

**SCOMM**

**138:19**

# Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

## MEMORANDUM

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Date: February 13, 2006

To: Representative Bill Thomas Co-Chair Special Committee on Fisheries  
Representative Gabrielle LeDoux Co-Chair Special Committee on Fisheries

From: Representative Peggy Wilson *PW*

Re: HB 484 "An Act allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations."

HB 484 is a housekeeping measure to clarify what would happen to the revenue if the Commercial Fishery Entry Commission should decide to sell (re-issue) permits that have been relinquished under the by back program authorized under AS 16.40.250.

Under HB484 the Association that paid money to remove the permit from the market in the first place may have money returned to them if permit is sold (re-issued).

Please schedule HB 484 for a hearing before the House Fisheries Committee as soon as possible.



# Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

## SPONSOR STATEMENT

*HB 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.

HB 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 HB484 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 HB 484 "Fishery Association Reimbursement."

24-LS1693\G

Kane

2/15/06

**CS FOR HOUSE BILL NO. 484( )****IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-FOURTH LEGISLATURE - SECOND SESSION****BY****Offered:****Referred:****Sponsor(s): REPRESENTATIVE WILSON****A BILL****FOR AN ACT ENTITLED**

1 "An Act allowing for revenue received from issuance of additional entry permits to be  
2 appropriated for reimbursement to salmon fishery associations."

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

4 \* **Section 1.** AS 16.43.330 is amended by adding a new subsection to read:

5 (c) If a salmon fishery association qualified under AS 16.40.250 takes part in a  
6 fleet reduction program by expending money or incurring debt to contract with permit  
7 holders to relinquish the holders' entry permits under AS 16.43.150(i), and if this  
8 section requires additional permits to be issued for the same fishery in which the fleet  
9 reduction program was implemented, the legislature may appropriate any resulting  
10 revenue to the association for reimbursement of money expended or to retire any  
11 outstanding debt incurred for fleet reduction purposes.

**HOUSE BILL NO. 484**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVE WILSON**

**Introduced: 2/13/06**

**Referred: House Special Committee on Fisheries, Resources, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

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2   **appropriated for reimbursement to salmon fishery associations."**

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6       fleet reduction program by expending money or incurring debt to contract with permit  
7       holders to relinquish the holders' entry permits under AS 16.43.150(i), and if under  
8       this section, additional permits must be issued, the legislature may appropriate any  
9       resulting revenue to the association for reimbursement of money expended or to retire  
10      any outstanding debt incurred for fleet reduction purposes under this subsection.



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



# 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 Driggers 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



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March 21, 2006

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

Dear Representative LeDoux,

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.

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