

HB

484



Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

SPONSOR STATEMENT

CSHB 484

"Fishery Association Reimbursement"

In 2002, the Alaska legislature created salmon fishery associations (AS 16.40.250) to encourage fleet reduction in the Alaska salmon fisheries. Salmon fishery associations may be formed in salmon fisheries throughout the state to facilitate a permit buyback program.

CSHB 484 is a housekeeping measure to clarify what may happen to the revenue if the Commercial Fishery Entry Commission should find it necessary to sell (re-issue) permits that have been relinquished under the buyback program authorized under AS 16.40.250.

Under CSHB484 the legislature may appropriate revenue from the permit sale (re-issue) to the Association that paid money or incurred debt to remove the permit from the market in the first place.

The state (CFEC) has the responsibility to monitor each limited entry fishery. In the event the CFEC determines more permits are needed in a salmon fishery through an optimum number determination or court action, the provisions of HB 484 would apply.

I ask for your support of CSHB 484 "Fishery Association Reimbursement."

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 484(FSH)
 (H) Publish Date: 3/24/2006

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish & Game
 Title FISHERY ASSOCIATION REIMBURSEMENT RDU _____
 Component _____
 Sponsor Representative Wilson Component No. _____
 Requester _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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 (FY2006) cos.: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Ian Fisk
 Division: Staff, Representative Thomas
 Approved by: Representative Thomas and Representative LeDoux
 Agency: Co-Chairs, House Special Committee on Fisheries

Phone 465-6867
 Date/Time 3/22/06 2:09 PM
 Date _____



March 20, 2006

Representative Thomas and LeDoux, Co-Chairs
House Fisheries Committee
State Capitol Building
Juneau, Alaska

Dear Mr. and Madame Chair,

The Southeast Alaska Seiners Association (SEAS) urges you to pass HB484, relating to fixing a simple housekeeping measure regarding statutorily authorized fleet consolidation associations. And although this fix is a simple one, it is nonetheless incredibly important.

For years, salmon fishermen in Alaska have agonized over the question of fleet consolidation or buybacks. There are a number of considerations that make consolidation a fit for some regions and not for others. But there has always been one limiting factor in even initiating discussion of the question of "whether to do a buyback" in a region. This factor has been the requirement of "optimum number". Unfortunately our forefathers did not foresee the problems and the lack of durability in "optimum number" studies. But that is an issue for another day.

So the problem for the fleets, simply put, is that they may have to pay a bunch of money for permits that may then be reissued and resold by CFEC at a later date. Therefore the fishermen would have wasted their money to buy back permits just to see those same permits resold again.

HB484 solves, at least temporarily for decades, the "optimum number" issue. The fishermen's association in that region will be able to recover the funds that they expended for the permits that they bought back originally. This will have a positive effect on the way fleet consolidation is viewed by Alaska's fleets who may be of a mind to use fleet consolidation under state statute. This is what SEAS is in the midst of pursuing and we are sure others will follow.

Sincerely

Dan Castle
President, SEAS

Support



UNITED FISHERMEN OF ALASKA

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March 21, 2006

Representative Bill Thomas, Co-Chairman
Special Committee on Fisheries
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative Thomas,

The United Fishermen of Alaska (UFA) supports House Bill 484, allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 we supported HB 286 to create the option for fishermen to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. In the detailed analysis of this it has been pointed out that the possibility of permits being reissued after such a buyback would disrupt the mechanisms of the payback for the permits that were bought back. We support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

UFA represents 31 Alaska commercial fishing organizations throughout the state, altogether representing thousands of Alaska commercial fishermen. We appreciate your consideration of our input.

Respectfully,

Bob Thorstenson Jr
President

Mark Vinsel
Executive Director

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fishermen's Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United
Douglas Island Pink and Chum • Fishing Vessel Owners Association • Groundfish Forum • Kenai Peninsula Fishermen's Association
Kodiak Regional Aquaculture Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Southeast Alaska Herring Seiners Marketing Association
Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Salmon Association • United Southeast Alaska Gillnetters
Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen