

SB

211

<TARGET><BILL>SB 211</BILL><SUBJECT>SB
211</SUBJECT><COMM>SRES30</COMM></TARGET>

ALASKA STATE LEGISLATURE



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Senator Gary Stevens

SPONSOR STATEMENT

SENATE BILL 211

The Alaska Master Fisherman Retirement Transfer Act

The Alaska Master Fisherman Retirement Transfer Act (AMFRT) is intended to address the greying of Alaska's fishing fleet. It would establish a system for experienced fishing captains (masters) to have a graceful means to phase themselves out and retire from the fishing industry, while simultaneously phasing-in their chosen journeyman, an incoming soon-to-be *master*.

It would provide for a very structured approach to transferring a Limited Entry Permit from one Alaskan to another, over time, with specific criteria and monitoring, and under the supervision of the master fisherman, the Alaska Department of Fish and Game, and the Alaska Commercial Fisheries Entry Commission.

Entering the commercial fishing industry in Alaska can often be highly problematic for young Alaskans wishing to become commercial fishermen. The AMFRT program should therefore not only serve our aging masters, but also young fishermen who desire upward mobility, a program that encourages opportunity, enables advanced training and applied, real-time experience.

Thank you for your consideration of this important and timely legislation.

Senator.Gary.Stevens@akleg.gov

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SS Senate Bill 211
The Alaska Master Fisherman Retirement Transfer Act

Sectional – Version D

March 7, 2018

Section 1: Establishes the Short Title of the Act as “The Alaska Master Fisher Retirement Transfer Act (AMFRT).”

NOTE: Section 25 is the substantive component of this bill. Hereafter, Sections 2-24, and Sections 26-31 are all conforming amendments, bringing the AMFRT program into alignment with applicable existing Limited Permit Entry statutes.

Section 2: Allows the Board of Fisheries to require a fisherman participating in the AMFRT program to be physically present at the fishing site.

Section 3: Requires a fisherman participating in the AMFRT program to hold a commercial fishing license during their portion of the transfer process when they are actually fishing under the permit, as well as requiring a crew member license when an AMFRT participant is on the vessel, but not directly fishing under the permit.

Section 4: Exempts resident participants of the AMFRT program from having to pay a fee for an annual crew member fishing license.

Section 5: Exempts nonresident participants of the AMFRT program from having to pay a fee for their annual crew member fishing license.

Section 6: Exempts participants of the AMFRT program from being eligible for a seven-day crewmember fishing license.

- Section 7: Includes in the definition of “commercial fishing license” the entry permit being temporarily transferred through the AMFRT program.
- Section 8: Allows participants in the AMFRT to deliver or land fish provided they meet the permitting requirements consistent with existing commercial fishing laws and regulations.
- Section 9: Provides for participants in the AMFRT program to be able to employ crew for purposes of commercial fishing activities, and to transport and sell fish caught commercially.
- Section 10: Includes criminal penalties for participants of the AMFRT program if they are convicted for failure to be present, on board during commercial fishing activity under their permit.
- Section 11: Includes the provision that a fish processor or commercial buyer may only purchase fish from permit holders, including participants of the AMFRT program.
- Section 12: Provides that participants of the AMFRT program must possess and present their permit identification when selling commercial fish caught under their permit.
- Section 13: Includes AMFRT program participants in common property fisheries and terminal harvest area takings.
- Section 14: Includes in the duties of the Alaska Commercial Fisheries Entry Commission (CFEC) the authority to approve temporary permit transfers for qualifying participants of the AMFRT program, and to adopt regulations to manage the program.
- Section 15: Specifies that a person may not operate gear in the commercial taking of fishery resources unless that person is a AMFRT program participant.
- Section 16: Specifies that a crewmember may assist with operation of gear for the commercial taking of fishery resources, provided an AMFRT program participant is physically present and also engaged in the operation of that gear.

- Section 17: Provides for AMRFT program participants to operate gear within a specified fishery.
- Section 18: Requires AMRFT program participants to be in possession of their permit at all times when operating the gear for which the permit was issued.
- Section 19: Prevents the permit activated under the AMRFT program from being used as an instrument of equity or financially encumbered in any way, or to be transferred or repossessed in any way beyond what is allowed within the program, as set forth by the program and related regulations.
- Section 20: Adds a new subsection establishing that a temporary permit holder under the AMRFT program has the same use privileges and rights in a fishery as is available to an individual holding a regular entry permit.
- Section 21: Provides CFEC authority to establish annual fees for the issuance and renewal of entry permits, including temporary permits issued under the AMFRT program.
- Section 22: Establishes that temporary permits issued under the AMFRT program may only be transferred through the CFEC as provided by law and by regulations established by the CFEC.
- Section 23: Disallows the transfer of temporary permits issued under the AMFRT program except as specifically provided by law or regulation.
- Section 24: Provides exceptions, established by regulation, for the transfer of temporary permits issued under the AMFRT program, to include emergency transfer of the permit in the event of such things as medical illness, death, military or governmental duties, or other extenuating circumstances resulting in an unavoidable hardship and preclusion from being able to participate in the fishery.

Section 25: Adds a new subsection establishing the Alaska Master Fisherman Retirement Transfer program, wherein an individual holding an entry permit (hereafter "master") may annually temporarily transfer their permit to another individual (hereafter "journeyman"), and for that journeyman to operate in commercial fishing activities under the master's permit given certain parameters as follows:

- a. The transfer may not be initiated during an open fishing season;
- b. The transfer process is limited to a period of no more than three consecutive years;
- c. The transfer process must include a written binding contract between both parties filed with the CFEC;
- d. Provides for the Master to be present on the vessel during commercial fishing activity for 50% of the fishing season;
- e. The journeyman must use the master's vessel for the fishing season;
- f. Have both the names of the master and the journeyman on the permit;
- g. The journeyman qualifies to participate in the AMFRT program if the journeyman:
 - i. Applies to the CFEC on a form approved by the AK Dept. of Fish & Game;
 - ii. The journeyman demonstrates having been employed by and be a crewmember for the master for a minimum of one year prior to initiating the transfer process;
 - iii. Meets marine and navigational safety standards appropriate for the fishery and sophistication of the vessel being operated, including demonstrated knowledge of the fishery and of protecting the state's fisheries and marine environment; and
 - iv. Paid a required fee.

The CFEC is charged with adopting regulations specifying the forms, dates of application, and procedures to be followed in applying for and renewing a temporary permit transfer under the AMFRT program. These regulations will also include reporting requirements for both master and journeyman.

Section 26: As regards the existing point system for frequent violators of the Entry Permit salmon fishery laws, this section includes the AMFRT program permittee in that point system for respective violations.

Section 27: Extends the requirement of the CFEC to provide notice of violations and point-docking for AMFRT permit holders committing violations to salmon fisheries laws, consistent with existing notice requirements for standard permit holders making same violations.

Section 28: Extends the assessment of points against a standard permit holder, to also include a permit holder under the AMFRT program, that such assessment shall be in addition to, and not a substitution for, other penalties that may be imposed by a court.

Section 29: Adds a new subsection to clarify that the master shall be given notice of any points assessed against a journeyman participating under a AMFRT transfer agreement.

Section 30: Specifies that if a master's or journeyman's salmon fishery permit is suspended for any reason, the CFEC shall not issue another permit for either of them in that fishery during the suspension period, nor may they engage in any manner of commercial salmon fishing activity during that suspension time period.

Section 31: Extends CFEC authority to revoke the AMFRT permit in the event that false or misleading information was used to obtain it.

Section 32: Establishes an effective date of January 1, 2019.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 211
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SSSB211-DFG-CFEC-03-09-18
Title: TEMP. TRANSFER OF COMM. FISHING PERMITS
Sponsor: STEVENS
Requester: Senate Resources Committee

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)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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? 01/01/19

Why this fiscal note differs from previous version/comments:

Initial fiscal note.

Prepared By: Dale Kelley, Commissioner	Phone: (907)790-6942
Division: Commercial Fisheries Entry Commission	Date: 03/09/2018 02:25 PM
Approved By: Fate Putman, Chair	Date: 03/09/2018
Agency: Commercial Fisheries Entry Commission	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 211

Analysis

This bill would allow the temporary transfer of limited entry commercial fishing permits to allow Master fishers to phase themselves out and retire from the industry, while simultaneously phasing-in the journeyman fisher.

This will require regulation changes to add a new type of transfer. There will be zero fiscal impact to the Commission.

March 07, 2018

Dear Senator Stevens,

SB211 will clearly help facilitate the generational succession of Alaska's commercial fisheries onto a new generation of fishermen.

Among the public at large, there is a growing desire to see young Alaskan fishermen have more upwardly mobile opportunities to becoming owners in Alaska's commercial fisheries. There is also a developing desire of baby boomer generation fishermen who have had life time careers in the industry to retire from commercial fishing with dignity and grace over time and without the economic uncertainties of a onetime sell out.

There is no shortage of willing young fishermen looking for opportunities to advance their careers, but find the price of entry daunting without the opportunity to advance from first time deck-hand (*apprentice*) and experienced crewman (*journeyman*) to a point where they may develop the skills and confidence to take on debt and commit to fishing as an owner (*master*).

SB211 addresses the problems of training and access by providing young fishermen who desire upward mobility, a program that encourages opportunity, enables advanced training and applied, real-time experience.

SB211 does not require a complicated rewrite of the Limited Entry statutes, but simply amends the section pertaining to the medical and emergency transfer authorities and broadens the existing registry to include this new, limited qualification for our "graduating" masters. It is apparent to me that the specific intention of this Act is to amend existing statute to provide the opportunity of upward mobility for young fishermen and is in no manner intended to violate or change the standing prohibition against absentee ownership, the active leasing of permits or as a way to fish in multiple areas at the same time.

This Act adds no additional gear to the fishery and considers the safety of all by providing regulation to insure the safety of the crew, the vessel and the fishery resource. SB211 is truly a modern training program that is further providing for monitoring and active participation by the boat's master and a defined time period and process for effective enforcement.

In consideration of our young fishermen and the fishermen that will soon need to be succeeded, and who broadly support this bill, I urge you and your colleagues in the Senate to pass this through the committee process to the Floor for a positive vote in favor of SB211.

Regards,

Bruce Schactler
Kodiak

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Senator Gary Stevens
Alaska Legislature
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RE: Support for SB211 – Alaska Fisher Retirement Act

Dear Senator Gary Stevens,

March 10, 2018

We are writing to express our personal **support for Senate Bill 211 – Alaska Fisher Retirement Act**.

We are a commercial fishing family and own and operate a salmon gillnet vessel in Southeast Alaska. We have collectively worked in the industry for over 60 years.

We strongly support the retention of ownership of limited entry permits issued through CFEC by fishermen. In other words, we would not support absentee ownership of limited entry permits which would allow fishermen to sit on the beach and lease out their permits to others to fish them. However, we believe that allowing for a small amount of flexibility in the temporary transfer of permits to deckhands who are “apprenticing” to become owners and operators of their own vessels and crew is a positive step for the health of the industry.

The Legislature and others have recognized the “graying of the fleet” and this bill would provide additional encouragement for deckhands to progress into ownership of fishing operations. As we personally grow closer to retirement, and our children who also commercial fish, begin to look at investments in commercial fishing, we believe this bill would be helpful to transitioning the fleet to the younger generation in a way that provides them with the skills and expertise which will make them successful.

This bill would most likely be used for transfer of mid to large size fishing operations which require more experience, investment, and responsibility in order to provide all the tools for new fishermen to be successful.

Thank you for this opportunity for input. If you have any questions, please do not hesitate to call or email.



Gig and Julie Decker, commercial fishing family

Cc: Senator Cathy Giessel, Chair, Senate Resources Committee
Senator Bert Stedman, Senate Resources Committee