senate Resources hearing 3/20 on the web at www.ktoo.com/gavel then select meeting schedule.

Please sign below. Ask your neighbors to help YOU prevent corporate ownership by signing, then fax this to:

Senator John Torgerson, Chairman Senate Resources, Fax 907 465-4779

Name	Address	Date
Bart Chow	P.O. BOX 2044 Homer	4/10/02
Daniel, Donich	P.O. Box 98 Homer	4/10/02
Chris Donich	P.O. Box 98 Homer	4/10/02
CERRY HAUGHEY	P.O. Box 1396 Homer	4/10/02
Victor Yakunin	P.O. Box 5009 Nikolaeusk AK.	
Trifilaj RENTOV	PO Box 793 Homer AK	4-11-02
Joel Cooper	P.O. Box 3585 Homer, AK	4/12/02
Will Files	59850 Tern Ct, Homer, AK	4/13/02
Mike Humbard	4540 Anderson St Homer AK	4/15/02

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Name	Address	Date
<u>Eugene Reutov</u>	<u>P.O. Box 2557 Homer</u>	<u>4-5-02</u>
<u>David Reutov</u>	<u>P.O. Box 2847 Homer AK</u>	<u>4-5-02</u>
<u>Stacy Arbelovskiy</u>	<u>P.O. Box 3064 Kenai AK</u>	<u>4-5-02</u>
<u>MIKE MARTURHOFF</u>	<u>P.O. Box 15252 FRIE CREEK AK</u>	<u>4/8/02 99603</u>
<u>ANDREY MARTUSHEV</u>	<u>Box 185 Homer AK</u>	<u>99603</u>
<u>Ilya Reutov</u>	<u>Box 823 W. Homer AK</u>	<u>99688</u>
<u>Nikolai Reutov</u>	<u>Box 1807 Homer AK</u>	<u>99603</u>
<u>MILIE MUELLER</u>	<u>Box 4161 Homer AK</u>	<u>99603</u>

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Senator John Torgerson, Chairman Senate Resources, Fax 907 465-4779

Name	Address	Date
<i>Life Fleet</i>	<i>Box 1134 Homer AK 99603</i>	<i>4/6/02</i>
<i>Christina Kahr</i>	<i>PO Box 3504 Seward AK 99664</i>	<i>4-6-02</i>
<i>L. Peggy Mulroods</i>	<i>PO Box 345 Seward AK 99664</i>	<i>4-10-02</i>
<i>Jerry L. Wood</i>	<i>PO Box 345 Seward AK 99664</i>	<i>4/6/02</i>
<i>Debra Halle</i>	<i>P.O. Box 592 Kaslof, AK 99610</i>	
<i>M. Burman</i>	<i>780 Steady St Soldotna AK 99669</i>	
<i>Jan Empers</i>	<i>P.O. Box 351 Anchorage AK 99508</i>	<i>4-8-02</i>
<i>Daniel & Jean</i>	<i>P.O. Box 918 Homer A.K. 99603</i>	
<i>R R</i>	<i>PO Box 3227 Homer AK 99603</i>	

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Name	Address	Date
<i>Mike A. Hood</i>	<i>770 FISHBANK Rd #8</i>	<i>4/4/02</i>
<i>Chad Wilson</i>	<i>PO Box 3208 Kenai AK 99611</i>	<i>4/4/02</i>
<i>Jerry B. Scholz</i>	<i>PO Box 15331 Fritz Creek AK</i>	<i>4/4/02</i>
<i>Mary Scholes</i>	<i>PO Box 15331 Fritz Creek</i>	<i>4.5.02</i>
<i>John Payne</i>	<i>4691 Rockelle Rd. Homer AK</i>	<i>04/05/02</i>
<i>Chris Stubbelt</i>	<i>PO. Box 688 HOMER AK 99603</i>	<i>04/05/02</i>
<i>Mark Moon</i>	<i>PO Box 167 Homer AK 99603</i>	<i>04/05/02</i>
<i>Jim Drell</i>	<i>PO Box 402 Homer AK 99603</i>	<i>04/05/02</i>
<i>D. L. Johnson</i>	<i>PO Box 1608 Seward 99664</i>	

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Name	Address	Date
Daniel M. [unclear]	879 Lapins Ct. #2	3-31-02
Kemp A. Asher	53459 East End Road	3-31-02
Joe [unclear]	53459 E. End Rd Homer, AK 99603	3/31/02
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Marge [unclear]	P.O. Box 1414 Homer AK 99551	4/6/02
Raymond P. [unclear]	40899 [unclear] Rd Homer 99603	4/6/02
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Shirley [unclear]	2106 Bunnell Homer AK 99603	
Stanley W. [unclear]	PO Box 1447 HOMER, AK 99603	

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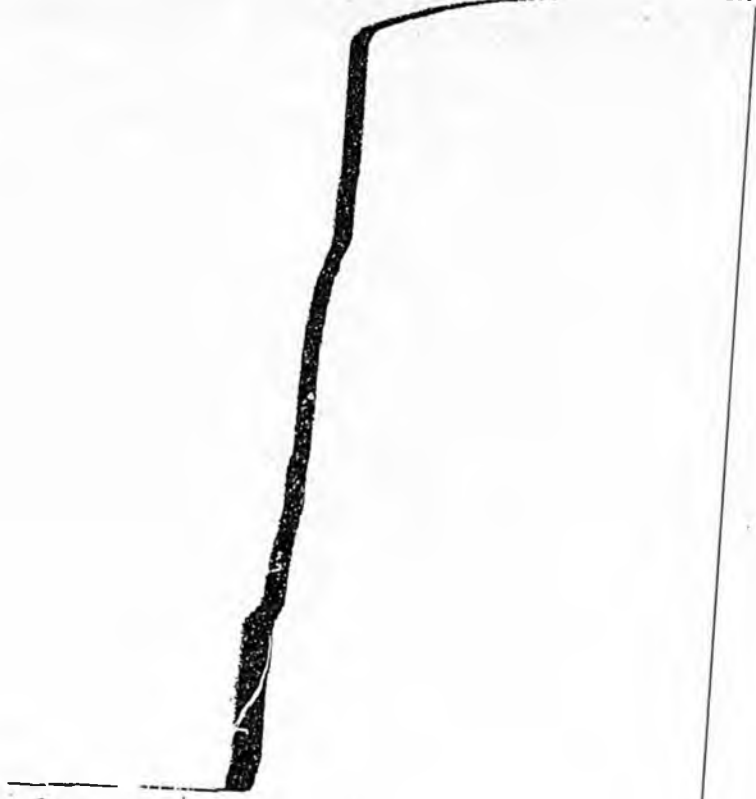
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Name	Address	Date
<i>Sara Belinos</i>	<i>Box 1044 Homer</i>	<i>4/2-02</i>
<i>Cris Cordall</i>	<i>Box 470 Homer</i>	<i>4/2/02</i>
<i>Tim Schmitt</i>	<i>Box 3522 Homer</i>	<i>4/2/02</i>
<i>Julius S. S. S.</i>	<i>Box 15281 Fritz Creek AK</i>	<i>4/2/02</i>
<i>C. P. S.</i>	<i>552 E Dowanza Homer</i>	<i>4/2/02</i>
<i>Alan Barber</i>	<i>P.O. Box 416 Homer</i>	<i>4/4/02</i>
<i>Mark M. S.</i>	<i>Pa 15303 Fritz creek</i>	<i>4/4/02</i>
<i>John C. Owen</i>	<i>Box 2093 Homer AK</i>	<i>4/4/02</i>
<i>John Owen</i>	<i>41634 Belinos Homer</i>	<i>4-4-02</i>



Petition against corporate, processor, or entity ownership of State Limited Entry Permits

Under HB 206 vessel owners may get Limited Entry permits for the scallop and Korean Hair crab fisheries instead of the fishermen with interim-use permit history.

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Tell the Alaska Senate you don't want corporate or entity ownership of permits.

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Please sign below. Ask your neighbors to help YOU prevent corporate ownership by signing, then fax this to:

Senator John Torgerson, Chairman Senate Resources, Fax 907 465-4779

Name	Address	Date
<i>Al King</i>	P.O. Box 3477 Homer AK 99603	4-2-02
<i>Paul Johnson</i>	P.O. Box 3753 Homer AK 99603	4-03-02
<i>Jan Leck</i>	Box 488 Eldoberry HOMER AK	4-03-02
<i>Tom James</i>	8030X 915 HOMER AK	4/4/02
<i>Ed Leck</i>	Box 2020 Homer AK	4/4/02
<i>Nishi P. Yeh</i>	Box 5043 Nishanovik AK	4/4/02
<i>Donald EDD</i>	404 Bonanza Homer AK	4-4-02
<i>Steve Brown</i>	35717 Park Rd Homer AK	4-4-02
<i>Charlie Black</i>	PO Box 666 Homer AK	4-4-02

H 06

3/31
Forced

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Name	Address	Date
V. Kirk A Simpson	150K 59005 Nimitz	3/30/02
EMMET HEIDMANN	PO BOX 720061 EAGLE RIVER, AK 99577	2-30-02
GLEN CARROLL	PO 551 Homer 99603	
Patrick Quinn	4195 Kachmak Rd Homer, AK 99603	
Maggie Boone	BOX 261 Homer, AK 99603	3-30-02
Anna Borland-Ivy	PO BOX 2219 Homer	3-31-02
David Ivey	" "	" "
Bonnie Claus	PO Box 2802 Homer AK 99603	3-31-02
Charles DeLuca	PO Box 1645 Homer, AK 99603	3-31-02

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Name	Address	Date
Bill Afoin	32375 Falls Crk	3/30/02
ASTAKEI AFOIN	-1-1-	
Eli M. B...	P.O. Box 3294, HOMER	99603 3-30-02
Cristal L Beaman	PO Box 3294 Homer	99603 3-30-02
Mary Peters	Box 2623 Homer	99603 3-30-02
Karl Astum	PO Box 550 Homer AK	99603 3/30/02
Robert B. Moss	P.O. Box 3428 Homer AK	99603 3/30/02
LEE A. MARTIN	P.O. BOX 743 Homer AK	99603 / 3/30/02
GLEN CARROLL	Rd 551 Homer	

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Name	Address	Date
Stephen Vanek <i>Stephen Vanek</i>	P.O. ⁰⁹¹⁰³ Nimilchik AK. 99639	3-30-02
<i>[Signature]</i>	P.O. Box 318, CLAM GULCH, AK.	3-30-02
John McConk	Box 87 Nimilchik AK	3-30-02
<i>[Signature]</i>	Box 23259 South Cape Lp AK 99610	3-30-02
Pete Fafelov	4951 S. H. H. Rd Homer AK	3-30-02
James E. Clark	P.O. Box 2802 HOMER AK 99603	3-30-02
Janet Coy	P.O. Box 3395 Homer AK 99603	3/31/02
<i>[Signature]</i>	P.O. Box 3444 Homer AK 99603	3-31-02

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Name	Address	Date
PATRICK LANGDON	4296 CLAUDIA ST. HOMER	3/30/02
SID NELSON	Box 564, HOMER, AK	3/30/02
Nick N. Yakunin	176 Mountain View Dr Apt 1 Homer, AK 99603	3/30/02
Tammie Swader	Box 2601, Homer, AK 99603	3/30/02
David Whitman	Box 2481 Homer, AK 99603	3/30/02
Andrey Polushkin	Box 2458 Homer AK 99603	
Tina Seaton	58395 Bruce St. Homer	3/30/02
Daniel R Nilles	PO Box 3395 Homer	3-30-02
Cy ST-AMAND	PO Box 230 HOMER AK 99603	3/31-02

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Name	Address	Date
Hennigshall	P.O. Box 526, KASLOF	3, 31, 02
McDonald	P.O. Box 526 Kaslof	3-31-02
Pauline	35250 Schaefer Homer	31 MAR 02
Bright Simpson	4645 SARRINA HOMER	31 MARCH 2002
Shirley McAllen	Homer	3-31-02
Donald Kelly	Box 2536 Homer	3-31-02
George J. Bass	PO Box 1473 Homer	3-31-02
Craig Craigins	P.O. 342-7 Homer	4/1/02
John Katella	PO, 2464 Homer	4/1/02

Subject: HB 206 Senate Resources hearing

Date: Sat, 23 Mar 2002 15:26:20 +0000

From: Sandy Mazen <sandydmz@xyz.net>

To: Senator_John_Torgerson@legis.state.ak.us, Senator_Alan_Austerman@legis.state.ak.us

Dear Senators,

Please do not pass HB 206 out of committee.

I oppose changing any fisheries controlled by Alaska management to any limited entry system to investors, processors, or corporations.

I was born in Teller, raised in Nome and have been living in Homer for the last 4 years. I fish and tender during the summer and have pot fished cod on an 80 foot vessel in the winter.

I believe the State of Alaska limited entry program that requires permit holders to be a natural person and be on board during fishing is good for the State, communities and fishermen.

Just because some big boats have overcapitalized their fisheries is no good reason to change the structure of the States system and give the overinvestors the lease rights to any state managed fishery.

I think this kind of program would be expanded to other fisheries in sneaky little bills if you allow this change.

Again, please do not pass out HB 206

S. David (Sandy) Mazen
879 Lupine Ct. Number 2
Homer, AK 99603

Limited entry permits to processors.

Subject: Limited entry permits to processors.

Date: Sun, 24 Mar 2002 12:15:59 -0900

From: "Kip & Jo" <advisor@xyz.net>

To: <Senator_John_Torgerson@legis.state.ak.us>

Senate Resources Committee
Senator John Torgerson, Chairman

Dear Senators,

I no longer fish commercially, but want to oppose any change that would issue any State fishery limited entry permits to processors, corporations, or entities other than real live fishermen. I strongly feel that limited entry should be tied to a participating fisherman who should be required to be at the site of operating fishing gear. If we allow corporations to hold permits, we will stop the opportunity for the new fishermen to become fully vested in our fisheries as the fishing rights will be retained by those who no longer wish to participate in the fishing.

Please stop HB 206 in your committee.

Sincerely,

Kemp(Kip) Absher
Homer Alaska 99603

Subject: AK Limited Entry

Date: Sun, 24 Mar 2002 20:17:24 -0900

From: "Sandra Hanson" <sandrah@alaska.com>

To: <Senator_John_Torgerson@legis.state.ak.us>

Dear Senators,

March 22, 2002

I oppose HB 206 (RLS)

I have been fishing in Alaska for 40 years. I started fishing a cannery owned boat for salmon and got my own boat after limited entry. I later participated in rockfish and lingcod fishing as well as halibut which I continue to do.

Limited entry was to be for individual fishermen not for corporations and other entities. If a person wants to retire and leave the boat, that is his option. In no Alaskan fishery should he be allowed to retire and take the fishery rights with him to the beach in Hawaii and lease the state fishing privilege out to others. That will be the result if you pass HB 206.

Please do not pass this bill.

Donald Hanson
7115 Crawford Dr.
Anchorage, AK 99502

Senator John Torgerson
Senate Resources Committee

From Paul Seaton, Homer, AK 3/23/02

Re: HB 206 [CSHB 206(RLS)]

Dear Senators,

I am opposed to the changing of Alaska's philosophy from the importance of individual fishermen in granting Limited Entry permits to the importance of vessel owners, investors, and corporations. Though HB 206 is limited to two fisheries, I think there will be a lot of pressure to get this applied to any future State/federal fisheries Limited Entry programs. Just like the 'slippery slope' that CFEC testified about the corporate [CDQ] ownership of entry permits by entities, this non-CDQ corporate, entity ownership of entry permits is a bad idea.

I would support Stripping all the "entity" and "Vessel" language and proceeding with the bill only on the basis of addressing:

* Sec. 3. AS 16.05.735 [Page 9 of CSHB 206(RLS)]

This recognizes the State's current management of additional species and clarifies that the State has authorization to accept such management delegated by the Feds.

*Sec. 17. AS 16.43.990(5) [Page 14 of CSHB 206(RLS)]

This seems to be housekeeping for clarification and is appropriate.

Testimony about the "BAD 206".

Findings

I do not think the legislature should declare, (4) "a vessel-based limited entry system may be NECESSARY..." Or (5) "...NECESSARY to achieve compatible state and federal management and enforcement of fisheries."(emphasis added)

The conservation crisis created by the Mr. Big has been resolved by modification to federal law. If the state moratorium goes away, federal scallops are still under LLP limitation and the State manages state waters so no new 'hole' is created, as was the case in Mr. Big. Nor is a 'hole' created in any other fishery as they were taken care of in the federal law change.

Most of the species in Alaska "overlap with federal..." management on the same species and are adequately managed currently. A good example of the overlap fisheries is the Pacific cod fisheries. The Feds open the season as a race for fish with no gear limitations that advantages the overcapitalized big boat fleet. The State has taken over management of the P. cod fisheries within 3 miles with a far different vision. The Board of Fisheries (BOF) sought to have a long duration, low bycatch, localized fishery to sustain local coastal communities. The goals of State and Federal management are often at odds. The purpose of HB 206 is to convert the State's Vision into a mirror image of the Federal. That federal vision recognizes and rewards overcapitalization by giving the harvest rights to investors instead of participating fishermen.

There has been NO demonstration that CFEC cannot limit the number of participants adequately within these fisheries. The proposition that multiple captains are used throughout the year in no way requires that CFEC grant permits to those captains that ran the boat for another specie or area. This is just a proposed excuse for the vessel owners

to get the fishing rights instead of the fishermen. CFEC stated they did not know how many would qualify or even if they could design a program that would adequately limit participation using the current fisherman model. At the March 20 hearing, a Korean Hair Crab representative stated that these are 'big boats and use up to 5 captains per year' - insinuating that issuance to the fishermen captains would expand effort. They did NOT say that each vessel used 5 captains for the Korean hair crab fishery each year or even that they had used different captains in successive years. These vessels fish multiple fisheries generally using only ONE captain per fishery who has expertise in that fishery and area.

***The Senate Resources Committee should not accept FINDINGS (4) or (5) until CFEC at least runs a participation matrix to see if both of these fisheries COULD be effectively limited using the fisherman model. ***

*** HB 206 has been modified to EXCLUSIVELY deal with "the Bering Sea Korean hair crab fishery and weathervane scallop fisheries" so findings (4) and (5) need to specifically address those two fisheries and NOT the generic Alaskan fisheries. ***

Page 3 Sec 16.43.450 (e) lines 19 - 23.

Obviously, it is anticipated that multiple permits can be obtained.

Since the prevention of excessive concentration is dependent on a finding by CFEC that such is necessary (line 20), what does CFEC find as excessive concentration in the Korean Hair crab fishery or the scallop fishery? Does the legislature feel that owning 30% or 50% of the permits by a permit holder or group is too much? I would feel more comfortable with the legislature establishing a cap than leaving it up to the discretion of the CFEC.

Page 4 Sec. 16.43.460 line 7

Add a paragraph (3) Further, if the fishery has been closed, or is in a "new or developing fishery" status; provide opportunity for local community participation.

The reason for this is that past fisheries participation patterns were often the result of the management structure. Since 1996 the BOF has begun using more localized stock, and harvest strategies. [For example, exclusive and super exclusive registration areas and restricted gear.] These strategies allow greater participation by local fleets. If a fishery has been closed, only considering past harvest history negates the evolution in the management strategies. Obviously, if the fishery has been closed no one is currently dependent on it.

Likewise Line 10 should change from SHALL to may.

Page 6 Sec 16.43.480 lines 6-10

I see no benefit in requiring a permit buyer to buy the particular vessel named on the permit - other than to inflate the value of the permit.

Of course, this is a recipe for collusion to circumvent the intent of the law. Just like IFQs and the hired skippers provision. The vessel owner and the IFQ holder phony a transaction of sale of 20% of the vessel through filing with USCG National Vessel Documentation office. The re-documentation papers are also signed at the same time for

filing as soon as the IFQs are delivered, removing the "new owner" though no money changes hands. [The 20% was recently instituted because most phony transactions previously used 0.1% but of course this is just a paper transaction and has not changed anything]. If these permits are issued to corporations of another state, CFEC has no ability to really enforce "degree of ownership" of a vessel beyond the USCG Documentation – which does not even work for the Feds.

Line 11 change from MAY to "shall"

The only effect of the "may" provision if it were not done, would be to stop or slow the transfer of vessel permits to individuals because you would have to buy that boat. A fisherman could not use your own vessel, or lease another vessel that was more appropriate for the individual fisherman.

Sec. 16.43.490 lines 20 – 22

I see no reason to link the permit to the ownership of the vessel that is substituted. You are really going to set up this small class of vessels, which will most probably form a co-op and have all the crab, or scallops, harvested by two or three boats while the others overcapitalize other fisheries. They vessel owner entities will just split the profits of this fishery without participation, hiring crews or any other social benefit for Alaska. Attempting to 'create' a social benefit of the corporation's ownership of the vessel harvesting the entity's permit is a delusion.

Page 7 Sec. 16.43.520 (b) lines 26- page 8 (B) line 4

(b) "unless" (1) This refers to the concentration of ownership from page 3 lines 19 – 23. However that provision is only applicable "if" the commission "finds" limiting is "necessary". In the case of no such finding and cap establishment, can only one permit be owned or an unlimited number?

Sections (A) and (B) ?????????????????? Does all this only mean that you can only own one unless you buy one and already had one????????? Then you can have more????????? Does this mean one corporation cannot by another corporation's operation - say 5 permits – unless they already own part of the fishery????????? Meaning you have to buy one first, then the next day you can buy the rest???

I do not see any meaningful restriction to this section.

Page 8 Sec. 16.43.520 (e) lines 12

Since these permits are tied to the named vessel in the current language, sale of the vessel operation would include the permit operation. Lenders will certainly see this vessel permit as a part of the vessel, or owner's pledge. I am not sure that these sections serve the same rationale as they do for 'natural person' entry permits.

Comments of Paul Seaton, March 23, 2002
For clarification call 907 235-6342

Subject: HB 206

Date: Thu, 28 Mar 2002 07:15:18 -0800

From: "Shirley Forquer" <forqhoak@xyz.net>

To: <Senator_John_Torgerson@legis.state.ak.us>

Senator Torgerson, Chairman of Senate Resources Committee

Dear Senators,

I OPPOSE HB 206.

Please vote to table this bill in committee.

Changing a system of limited entry that works for Alaskan fishermen to one that will favor outside corporations is not good for the people of Alaska. I realize that the bill specifically applies only to two fisheries but this is definitely a "slippery slope" towards corporate ownership and control.

I fished for many years in Cook Inlet, Bristol Bay and the Gulf of Alaska. I don't want to see this new 'tool' in the toolbox of CFEC to be fought about at every new application for a fishery entry plan.

Again, please table this bill.

Respectfully,

Harry Forquer
Kachemak City, Alaska
(907) 235-8317

Subject: HB 206

Date: Tue, 2 Apr 2002 08:13:42 -0900

From: "Bill Sullivan" <bsullivan.kenai@hotmail.com>

To: <Senator_John_Torgerson@legis.state.ak.us>

Good morning Senator,

I wanted to take a minute to weigh in HB 206.

At the present time I do not support any sort of vessel based system that would award limited entry permits to other than fisherman, ie. a natural person. In other words, I oppose the awarding of permits to processors, companies and to corporations.

Thanks for you time.

W. B. Sullivan Jr

HB 206 CFEC Questions and Responses

March 29, 2002

Senator Torgerson, Chairman
Senate Resources

Dear Senator,

I very much appreciate your committee getting to the basic principals in this bill. In the March 26 Memorandum from CFEC, it is clear that to CFEC that this is a policy call on their perceived "fairness". I think this is very much a policy call for the legislature and the people of the Alaska. There has been **NO** popular support from Alaskans (other than 2 owners of these vessels plus lobbyists hired by them) to allow corporate ownership of Alaska Limited Entry Permits in either House or Senate hearings. There has been testimony from a number of communities opposing this vessel-based system.

Throughout the CFEC discussion the "interim-use permit holders" are referred to only as hired skippers, hired crewmen, or operators instead of their correct title of 'interim-use permit fishermen'. This CFEC wording bias is not consistent with the legislative history that limited entry is a social contract with fishermen and communities and was not to protect the economics of investors, corporations, or processors.

Question #1 CFEC offered; "Limitation under the vessel-based program would simply allow these two fisheries to function without altering current ownership patterns". However, the reality is that these fisheries **DO NOT** have a vessel **PATTERN** of function. The scallop vessel **LLP** does not establish participation but rather the class that owns the fishery and **DOES NOT FISH**. A few vessels now harvest the resource as a co-op. This is becoming the **ultimate absentee ownership fishery**.

The hair crab fishery intends to function in the same manner with the nonparticipating vessels **FREE** to overcapitalize other Alaskan fisheries. There is **NO** 'sideboard' or 'no fishing' clause or intent in this bill. Even the American Fisheries Act and the Chignik co-op have 'sideboard' restrictions to prevent those non-fishing vessels from exacerbating participation problems in other fisheries.

Question #2 The two tables are pretty clear and contrary to testimony by the industry that they use up to 5 captains per year. For the Korean hair crab fishery the number of interim-use permit holders making deliveries about equals the number of vessels. In fact, **since 1996 there has been only been one year in which there were even 2 more interim-use permit holders than vessels**. In scallops, you can go back to 1994 and still have only two more interim-use permit holders than vessels.

In light of these numbers, I question CFEC assertion that "Developing a ranking system to effectively distinguish among applicants could be a nearly impossible task." Perhaps no distinguishing will need to be made since some of the industry testified that they think about 21 to 24 vessel licenses should be issued under the vessel-based system. That falls well within the range of unique interim use permit holders since 1996.

To illustrate, the following analysis was done after the responses you received from CFEC.

Going to the CFEC web site and matching permit participation with the simple "hardship or dependence" criteria that a fisherman would have participated in 1995 and at least one subsequent year through 2000, there are **19 interim-use permit holders that would qualify.**

If you add as another qualifying initial year 1996 plus one subsequent year (since the moratorium was effective in 7/96) you add only three more interim-use permit holders to this group for a **total of 22 "qualifying permit holders".**

If you use only 1996 plus one subsequent year a total of 14 qualify or if you either 1995 or 1996 plus a subsequent year a total of 22 qualify.

If you select for hardship or dependence anyone who between 1995 and 2001 who had permits in any two years only two additional permit holders qualify for a total of 24.

The stability of this interim-use permit holders group is easily seen in that if the latter criteria are used (i.e. 24 permits – any two years since 1995), then:

In 2000 no fisherman had a permit that was not in that group

In 1999 only 2 fishermen had permits that are not included in that group

In 1998 only 3 fishermen had permits that are not included in that group.

In 1997 only 4 fishermen had permits that are not included in that group.

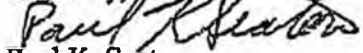
In 1996 only 3 fishermen had permits that are not included in that group.

This data is graphically presented in the attached Table 1

The point here is that the Korean Hair Crab fishery will not fall within the criteria necessary to apply a vessel-based system under this law. Scallops will not either as seen from the chart provided by CFEC. **Therefore, this law will have NO APPLICATION.** *It seems obvious to me that the agenda being pushed by HB 206 is to take away the fishing rights from this very stable group of interim-use permit holders and allocate the fishery to an equal number of investors who do not wish to personally participate in the fishery.*

Please do not pass HB 206 out of committee.

Sincerely,



Paul K. Seaton

Homer, Alaska

907 235-6342

Korean Hair crab Interim-use permit holders 1995-2000

Table 1

1995 over 5 ton	1996 vessels >60	1997 vessels >60	1998 vessels >60	1999 vessels >60	2000 vessels >60	2001 season closed	
Brady, J.	YES	YES	YES				
Garcia, K.	YES	YES					
Harrison, J.	YES						
Hillstrand, J.			YES	YES	YES		
Jorgenson, J.	YES	YES	YES	YES			
Karlsen, J.		YES					
Kvinge, J.				YES	YES		
Mack, R.	YES	YES					
Malcolm, D.	YES						
Mattsen, D.	YES	YES	YES	YES			
Morehouse, J.	YES	YES	YES				
Ostebo, K.	YES	YES					
Overa, R.	YES	YES		YES			
Poulsen, E.	YES	YES	YES	YES	YES		
Quashnick, R.	YES	YES	YES	YES			
Smythe, S.	YES						
Wabey, J.	YES	YES	YES	YES	YES		
Walters, G.	YES						
Veal, H.	YES						
	Clausen, J.	YES				Total Limited Entry Permits Issued under various Fishery Dependence Criteria 1995 + 1 year = 19 1996 + 1 year = 20 95 or 98 + 1yr = 22 Any 2 years = 24	
	Hillstrand, D.	YES	YES				
	Walker, D.	YES	YES	YES			
		Blue, G.	YES				
			Myrold, H.	YES			
Interim-use permits holders that participated in only one year							
Colburn, K.	Nyhammer, S.	Anderson, C.	Burlin, J.	Boitz, D.			
Gilliland, D.	Steel, J.	Czerwony, K.	Morris, J.	Hillstrand, A.			
Johnson, R.	Warness, V.	Davidson, S.	Ochsner, K.				
McPherson, C.		Morcriff, G.					
Plenikoff, P.							
Reddakopp, M.							
Robinson, J.							
Shishikoff, E.							
Stewart, G.							
Widing, W.							

Prepared by P. Seaton from CFEC data
on web site 3/29/2002

Subject: HB 206

Date: Tue, 2 Apr 2002 21:17:24 -0500 (EST)

From: "k_castner@excite.com" <k_castner@excite.com>

To: Senator_John_Torgerson@legis.state.ak.us

Dear Senator Torgerson and members of the Resources Committee:

I do not support the provisions in HB 206 that would allow the ownership of an Alaska Limited Entry permit by individuals or corporations that are not "at sea" catching the targeted fishery species. Fishermen only should have the permits.

To do otherwise is a return to the days of packer-owned boats and equipment, where fishermen either agreed to the packer's terms or lost access to the fishery.

This notion was firmly rejected in the entry scheme that was voted into the State Constitution.

Please award permits only to those with a fishing history.

Sincerely:

Ken Castner
PO Box 558
Homer, AK 99603

RESOLUTION - REPUBLICAN DISTRICT CONVENTION

WHEREAS the Republican Party supports the Constitution of the State of Alaska, and

WHEREAS the voters adopted a 1972 amendment to Article V111 Section 15 of the Constitution of the State of Alaska which allowed the establishment of a fisheries limited entry system, and

WHEREAS the knowledge and intent of the Alaskan voters was to allow limitation of entry of fishermen as persons engaged in fishing, and

WHEREAS AS 15.43 provides that only a "natural person" may own a Limited Entry Permit on a continuing basis, and

WHEREAS such "natural person" must be present at the operation of the permitted fishing gear, and

WHEREAS the knowledge and expertise of participating fishermen is the vital factor in the orderly prosecution of a fishery, now

THEREFOE BE IT RESOLVED BY THE 33rd, 34th AND 35TH DISTRICT CONVENTION OF THE REPUBLICAN PARTY OF ALASKA THAT the Republican party supports the continuation of Alaska Limited Entry on the basis of permitting only to "natural persons", and

FURTHER BE IT RESOLVED that the Republican Party would oppose ownership of Alaska Limited Entry Permits by corporations or other non "natural person" entities as a violation of the compact with the electorate in the establishment of Article 8, Section 15 of the Constitution of the State of Alaska.

4/6/2002

Passed unanimously by combined convention