

HB

288

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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact

Prepared by: 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: 2
 Bill Version: C:SHB 288(FIN)
 (H) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Limited Entry Buy-Back Program BRU Revenue Operations
 Component Treasury
 Sponsor Representative Scalzi
 Requester House Finance Component No. 121

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						
1066 Public School Trust						
1098 Children's Trust						
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)

As long as the fund set up to hold the permit buy-back assessments is invested in the General Fund and Other Non-Segregated Investments (GeFONSI) Fund, there will be no charges from Treasury. If the fund is to be managed separately, there would be actual and allocated costs from Treasury. The amounts depend in part on the balance in the fund. Currently, we are assuming that it will NOT have to be invested separately, so we would have no additional costs.

If the fund is to keep the investment income earned on the balance, the bill should clearly state that.

Prepared by: Betty Martin, Comptroller Phone 907-465-2352
 Division: Treasury Division Date/Time 3/5/02 9:44 AM
 Approved by: Larry Persily, Deputy Commissioner Date 03/05/2002
 Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 288(FIN)
 (H) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Limited Entry Buy-Back Program BRU Revenue Operations
 Component Tax Division
 Sponsor Rep. Scalzi
 Requester House Finance Component No. 2476

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	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	*	*	*	*	*	*
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* See second page for explanation of possible costs to administer the assessment program in this legislation.

Prepared by: Chuck Harlamert, Revenue Audit Supervisor Phone 465-4773
 Division: Tax Division Date/Time 3/5/02 9:22 AM
 Approved by: Larry Persily, Deputy Commissioner Date 03/05/2002
 Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CSHB 288(FIN) - FN#3

ANALYSIS CONTINUATION

Bill Analysis

The bill provides for the establishment of permit buy-back assessments at the discretion of the Alaska Commercial Fisheries Entry Commission. The assessment applies to permit holders of the specified fishery and may not exceed 7% of the value determined for fisheries business tax purposes. The buyer or exporter must withhold and remit the assessment on a monthly return and file a summary report by March 1 of the following calendar year.

It is possible that the enforcement and collection provisions of AS 43.05 and AS 43.10, which apply to taxes under AS 43, may not apply to the assessments. We recommend that the bill be modified to add a new subsection AS 43.76.230(e):

(e) The provisions of AS 43.05 and AS 43.10 apply to the enforcement and collection of a permit buy-back assessment under AS 43.76.220 – 43.76.240.

The bill does not contain provisions governing the effective date of permit buy-back assessments. We recommend that the assessments be declared on a calendar year basis and initiated on January 1. We also suggest that a minimum notice period be established in order to allow affected buyers, fishers and the division to prepare for an assessment.

Administrative Costs

We are unable to provide precise estimates of administrative resources necessary to administer the assessments under this legislation. These costs are dependent on the number and complexity of permit buy-back assessments that may be established under CSHB 288. Salmon fisheries with few catcher-processors represent very little additional work for the division. In contrast, other fisheries and salmon fisheries with significant catcher-processor participation may require a significantly higher level of staff resources to administer the assessment program. The division needs to know both the number and identity of designated fisheries in order to project our administrative costs.



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 that allows establishment of permit buy-back funds and assessments.

The bill sets forth the procedures for a buy-back program, ensures monies appropriated from assessments do not lapse and allows purchase of transferable entry permits in a buy-back program, terminating the program when the optimum number is obtained. The buy-back process mirrors the hatchery and ASMI tax collection procedures by the Dept. of Revenue.

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.

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

SECTIONAL ANALYSIS – CSHB288(FIN)
22-LS1108\S

Section 1. This is current law. It maintains the status quo that allows a permit to be inherited upon the death of a holder. The change here simply makes the section consistent with the other elements of the measure.

Section 2. This is a new section that would allow transferable, nontransferable or interim-use permit holders to voluntarily relinquish the permit to the commission. Once the permit is relinquished to the commission, it no longer exists. It is an important aspect for fleet reduction.

Section 3. This is current law. The changes in this section make it consistent with the rest of the measure.

Section 4. This section makes the language consistent with the rest of the measure.

Section 5. Allows for the establishment of buy-back funds and permit buy-back assessments.

Sets forth the procedures for a buy-back program.

Ensures monies appropriated to the buy-back fund do not lapse.

Section 6. Allows the purchase of transferable entry permits in a buy-back program. It terminates the program when the "optimum" number is obtained.

Section 7. Changes the "optimum number" definition to include a range of numbers rather than one fixed number as "the" optimum number. This change makes the buy-back process more rational.

Section 8. Creates the revenue flow for the collection of a buy-back assessment.

The process mirrors the hatchery and ASMI tax, is collected monthly from buyers by the Department of Revenue, and is accounted for separately.

The legislature may appropriate revenue generated under a buy-back assessment to accomplish the purposes of a particular fishery's buy-back plan.

Section 9. This portion of the statute became unnecessary because of changes in the rest of the measure.

Sec. Anlys.-Expln.

Changes CS HB 288 (RES) would make to current limited entry permit buyback law:

- Bill removes requirement that a state buyback program must be implemented after determination that optimum number is lower than number of permits currently in fishery.
Makes optimum number determination feasible without triggering a state buyback, thus allowing pursuit of some other remedy, such as an industry-funded and run fleet consolidation program, use of a federal buyback program, etc.

If any form of permit reduction is sought, fishermen will want to go in with some confidence that lower number of permits is likely to be defensible if later faced with legal challenge on question of whether fishery has become "too exclusive."

- Eliminates requirement that a buyback program buy out vessels and gear as well as permits.
- Eliminates "dedicated fund" constitutional problem that exists in the funding mechanism in current law whereby funds generated by an assessment on fishermen would go directly into a buyback fund (as opposed to assessments going to general fund where legislature would have discretion as to appropriating it for buyback or not).

In fact, HB288 eliminates assessment provision entirely and is silent about actual source of funding for buyback. Says only that CFEC shall go to the legislature to request funding.

Request could be for direct appropriation, or proposed legislation to create assessment of fishermen to fund buyback, or legislation proposing some other funding mechanism.

Premise is that a fleet consolidation program, to be effective, must be "customized" to best meet the character, circumstances, and needs of each individual fishery that may be the subject of such an effort.

- Makes only transferable permits eligible for buyback. (Current law has provision for buying out nontransferable permits if sufficient funds are available in the buyback fund.)
 - Addition of sections 1, 3, 4, and 7 are just to make other sections of limited entry law consistent with this change to 16.43.320.
- Current law sets deadline of 10 years for getting number of permits in the fishery down to optimum level. HB 288 removes that provision and sets no specific timeline for completion of buyback.
- Section 2 of the CS adds specific language making it clear that the holder of a permit may voluntarily relinquish their permit (whether under a fleet consolidation or for any other reason).
- CS adds a definition of "optimum number" to the definitions section of the Limited Entry Act., Ability to set an optimum number range, rather than one number, will make the optimum number process more meaningful and less subject to challenge.

- Dept. of Revenue shall then collect the assessment from fish sales by fishermen and deposit in state treasury.
- Legislature may appropriate money collected from the assessment, and any interest it has accrued while in the treasury, to the buyback fund for which it was collected.
- CFEC expends the money in the fund to buy permits until the optimum number is reached.

(Note: Bill does not preclude using alternative methods of capitalizing a buyback fund, such as direct appropriation of funds from some other source, pass-through of federal funds, etc. Allows flexibility to determine best funding mechanism for a particular fishery. Recognizes that a fleet consolidation program, to be effective, must be “customized” to best meet the character, circumstances, and needs of the specific fishery.

- Section 5 makes only transferable permits eligible for buyback. Current law has provision for buying out nontransferable permits if sufficient funds are available in the buyback fund. (Sections 1, 3, 4, and 9 are just to make other sections of limited entry law consistent with this change to 16.43.320.)
- Current law sets deadline of 10 years for getting number of permits in the fishery down to optimum level. HB 288 removes that provision and sets no specific timeline for completion of buyback.
- Section 2 adds specific language making it clear that the holder of a permit may voluntarily relinquish their permit (whether under a fleet consolidation or for any other reason).
- Section 7 adds definition of “optimum number” to the definitions section of the Limited Entry Act. Ability to set an optimum number range, rather than one number, will make the optimum number process more meaningful and less subject to challenge.

HOW DOES CSHB288(FIN) REFLECT THE
EXPRESSED WILL OF THE HOUSE FINANCE
COMMITTEE?
22-LS1108\S

1. HB 288 provides for the establishment of a buy-back **fund** when the optimum number of entry permits is less than the number of entry permits outstanding in a fishery. *Section 5*
2. HB 288 provides for the establishment of a buy-back **plan**. *Section 5*
3. HB 288 provides for the establishment of a buy-back **assessment and program** for fisheries that are proceeding with a buy-back plan. *Section 5*
 - The assessment may not exceed 7% of the ex-vessel (first wholesale) value of the fishery resource and is paid by the commercial fishermen.
 - Delineates the collection and appropriation process for the assessment; and, ensures the commission expends the monies for the plan's intended purpose.
4. Under HB 288, when a permit is "bought back," the permit no longer exists. *Section 6*
5. HB 288 provides the same revenue flow as the hatchery and ASMI tax that commercial fishermen currently pay. *Section 8*

Petersburg Vessel Owners Association

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

March 5, 2002

Representative Bill Williams
Representative Eldon Mulder
Co-Chairs
House Finance Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: Support for HB 288 Limited Entry Buy-Back Program

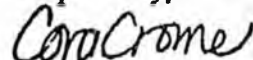
Dear Co-Chairs,

Petersburg Vessel Owners Association is a group of commercial fishermen who participate in a variety of fisheries statewide. Market conditions, competition from farmed fish, and overcapitalization have all contributed to the current problems in our fisheries. Many fishermen statewide are weighing options for the future of their industry. It is clear that one important option is the ability to buy back a number of permits to return the remaining permit holders to profitability. However, the existing statutory language makes a buyback very cumbersome. Specifically, it requires that anyone selling out be compensated for permits, vessels, and gear. This makes financing a buyback very difficult. In addition, the language requires that if an optimum number study is done, it can automatically trigger a buyback. This may result in interested fleets being unwilling to request such a study.

Therefore, we support the passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program. We feel that the new language will make the state-run buyback program a viable tool for the commercial fishing industry and will assist commercial fishermen in improving their fisheries for the future.

We appreciate your consideration of these comments and hope you will support this bill. If you have any questions about our position or if you need additional information, please feel free to contact us.

Respectfully,



Cora Crome
Director

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 13, 2002

Representative Drew Scalzi, Chair
House Resources
Alaska State Legislature
State Capitol Room 124
Juneau, AK 99801

RE: HB 288

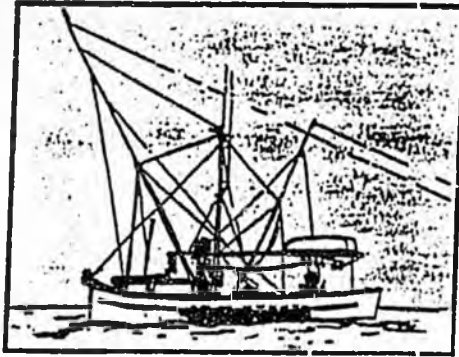
The Southeast Alaska Fishermen's Alliance supports HB 288. This is simple legislation that cleans up the statutes so that a fleet interested in buyback could at least consider and move forward on a program. Currently a fleet that is interested in a buy back program comes against the flaws in the present statute and feels too overwhelmed to proceed forward. It makes good sense for the State of Alaska to clean up and simplify statutes when there are inherent flaws such as the use of designated funds.

This legislation also makes two simple changes that our association favors: the ability to purchase permits only but does not prevent a fleet from designing a program with CFEC to purchase permits, boats and gear and more importantly we support the change that allows a optimum number study to be conducted by CFEC but does not require the fleet to move forward into a buy back program even if the number of permits in the fleet is more than the optimum number.

The Southeast Alaska Fishermen's Alliance was speaking to many members of the Legislature last year about this issue and the need to make corrections to the limited entry buy back program. We are pleased that the legislature is moving forward on this issue and would like to thank Rep. Scalzi for introducing this legislation.

Sincerely,

Kathy Hansen



Alaska Trollers Association

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

February 13, 2002

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

Dear Representatives:

The Alaska Trollers Association supports HB 288 relating to commercial fisheries limited entry permit buy-back programs. ATA believes this legislation is necessary to provide the appropriate tool for those fleets who 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

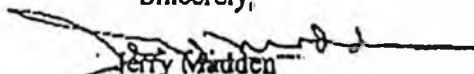
United Southeast Alaska Gillnetters (USAG) supports passage of this bill to clean up existing statutory language that impedes effective and timely implementation of a limited entry permit buyback program, should it become necessary

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

February 4, 2002

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

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 Fishermen's Association • Alaska Trollers Association • At-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
Konal Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Selnors 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 • Sealood Producers Cooperative
Southeast Alaska Selnors 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 United, 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

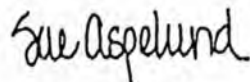
Dear Members,

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



adn.com

Anchorage Daily News

Bill to expedite fishing permit buybacks clears House

AID: Lawmakers pass measure to lend efficiency in salmon industry.

By Cathy Brown

The Associated Press

(Published: March 21, 2002)

Juneau -- A bill aimed at making it easier to buy back commercial fishing permits cleared the House on Wednesday.

Rep. Drew Scalzi, R-Homer, proposed the measure as a tool to improve efficiency in Alaska's troubled salmon fishing industry.

"Mainly what it does is it allows the commercial fishermen to create a buyback program and pay for it themselves," Scalzi said.

Alaska's commercial salmon fishermen have found it increasingly difficult to stay afloat financially, partly because of competition from farmed salmon.

House Bill 288 is intended as a potential tool to reduce the number of fishermen chasing salmon in Alaska, so those who remain stand a better chance of making money and delivering a quality product to the market.

The bill doesn't set up a buyback program, but it fixes problems in the state's buyback law so it could be used if needed, said Mary McDowell of the Commercial Fisheries Entry Commission.

"It's a statute that's been broken since it was enacted, but it just hasn't been a front-burner issue because nobody's been interested in using that statute before," McDowell said. "We need to have a mechanism in place in case we really do need to do this."

House Bill 288 changes the law to allow a buyback program to purchase only a fisherman's limited entry permit. Current law requires purchase of not only the permit, but also a fisherman's boat and gear.

That change would make a program less cumbersome and expensive, Scalzi said.

The measure allows a buyback to be paid for through a tax on fishermen who remain in the fishery after others were bought out. That's the same as existing law.

But the bill removes language on the handling of those tax revenues that conflicts with the state constitution's prohibition against dedicating funds for a particular purpose.

The measure leaves open the option that other sources besides a tax could pay for a buyback, such as federal funding, McDowell said.

The bill also lets the entry commission do a study of the optimum number of permits for a fishery without being locked into buying back permits if the study shows too many permits are out in the fishery.

Current law mandates a state-run buyback program if a study shows too many fishermen are chasing the fish, McDowell said.

The change would provide flexibility if fishermen wanted to look at alternatives to a state-run buyback, McDowell said.

The state recently started a study of the optimum number of limited entry permits for the Bristol Bay drift gillnet fishery, McDowell said. If it passes, House Bill 288 could guide what happens when that study is finished.

Rep. Eldon Mulder, R-Anchorage, said he supported the bill because a buyback would be a "self-funded effort," and fishermen would not be looking to state coffers to pay for the program.

Close Window

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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

April 5, 2002

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

SENT VIA FACSIMILE TO 907.465.4779

RE: CS for HB 288 - CFEC Buyback

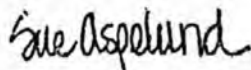
Dear Members,

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 also support the "range" concept for the optimum number study, given that our fisheries resources and price points are so variable from season to season.

We support this legislation and urge your positive consideration.

Sincerely,



Sue Aspelund
Executive Director



UNITED FISHERMEN OF ALASKA

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

April 8, 2002

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

Dear Senator Torgerson,

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 provided 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 Fishermen's Association • Alaska Trollers Association • At-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 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 Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters