

HB

484

House FISHERIES Minute



Mar 22, 2006

HB 484-FISHERY ASSOCIATION REIMBURSEMENT

DRAFT

9:11:18 AM

CO-CHAIR THOMAS announced that the next order of business would be HOUSE BILL NO. 484, "An Act allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations."

9:11:42 PM

REPRESENTATIVE PEGGY WILSON, Alaska State Legislature, testified as prime sponsor to introduce HB 484 paraphrasing from the following written sponsor statement (original punctuation provided):

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 HB 484 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."

REPRESENTATIVE WILSON stated that this bill is supported by the Commercial Fisheries Entry Commission (CFEC), and a representative of that office, Frank Homan, available today for questions.

9:13:43 AM

REPRESENTATIVE ELMINS moved to adopt CSHB 484, Version 24-LS1633AG, Kane, 3/15/06. There being no objection, Version G was before the committee.

04/19/06 [3207](#) (H) READ THE SECOND TIME
04/19/06 [3207](#) (H) FSH CS ADOPTED UNAN CONSENT
04/19/06 [3208](#) (H) ADVANCED TO THIRD READING UNAN CONSENT
04/19/06 [3208](#) (H) READ THE THIRD TIME CSHB 484(FSH)
04/19/06 [3208](#) (H) PASSED Y37 A3
04/19/06 [3215](#) (H) TRANSMITTED TO(S)
04/19/06 [3215](#) (H) VERSION: CSHB 484(FSH)
04/20/06 [2821](#) (S) READ THE FIRST TIME - REFERRALS
04/20/06 [2821](#) (S) RES. FIN
04/20/06 [2821](#) (S) REFERRED TO RESOURCES
04/24/06 [Text](#) (S) RES AT 3:30 PM BUTROVICH 205

Similar Subject Match or Exact Subject Match
FISH & GAME (FISH)
LIMITED ENTRY

Bill Root:

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9:14:20 AM

REPRESENTATIVE WILSON explained that the committee substitute stipulates that the fisheries association which provided the original buy-back is the association that receives the payback.

9:14:35 AM

REPRESENTATIVE ELKINS observed that the original intent of the has not changed, and received conformation to that end from the sponsor.

9:14:46 AM

FRANK HOMAN, Chairman/Commissioner, Commercial Fisheries Entry Commission (CFEC), stated support for HB 484, explaining that this came up through a situation with one of the fisheries associations. He said that the state, through the office of the CFEC, retains the ability to monitor all of the limited fisheries and at sometime, either through in house or through a court decision, would be required to sell more permits back into a fishery. The CFEC did not want to have the fisheries associations disadvantaged because they borrowed funds to have a private buy-back, thus putting them in a debt responsibility situation which would put them at odds with state permit/funding actions.

9:16:05 AM

REPRESENTATIVE ELKINS asked why this applies only if the association is still carrying debt.

9:16:12 AM

COMMISSIONER HOMAN clarified that it could apply to money expended or debt carried.

9:16:22 AM

BOB THORSTENSON, Lobbyist, Southeast Alaska Seiners Association; President, United Fishermen of Alaska, stated support for this bill from both the groups that he represents, highlighting that this seemingly simple house keeping bill has had a chilling effect on the fisheries for decades. He emphasized the need to pass this bill.

9:17:22 AM

REPRESENTATIVE ELKINS moved to report CSRB 484, Version 24-LS1692AG, Kane, 2/15/06, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSRB 484 Version G (FSH) was so moved.

DRAFT

Bill Root:

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Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

HD 484

HOUSE RESOURCES 3/31/06

HB 484 Sponsor Packet

Cover Sheet _____	1 page
Hearing Request Memo _____	1 page
Sponsor Statement _____	1 page
CS HB 484 (FSH) _____	1 page
HR 484 (A version) _____	1 page
Fiscal Note House Fisheries Committee: 3-22-06 _____	1 page
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Joan Patrick, email March 30, 2006 _____	1 page
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Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

MEMORANDUM

Date: April 19, 2006

To: Senator Thomas Wagoner, Chair Senate Resources Committee

From: Representative Peggy Wilson *PW*

Re: CSHB 484 "Fishery Association Reimbursement"

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

The state (CFEC) has the responsibility to monitor each limited entry fishery. CSHB 484 clarifies that in the event the CFEC determines more permits are needed in the same fishery in which the fleet reduction program was implemented, either through an optimum number determination or court action, the Association that paid or borrowed 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 CSHB 484 (pending referral) for a hearing in Senate Resource at your earliest convenience. Thanks for your consideration.



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 decide to sell (re-issue) permits that have been relinquished under the buyback program authorized under AS 16.40.250.

The state (CFEC) has the responsibility to monitor each limited entry fishery. CSHB 484 clarifies that in the event the CFEC determines more permits are needed in the same fishery in which the fleet reduction program was implemented, either through an optimum number determination or court action, the Association that paid or borrowed money to remove the permit from the market in the first place may have money returned to them if permit is sold (re-issued).

Under CSHB 484 a future 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.

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

CSHB 484 4/12/2006
24-LS1693/F

Jan-May, Juneau: State Capitol • Juneau, AK 99801-1121 • ph: (907) 465-3824 • fax: (907) 465-3175
June-Dec, Wrangell: PO Box 109 • Wrangell, AK 99929 • ph: (907) 874-3088 • fax: (907) 874-3055
Rep. Peggy Wilson @ legis.state.ak.us • <http://www.akrepublicans.org/wilson/> • 1-800-666-3824

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
 Requester _____ Component No. _____

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) cost: 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 Phone 465-6867
 Division: Staff, Representative Thomas Date/Time 3/22/06 2:09 PM
 Approved by: Representative Thomas and Representative LeDoux Date _____
 Agency: Co-Chairs, House Special Committee on Fisheries

Representative Peggy Wilson

March 31, 2006

Talking Points HB 484 "Fishery Association Reimbursement"

Under current Statute a group of fishermen may form an Association and vote to tax themselves for purposes of Buying Back Fishery Permits.

The Southeast Seiners Association is considering a Buy Back Program for Southeast Seine permits. During discussions the point was raised - What would happen if we buy these permits back and then at some point in the distant future the Commercial Fisheries Entry Commission sells permits back into the fishery. All the money we have spent on buy back is then down the drain. HB 484 answers that question.

HB 484 makes it clear that in the unlikely event CFEC sells more permits that were previously purchased by an Association the Legislature may appropriate money back to that Association.

The change in CSHB 484 is to make it clear that the fishery association that did the buy back is the fishery association that may receive the pay back.

Simply put - buy back - re-sell - Legislature may pay-back



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

March 30, 2006

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

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

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



March 30, 2006

Representative Ramras and Samuels, Co-Chairs
House Resources Committee
State Capitol Building
Juneau, Alaska

Dear Representative's Ramras and Samuels,

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

ALASKA SEINE BOAT OWNERS

410 CALHOUN AVENUE, SUITE 206

JUNEAU, ALASKA 99901

PHONE (907) 523-3004

FAX (907) 523-3005

E-MAIL rpz@psvoa.com

SEATTLE OFFICE

1900 W. Nickerson St., #320

Seattle, WA 98119

(888) 284-7733

March 30, 2006

Representatives Thomas and LeDoux
House Fisheries Committee
State Capitol Building
Juneau, Alaska

RE: SUPPORT HOUSE BILL 484

Dear Chairpersons:

The Alaska Seine Boat Owners (ASBO) represents over 400 vessel owners operating on the West Coast and throughout Alaska.

There is no single answer or approach to the problems facing the Alaskan salmon industry. Yet there is no dispute that every salmon fishery is plagued by overcapitalization and any comprehensive plan to restructure the industry will require substantial reductions in existing and latent harvesting capacity, consistent with the Limited Entry Act. This is why we supported legislation in 2002 (HB 286) allowing the creation of salmon fishery associations for the purpose of consolidating the salmon fleets, including the imposition of an assessment or tax on salmon landings to finance such consolidation.

However, any effort to consolidate must also balance the need to maintain the "optimum number" of salmon permits remaining in the fishery. This is not a precise calculus and what may be optimal today will not necessarily be optimal in the future. For this reason, permit holders who agree to a tax to fund a consolidation program must have assurances that their sacrifice is not later rendered meaningless by a judicial or administrative ruling placing additional permits back into the fishery.

Enactment of HB 484 will greatly reduce this uncertainty. We can only hope that a consolidated fishery will never face the possibility of reintroducing permits previously retired. But if that should ever occur, HB 484 would allow existing permits to receive the revenue generated by the State's sale of those new permits.

Sincerely,

Robert Zuanich
Executive Director

Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway

Juneau, AK 99801

Phone 907-586-8652

Fax 907-523-1168

Website: <http://www.seafa.org>



E-mail: seafa@gci.net

March 30, 2006

Co-Chair Representative Ramras
Co-Chair Representative Samuels
House Resources Committee
Alaska State Legislature
Juneau, AK 99801

RE: Support CSHB 484

Dear Co-chair Ramras & Samuels,

Southeast Alaska Fishermen's Alliance (SEAFSA) supports CSHB 484 which allows a salmon fishery association that conducts a fleet buyback to be reimbursed if permits in the future need to be reissued to the fishery because it became too "exclusive". This is a necessary piece of legislation to make the salmon fishery associations established under HB 288 in 2002 functionable. Fishermen are reluctant to tax themselves for a buyback if permits can be reissued while they are still paying back loans for the permits that were purchased.

Southeast Alaska Fishermen's Alliance is a multi-gear group representing our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska.

Please support HB 484.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Hansen", with a long horizontal line extending to the right.

Kathy Hansen
Executive Director

Jean Ellis

APR 04 2006

From: CRFBC@aol.com
Sent: Thursday, March 30, 2006 11:34 AM
To: Jean Ellis
Subject: Support HB484

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

I William Connor look for your support of House Bill 484, this will allow revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 I supported HB 286 to create the option for fishermen such as myself 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. I support HB 484 as a fine tuning of the mechanism for self-funded buyback's.

Please give full support for this bill this will allow the fishermen the opportunity to consolidate its industry along with the other players in the industry, such as Trident and Ocean Beauty.

Thanks
Bil' Connor
box 1124 Petersburg, AK. 99833

Jean Ellis

From: Jim Zuanich [loraxinc1@hotmail.com]
Sent: Thursday, March 30, 2006 7:02 PM
To: Jean Ellis
Subject: hb484

I have fished salmon commercially for over 40 years. I am writing in support of hb 484. Whether a fisherman funded buyback of licences is just and fair or not, is not at issue here. 484 allows fishermen who fund a buyback to get some part of their investment back if nthe courtd]s at a later date demm the result too restrictive. Sound fair enough to me. Please see thgat this opinion gets to representatives Ramras and Samuel. Jim Zuanich

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Jean Ellis

From: Joan Patrick [joanpatrick@yahoo.com]
Sent: Thursday, March 30, 2006 1:09 PM
To: Jean Ellis
Subject: HB 484

March 30, 2006

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

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. I am a member of this organization and also support HB 484.

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. I support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

Respectfully,
Kevin Charles Patrick
Southeast Alaska Seine Skipper

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