

SB

172

<TARGET><BILL>SB 172</BILL><SUBJECT>SB
172</SUBJECT><COMM>SFIN29</COMM></TARGET>

STATE CAPITOL
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Governor Bill Walker
STATE OF ALASKA

February 4, 2016

The Honorable Kevin Meyer
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to management of enhanced stocks of fish; authorizing the operation of nonprofit shellfish hatcheries; and application fees for salmon and shellfish hatchery permits.

The bill would authorize the Commissioner of Fish and Game to permit the construction and operation of shellfish hatcheries by nonprofit corporations for the purpose of enhancing shellfish fisheries. The bill would also make several other related amendments to State law relating to shellfish hatcheries.

The Board of Fisheries is statutorily tasked to manage fish stocks in the state; fish stocks include invertebrate species, such as shellfish. Currently, under AS 16.40.100 - 16.40.199 the Commissioner may permit the construction and operation of shellfish hatcheries for the purpose of supplying shellfish to an aquatic farm, but may not permit the construction and operation of shellfish hatcheries for the purpose of enhancing shellfish fisheries. The bill is largely modeled after AS 16.10.375 - 16.10.480, which authorizes the Commissioner of Fish and Game to permit the construction and operation of salmon hatcheries for the purpose of enhancing salmon fisheries.

The bill would also make conforming amendments to the determination of authorized gear to allow use of legal gear to harvest shellfish, to allow donations of shellfish to a food bank, and to exempt from State corporate income tax income from a nonprofit corporation holding a permit to operate a shellfish hatchery for enhancement of shellfish stock.

In addition, the bill would update the application fee for a salmon hatchery permit.

Enhancement of the State's shellfish fisheries would benefit the state's economy by providing a method to increase the available harvest of shellfish for public use in an environmentally safe manner.

The Honorable Kevin Meyer
Transmittal Shellfish Hatcheries
February 4, 2016
Page 2

I urge your prompt and favorable action of this measure.

Sincerely,

A handwritten signature in black ink that reads "Bill Walker". The signature is written in a cursive, flowing style.

Bill Walker
Governor

Enclosure



Sectional Analysis, CSSB 172(RES)
Shellfish Stock Rehabilitation and Fishery Enhancement Projects
March 23, 2016

Sec. 1

Provides the Alaska Board of Fisheries authority to direct the department to manage production of enhanced shellfish stocks, beyond broodstock needs, for cost recovery harvest.

Sec. 2

Increases the permit application fee for new private nonprofit salmon hatcheries from \$100 to \$1,000.

Sec. 3

Adds a new Chapter 12 to Title 16, "Shellfish Stock Rehabilitation Efforts, Enhancement Projects, and Hatcheries.

Provides direction to the commissioner on issuance of permits for private nonprofit shellfish stock rehabilitation and fishery enhancement projects and associated shellfish hatcheries and establishes a \$1,000 permit application fee. This section directs the commissioner to consult with technical experts in the relevant areas before permit issuance. This section provides for a hearing prior to issuance of a permit and describes certain permit terms including cost recovery fisheries, harvest, sale, and release of hatchery-produced shellfish, and selection of broodstock sources. This section describes reporting requirements and terms for modification or revocation of a permit.

Sec. 4

Provides the commissioner authority to issue special harvest area entry permits to holders of private nonprofit shellfish rehabilitation, enhancement or hatchery permits.

Sec. 5

Defines legal fishing gear for special harvest area entry permit holders.

Sec. 6

Exempts shellfish raised in a private nonprofit shellfish project from the farmed fish definition.

Sec. 7 and 8

Establish tax exemption for a nonprofit corporation holding a shellfish hatchery, rehabilitation, or enhancement permit.

Sec. 9

Exempts shellfish harvested under a special harvest area entry permit from certain taxes.

Sec. 10

Establishes an effective date of the fee for salmon hatchery permits described in sec. 2.

Sec. 11

Authorizes the department to adopt implementing regulations.

Sec. 12

Establishes an immediate effective date for sec. 12 pursuant to AS 01.10.070(c).

Sec. 13

Establishes an effective date for sec. 9 concomitant with sec. 2 effective date.



**Summary of Changes, CSSB 172(RES)
Shellfish Stock Rehabilitation and Fishery Enhancement Projects
March 23, 2016**

SB 172 received two hearings in the Senate Resources Committee. The department heard from several interested parties requesting clarification of the terms "shellfish stock rehabilitation" projects and "shellfish enhancement" projects to distinguish them from a hatchery facility, and changes were made to the bill to address this. Additional changes were made at the request of committee members. All of these changes are summarized below.

- 1) The title of the bill was changed.
- 2) A new paragraph was added prohibiting a permit holder from procuring or placing genetically modified shellfish into the waters of the state.
- 3) Language was revised to clarify that brood stock sources should first come from stocks native to the release area.
- 4) A definition was added for "enhancement project".
- 5) The definition for "facility" was modified for clarity.
- 6) A definition was added for "genetically modified shellfish".
- 7) A definition was added for "stock rehabilitation".
- 8) The definition for "shellfish" was modified for clarity.
- 9) An "immunity from liability" clause related to donations of shellfish to a foodbank was removed from the bill.
- 10) Numerous conforming language changes were made throughout the bill consistent with the changes listed above.

Details of all the changes summarized above are included on a separate document entitled "Explanation of Changes".



CSSB 172(RES)

Explanation of Changes

1. The title is changed to reflect the following changes:
"An Act relating to management of stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish stock rehabilitation efforts, carry out shellfish enhancement projects, and operate shellfish hatcheries; relating to application fees for salmon hatchery permits; and providing for an effective date."
2. Page 2, Lines 13-14, insert a new title for the new chapter 12: "Shellfish Stock Rehabilitation Efforts, Enhancement Projects, and Hatcheries."
3. Page 2, Lines 15-19, reflect language changes to include shellfish stock rehabilitation and enhancement projects in the section and removes the words "or a designee" (line 17).
4. Page 2, Lines 22-24, remove "hatchery permit" and replacing it with "a permit issued under this section." Also removes "a hatchery" and replaces it with "a facility."
5. Page 2, Lines 28-30, restructure the wording of the paragraph without substantive changes.
6. Page 3, Lines 6-10, restructure the wording of the paragraph. Add the terms proposed stock rehabilitation effort and enhancement project (line 7) to the paragraph. Add the words "the capacity of the facility" (line 9) to the paragraph.
7. Page 3, Lines 15-16, remove the words "a hatchery operator" and replaces them with "a permit issued under this chapter."
8. Page 3, Lines 17-20, restructure the wording of the paragraphs without substantive changes.
9. Page 3, Lines 21-22, add a new paragraph prohibiting a permit holder from procuring or placing genetically modified shellfish into the water of the state.
10. Page 3, Lines 23-31, restructure the wording of the paragraphs without substantive changes.
11. Page 4, Lines 1-3, restructure the wording of the paragraph. Removes the words "operators of other hatcheries," replacing them with "other permit holders."
12. Page 4, Lines 4-8, restructure the wording of the paragraphs without substantive changes.
13. Page 4, Lines 21-22, remove the word "hatchery," replacing it with "permit holder." Also replaces "AS 16.12.010-16.12.199" with "this chapter."
14. Page 4, Line 25, removes the words "hatchery operator," replacing it with "permit holder."

15. Page 4, Line 29, replaces the words “hatchery operators” with “permit holders.”
16. Page 4, Line 31, replaces “AS 16.12.010-16.12.199” with “this chapter.”
17. Page 5, Lines 4-5, replace “in the planning, construction, or operation of shellfish hatcheries” with “as to stock rehabilitation efforts, enhancement projects, or the planning, construction, and operation of facilities.”
18. Page 5, Lines 7 and 8 replace “AS 16.12.010-16.12.199” with “this chapter.”
19. Page 5, Lines 12-13, restructure the wording of the paragraph. Removes the words “and then, upon department approval, from other areas, as necessary.”
20. Page 5, Line 15, replaces “shellfish hatchery operator” with “permit holder.”
21. Page 5, Line 16, replaces “another hatchery operating under a permit issued under AS 16.12.010-16.12.199” with “another permit holder under this chapter.”
22. Page 5, Line 18-19, restructure the wording of the paragraph without substantive changes.
23. Page 5, Lines 20-22, restructure the wording of the paragraph without substantive changes.
24. Page 5, Lines 23-24, replace “a hatchery permit holder may harvest shellfish for a facility” with “a permit holder may harvest shellfish for a stock rehabilitation effort, an enhancement project, or a hatchery.”
25. Page 5, Lines 30-31 and Page 6, Lines 1-2 replace “a hatchery permit holder” with “a permit holder;” replaces “membership of the hatchery permit holder’s board” with “permit holders board;” replaces “established for that facility through the common property fishery” with “established for stock rehabilitation, an enhancement project, or a hatchery through the common property fishery.”
26. Page 6, Line 11, replaces “hatchery” with “permit holder.”
27. Page 6, Line 13, replaces “hatchery” with “permit holder.”
28. Page 7, Line 4, replaces “hatchery permit holder” with “permit holder.”
29. Page 7, Line 8, replaces “shellfish hatchery” with “permit holder’s stock rehabilitation effort, enhancement project, or hatchery.”
30. Page 7, Lines 19-20, replace “hatchery permit holder who operates a facility” with “permit holder who is rehabilitating stock, carrying out an enhancement project, or operating a facility.”
31. Page 7, Lines 30-31 and Page 8, Line 1, remove the definition of “facility” from subsection (g).”

32. Page 8, Line 3, replaces the title "Inspection of hatchery" with "Inspection by the department."
33. Page 8, Lines 3-7, include the terms stock rehabilitation facility and enhancement project facility to be inspected along with hatcheries by the Department of Fish and Game.
34. Page 8, Lines 8-9, restructure the wording of the paragraph without substantive changes.
35. Page 8, Lines 10-19, reformat the paragraph to be enumerated.
36. Page 8, Line 19, removes the word "hatchery," inserts the words "by the permit holder."
37. Page 8, Lines 21-24, inserts definition of "enhancement project".
38. Page 8, Lines 25-26, insert a definition of "facility." NOTE: This definition is different than the one removed in change 31.
39. Page 8, Lines 27-31, insert a definition of "genetically modified shellfish."
40. Page 9, Line 4, the definition of "shellfish" is modified to remove the words "or that is authorized to be imported into the state under a permit issued by the commissioner."
41. Page 9, Lines 5-6, insert a definition of "stock rehabilitation."
42. Page 9, Lines 26-27, remove Section 7 related to foodbank donations.
43. Page 9, Lines 8-14, reformat Section 4(a) to constitute two new paragraphs. Replaces "AS 16.12.010-16.12.199 for shellfish," with "(2) nonprofit organizations holding a permit under AS 16.12 for a shellfish stock rehabilitation effort, a shellfish enhancement project, or a shellfish hatchery."
44. Page 10, Lines 11-22, insert a new Section 8 to comport with the repeal and reenactment language of sec. 2, ch.55, SLA 2013, related to Section 7 (Page 9, Lines 27-31 and Page 10, Lines 1-10).
45. Page 11, Line 2, removes the words "may proceed to."
46. Page 11, Lines 7-8, insert a new Section 13, instituting an effective date for the new Section 8 (Page 10, Lines 11-22).



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Fish and Game

OFFICE OF THE COMMISSIONER
Headquarters Office

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P.O. Box 115526
Juneau, Alaska 99811-5526
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Fax: 907.465.2332

April 7, 2016

The Honorable Anna MacKinnon
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senator MacKinnon:

Thank you for hearing SB 172, Shellfish Fisheries Enhancement, yesterday in the Senate Finance Committee. During the hearing there were two questions for which the department committed to providing follow-up information.

Section 2, Commissioner's ability to waive the submission of an application.

This is existing language in the salmon hatchery statute AS 16.10.400(b), added in 1988. This waiver has only been issued in the past for operation of one of the 11 state-owned hatcheries that are contracted to be operated by a private non-profit operator, and none have been waived for many years since it is a one-time application fee. There is no waiver provision for the shellfish stock rehabilitation, enhancement and hatchery program established in this bill as there are no state-owned shellfish hatcheries.

Section 3, Permits will result in "Substantial Public Benefit."

This section of the bill is modeled after AS 16.10.400(g) relating to salmon hatcheries. The Department of Law conducted a search of statutes and determined this is the only instance of the term "substantial public benefit." 5 AAC 40.220 establishes permit review criteria for salmon hatcheries, with sub-section (b)(2) addressing public benefit.

(2) The operation of the proposed hatchery must make the best use of the site's potential, to benefit the common property fishery. In order to achieve optimum public benefit from the state's private nonprofit hatchery program and ensure that the proposed hatchery is in the best interests of the public, enhancement sites must be developed to their fullest potential, with consideration to appropriate species and technological use of the site.

Similar regulations would be promulgated for shellfish projects if this bill becomes law.

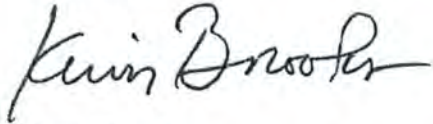
The Honorable Anna MacKinnon

- 2 -

April 7, 2016

If you have any further questions or require additional information, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Kevin Brooks". The signature is written in black ink and is positioned above the printed name and title.

Kevin Brooks
Deputy Commissioner

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 172
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB172-DFG-CFEC-03-24-16
Title: FISH/SHELLFISH HATCHERY/ENHANCE.
PROJECTS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance

Department: Department of Fish and Game
Appropriation: Commercial Fisheries
Allocation: Commercial Fisheries Entry Commission
OMB Component Number: 471

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/16

Why this fiscal note differs from previous version:

Not applicable, initial version

Prepared By:	Shirley A. Penrose, Acting Executive Director	Phone:	(907)790-6960
Division:	Commercial Fisheries Entry Commission	Date:	03/24/2016 12:00 AM
Approved By:	Benjamin E. Brown, Commissioner	Date:	03/24/16
Agency:	Commercial Fisheries Entry Commission		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB172

Analysis

The Commercial Fisheries Entry Commission does not anticipate any fiscal impact relating to this bill.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 172
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB172CS(RES)-DFG-DCF-3-22-16
Title: FISH/SHELLFISH HATCHERY/ENHANCE.
PROJECTS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance

Department: Department of Fish and Game
Appropriation: Commercial Fisheries
Allocation: Statewide Fisheries Management
OMB Component Number: 2171

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues				3.0	2.0	1.0	1.0
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Prepared By: Forrest R. Bowers, Deputy Director	Phone: (907)465-6139
Division: Commercial Fisheries	Date: 03/22/2016 05:22 PM
Approved By: Kevin Brooks, Deputy Commissioner	Date: 03/22/16
Agency: Department of Fish and Game	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 172

Analysis

The Commercial Fisheries Division intends to utilize existing staff under the Aquaculture Section to administer the program proposed in this legislation. The Private Nonprofit Hatchery Permit Coordinator is the primary person responsible for evaluating these permit applications. The Department of Fish and Game genetics, pathology, and management staff also contribute to the permit application review process. Permit application review generally takes six months to one year to complete. The permit fee is established in AS 16.012.010(c) at \$1,000. This fee would also apply to applications for new salmon private nonprofit hatcheries. That fee is currently \$100. The division anticipates that there will be two to three applicants per year for the first two years and then decline to an estimated one permit per year.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 172
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB172-DOR-TAX-4-7-16
Title: FISH/SHELLFISH HATCHERY/ENHANCE.
PROJECTS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/17**

Why this fiscal note differs from previous version:

After further discussion with the Department of Fish and Game the Tax Division has determined that this legislation can be implemented with no new costs to the Tax Division.

Prepared By: <u>Anna Kim, Revenue Operations</u>	Phone: <u>(907)465-4773</u>
Division: <u>Tax</u>	Date: <u>04/07/2016 03:00 PM</u>
Approved By: <u>Jerry Burnett, Deputy Commissioner</u>	Date: <u>04/07/16</u>
Agency: <u>Department of Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB172(RES)

Analysis

Background Tax Division

This bill provides for a common property shellfish fishery classification in a special harvest area, and fisherman participating in this fishery would be subject to the payment of an assessment either on the projected value of the shellfish or on the pounds of shellfish harvested.

The buyer of the shellfish must be licensed under Fisheries Business and remit a new classification of assessment for common property shellfish to the Department of Revenue, and deposited into the general fund. The assessment may not be greater than 50% of the shellfish value. The department may levy the assessment based on a percentage of the projected shellfish value harvested in the special harvest area, or as a flat rate on each pound of shellfish harvested in the area to the nearest whole cent.

The Department of Revenue may through regulation, annually by March 1, set the assessment levied in consultation with the Department of Commerce, Community, and Economic Development, the permit holder, and representatives of the affected commercial fishermen.

Revenue Impact

Based on the projection by the Department of Fish and Game of 2-3 applicants per year for the first two years and subsequently decline, we anticipate revenues collected and deposited into the general fund to be minimal.

Implementation Cost

The Department will make any changes to forms and programs in concert with other changes being made and is not expecting to have any increased costs as a result of this legislation.

The bill requires new regulations which can be promulgated in concert with other related regulations that are required on an annual basis under current law.



Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway

Juneau, AK 99801

Phone: 907-586-6652

Email: seafa@gci.net

Fax: 907-523-1168

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

February 22, 2016

Senate Resources
Alaska State Legislature
Senator Cathy Giessel, Chair
State Capitol
Juneau, AK 99811

RE: SB 172

Dear Senator Giessel, Chair and Senate Resource Committee Members,

As a member of the Board of Directors of United Fishermen of Alaska we had an opportunity to discuss this legislation with the Department of Fish and Game (ADF&G). SEAFA supports this legislation, BUT we do have some concerns that there is a reliance on describing shellfish hatcheries when the real intent is to permit shellfish enhancement projects such as the king crab enhancement efforts that have outgrown developmental permitting. By relying on the word hatchery vs permitting shellfish enhancement projects this has become confusing to the public on the intent of this legislation.

SEAFA is a non-profit commercial fishing association representing our 300+ members involved in salmon, crab, shrimp and longline fisheries.

Sincerely,

Kathy Hansen
Executive Director

Support SB 172
PO Box 232 Petersburg, AK 99833

Petersburg Vessel Owner's Association
(907) 772-9323 email: pvoa@gci.net

February 29, 2016

Senator Cathy Giessel
Chair, Senate Resources Committee

Alaska State Legislature
State Capitol
Juneau, AK 99811-1182
Email: Senator.Cathy.Giessel@akleg.gov

**RE: Support SB 172-An Act relating to management of enhanced stocks of fish;
authorizing the operation of nonprofit shellfish hatcheries...**

Dear Chair Giessel and Committee Members,

Petersburg Vessel Owner's Association (PVOA) is composed of almost 100 members participating in a wide variety of species and gear type fisheries. An additional thirty businesses supportive to our industry are members. PVOA members fish throughout Alaska from Southeast to the Bering Sea. Targeted species include salmon, herring, halibut, sablefish, cod, crab, and shrimp.

Petersburg Vessel Owner's Association is in support of an opportunity for nonprofit organizations to enhance shellfish stocks.

Our organization followed some of the progress of the shellfish enhancement activities at the University of Alaska Fairbanks. It has come to our attention that the program has out lived it's developmental permitting and that this bill would allow them to continue their work.

However, we question the term "hatchery," since they are seeking permitting for shellfish enhancement projects not in the form of the traditional sense of a hatchery. We believe the term may confuse the public.

PVOA supports the increase in permitting fee from \$100 to \$1,000. We heard how expensive and time consuming it is for the Alaska Department of Fish and Game to process enhancement permitting and the increase seems appropriate. Thank you for considering our comments.

Respectfully,
Megan O'Neil

Megan O'Neil
Executive Director

Senator Cathy Giessel, Chair
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801
Senator.Cathy.Giessel@akleg.gov



Re: Support for SB 172

March 4, 2016

Dear Senator Giessel and Senate Resources Committee:

The Alaska Fisheries Development Foundation (AFDF) would like to express support for Senate Bill 172; AFDF also recognizes that SB 172 is part of a larger effort to develop mariculture in Alaska.

Since 1978, AFDF's mission has been to identify problems and opportunities that are common across Alaska's seafood industry and help develop solutions utilizing applied research and development which balancing economic benefits with sustainability principles. AFDF's membership is comprised of seafood harvesters, seafood processors, and support sector businesses.

One of AFDF's recent projects is to spearhead the Alaska Mariculture Initiative, which is meant to expedite the development of mariculture in Alaska with the vision to grow a \$1 billion industry in 30 years. Governor Walker's recent Administrative Order #280 establishes the Alaska Mariculture Task Force and is also part of this larger effort to develop mariculture. The purpose of the Task Force is to provide recommendations to develop a viable and sustainable mariculture industry producing shellfish and aquatic plants for the long-term benefit of Alaska's economy, environment, and communities.

SB 172 plays an important role in the development of mariculture in Alaska. SB 172 creates a regulatory framework with which ADF&G can manage shellfish fishery enhancement and shellfish hatcheries, in a similar fashion as the current management of salmon fishery enhancement and salmon hatcheries. This would allow interested stakeholders to either continue or begin enhancement work on species such as King crab, sea cucumber, geoduck, abalone, or razor clams.

Board of Directors

Jan Jacobs – President
Harvester, Region IV
American Seafoods Company

Ken Simpson – Vice President
Harvester, Region II
F/V Lady Simpson

Trevor Sande - Treasurer
Harvester, Region I
Marble Seafoods

Mark Scheer - Secretary
Service Sector
Williams Kastner

Tom Enlow
Processor, At-large
UniSea

Al Burch
Harvester, Region III
Alaska Whitefish Trawlers
Association

Buck Laukitis
Harvester, At-Large
Magic Fish Company

Chris Mierzejek
Service Sector
Aleutian Pribilof Island
Community Development Assoc.

John Sund
Service Sector
Stellar North LLC

Mark Tupper
Processor, At-large
Triad Fisheries, LTD

Stefanie Moreland
Processor, At-large
Trident Seafoods

Some individual stakeholders groups may seek minor amendments to the bill, and AFDF would be happy to play a role in communicating between stakeholders and the Committee. The most common concern voiced so far is the inclusion of salmon hatcheries in SB 172, which can be confusing to the public and potentially ineffective for bill passage.

Overall, however, AFDF supports the intent of SB 172 and appreciates the Administration's proactive role in introducing the legislation.

Please let me know how I can be of help.

Sincerely,


Julie Decker, Executive Director

March 4, 2016

Senator Cathy Giessel, Chair
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: Support for SB 172

Dear Senator Giessel and Senate Resources Committee members:

The Steering Committee of the Alaska King Crab Research, Rehabilitation and Biology (AKCRRAB) program would like to express appreciation and support for Senate Bill 172.

The AKCRRAB program is a coalition of university, federal and stakeholder groups, formed in 2006 with the goals of adding to the scientific understanding of crab life history and ecology, as well as the eventual rehabilitation of depressed king crab stocks in Alaska. AKCRRAB is developing scientifically sound strategies for hatching, rearing and outplanting king crab in Alaska, in order to help restore populations to self-sustainable levels.

In phase one, from 2006 to 2011, AKCRRAB researchers made significant accomplishments in developing and improving methods of hatchery rearing of larval and juvenile king crab from wild-caught broodstock, to the point where large-scale production is feasible. Parallel field and laboratory studies of crab ecology and population genetics were also conducted during this time.

In the second and current phase, hatchery studies have been complemented by studies essential to understanding optimal release strategies, appropriate habitat, and potential impact on existing ecosystems. This research is providing the science necessary for informing the responsible release of hatchery-reared animals. Increased knowledge will allow scientists and managers to assess the feasibility of ecologically sound rehabilitation of depressed stocks, with potentially substantial benefits to Alaska.

In the third and final phase, AKCRRAB intends to evolve from the current, research-oriented coalition, to a formal entity focused on transitioning hatchery techniques and outplanting technologies to communities and industry as part of statewide efforts to help rehabilitate depleted king crab stocks. As phase three develops, the program will require support and guidance from the State of Alaska, as the transition from feasibility to implementation will need to be guided with a new regulatory structure.

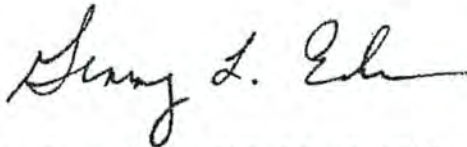
Senate Bill 172 is a response to the need for new regulations for shellfish hatcheries. The AKCRRAB Steering Committee is pleased that the Administration and the Legislature are addressing this need. In a preliminary review of the proposed legislation, we have identified several areas on which AKCRRAB program participants would like to work with

the Committee as the bill moves forward. We would be pleased to identify those areas at the appropriate time.

The overarching concern we have is that the bill combines new enabling language for shellfish hatcheries with references to salmon hatcheries. We believe it would be more practical and efficient to separate the two elements, and ask that the committee consider doing so before moving forward.

We intend to participate fully in further discussions and hearings on Senate Bill 172. The AKCRRAB Steering Committee stands ready to interact with Committee members and staff as needed. Please let us know how we can be of help.

Best regards,



Dr. Ginny Eckert, PhD, School of Fisheries and Ocean Sciences, UAF, Juneau Division
Heather McCarty, Central Bering Sea Fishermen's Association
AKCRRAB Steering Committee Co-chairs

Steering Committee members:

Jeff Hetrick, Alutiq Pride Hatchery, Seward

Jeff Stephan, United Fishermen's Marketing Association, Kodiak

Dr. Bob Foy, NMFS, Alaska Fisheries Science Center, Kodiak

Chris Mierzejek, Aleutian Pribilof Islands Community Development Association, Anchorage

Gale Vick, Fairbanks

Ruth Christiansen, Alaska Bering Sea Crabbers

Lauren Divine, Tribal Government of St. Paul



UNITED FISHERMEN OF ALASKA

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March 4, 2016

Senator Cathy Giessel, Chair
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: Support for SB 172 regarding shellfish enhancement

Dear Senator Giessel and Committee members,

United Fishermen of Alaska is the statewide commercial fishing trade association, representing 34 commercial fishing organizations participating in fisheries throughout the state and its offshore federal waters.

Although we include eight salmon aquaculture associations that will each be subject to the increase of their fee on new hatchery facilities to \$1000, we support SB 172 because of the broader need to help develop shellfish aquaculture beyond only producing broodstock. Another UFA member group represents shellfish dive fisheries and is actively working with the Alutiiq Pride Shellfish Hatchery to spawn sea cucumbers as a part of ongoing research into production of juveniles to support enhancement of wild sea cucumber populations.

UFA strongly supports Alaska's salmon enhancement programs that are carefully regulated to provide salmon for common property harvest by subsistence, sport and commercial fisheries without detriment to wild stocks. We believe the state can carefully develop opportunities for additional enhancement of shellfish, and passage of SB 172 will help in this effort.

Thank you for your consideration.

Jerry McCune
President

Mark Vinsel
Executive Administrator

MEMBER ORGANIZATIONS

Alaska Bering Sea Crabbers • Alaska Independent Fishermen's Marketing Association
Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association • Alaska Scallop Association • Alaska Trollers Association
Alaska Whitefish Trawlers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Reserve • Cape Barnabas Inc.
Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United • Douglas Island Pink and Chum
Freezer Longline Coalition • Golden King Crab Coalition • Groundfish Forum • Kenai Peninsula Fishermen's Association
Kodiak Regional Aquaculture Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owner Association
Seafood Producers Cooperative • Southeast Alaska Herring Conservation Alliance • Southeast Alaska Fisherman's Alliance
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Selnors • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association

Chairs Pete Kelly and Anna MacKinnon
Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801
Senator.Pete.Kelly@akleg.gov
Senator.Anna.MacKinnon@akleg.gov



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Mark Tupper
Processor, At-large
Triad Fisheries, LTD

Re: Support for SB 172

April 4, 2016

Dear Chairs Kelly, MacKinnon, and Senate Finance Committee:

The Alaska Fisheries Development Foundation (AFDF) would like to express support for SB 172. ***AFDF recognizes that SB 172 is part of a larger effort to develop mariculture in Alaska.***

AFDF's membership is comprised of seafood harvesters, seafood processors, and support sector businesses. Since 1978, AFDF's mission has been to identify problems and opportunities that are common across Alaska's seafood industry and to help develop solutions utilizing applied research and development which balance economic benefits with sustainability principles.

One of AFDF's recent projects is to spearhead the *Alaska Mariculture Initiative*, which is meant to expedite the development of mariculture in Alaska with the vision to grow a \$1 billion industry in 30 years. Governor Walker's recent Administrative Order #280 establishes the ***Alaska Mariculture Task Force*** and is also part of this larger effort to develop mariculture. The purpose of the Task Force is to provide recommendations for a comprehensive plan to develop a viable and sustainable mariculture industry producing shellfish and aquatic plants for the long-term benefit of Alaska's economy, environment, and communities.

SB 172 plays an important role in the development of mariculture in Alaska. HB 300 creates a regulatory framework with which ADF&G can manage shellfish fishery enhancement, restoration and hatcheries, in a similar fashion as the current management of salmon fishery enhancement and hatcheries. This would allow interested stakeholders to either continue or begin enhancement and/or restoration of species such as King crab, sea cucumber, geoduck, abalone, or razor clams.

I would like to briefly address concerns of negative impacts to wild shellfish from hatchery shellfish. As a Client for the Alaska Responsible Fisheries Management (RFM) certification program, AFDF has a unique position and viewpoint on this issue. On one hand, AFDF hears concerns from industry that ADF&G's fishery enhancement policies are too restrictive, increase cost, and slow progress. On the other hand, AFDF is also in the position of facilitating a review of ADF&G's fishery enhancement policies by independent third-party experts to determine whether they follow internationally accepted standards for sustainably managed fisheries. ***Alaska salmon maintains RFM certification, because of ADF&G's policies which are designed around a precautionary approach that prioritizes wild fish and minimizes adverse impacts to wild stocks.*** Following is a list of some of ADF&G's enhancement policies: genetics, disease, pathology, siting of hatcheries, fish culturing techniques, release strategies, harvest, habitat, marking, transportation, planning and reporting. ***Given these extensive policies, AFDF and independent third-parties have confidence that ADF&G is fulfilling its constitutional mandate to manage our fishery resources for sustainability.***

Finally, the committee substitute (CS), which was passed out of Senate Resources Committee, is our preferred version with changes that improve the clarity and intent of the bill. ***AFDF supports this CS SB 172 and appreciates the Administration's proactive role in introducing the legislation.***

If there are any questions, I am happy to answer them. Thank you for your consideration of this bill.

Sincerely,


Julie Decker, Executive Director