

ALASKA LEGISLATURE
HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2990

Alaska's Crown Jewels

*... The Constitutional Budget Reserve fund and
the Earnings Reserve Account ...*



- Only legislature in America deciding how to manage \$31 billion for 650,000 people

- Every minute, every hour, every day, the world helps build Alaska by
 - Investing in corporate America
 - Investing in America's society
 - Investing in America's future

- The CBR and the ERA form the abutment to our Bridge to Development

... but what about my check

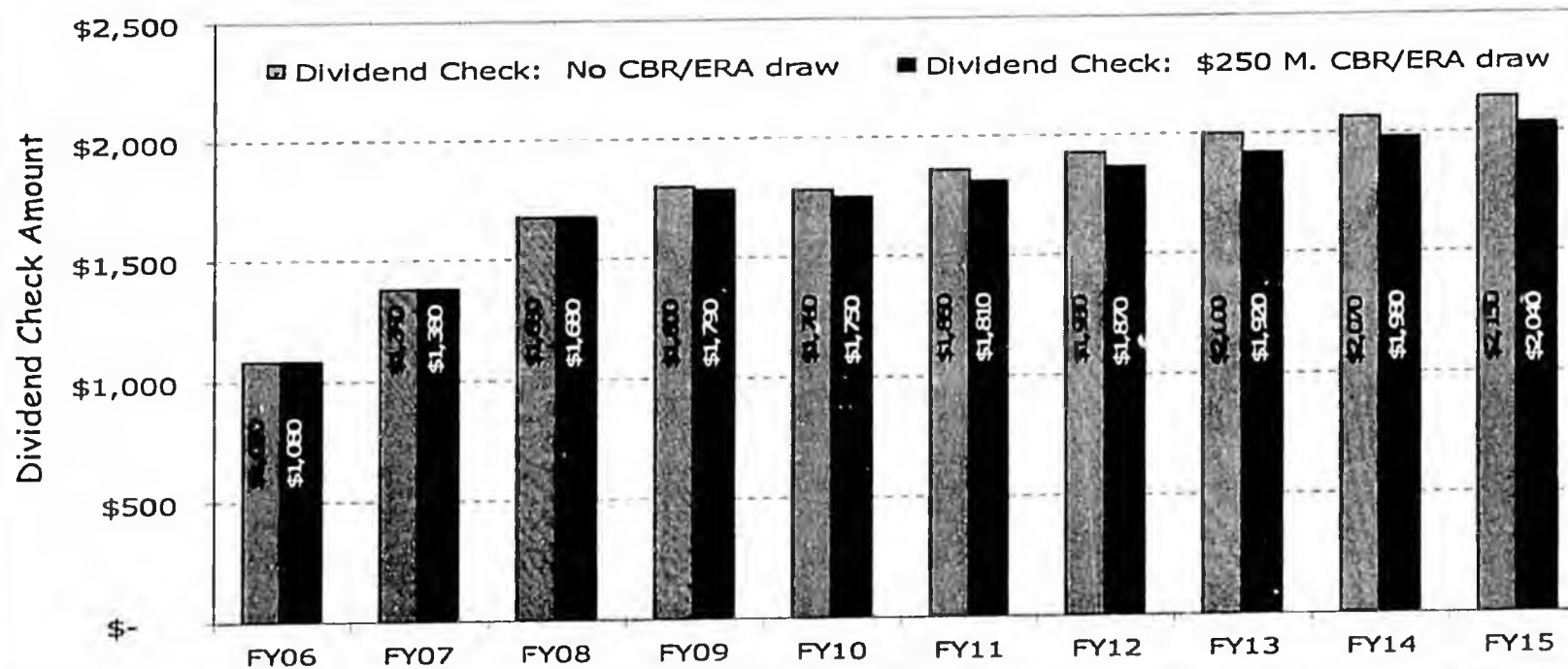
How much less is my PFD if the Legislature draws \$250 M from the ERA each year?

Fiscal Gap (millions)	ERA Draw (millions)	Fiscal Years Ahead									
		1	2	3	4	5	6	7	8	9	10
200	100	\$0	\$2	\$4	\$7	\$12	\$18	\$25	\$31	\$38	\$44
300	150	\$0	\$2	\$5	\$11	\$18	\$27	\$37	\$47	\$56	\$66
400	200	\$0	\$3	\$7	\$14	\$24	\$36	\$49	\$62	\$75	\$88
500	250	\$0	\$3	\$9	\$18	\$30	\$45	\$61	\$77	\$93	\$110
600	300	\$0	\$4	\$11	\$21	\$36	\$54	\$73	\$93	\$112	\$132
700	350	\$0	\$4	\$12	\$25	\$42	\$63	\$85	\$108	\$131	\$154
800	400	\$0	\$5	\$14	\$28	\$48	\$72	\$98	\$123	\$149	\$176
900	450	\$0	\$6	\$16	\$32	\$54	\$81	\$110	\$139	\$168	\$199
1,000	500	\$0	\$6	\$18	\$35	\$60	\$90	\$122	\$154	\$187	\$221

Source: Legislative Finance (Based on 7.0% rate of return, Perm Fund Financial Projections, Dec. 31, 2004)
Differences shown are for each fiscal year; total of each row would be the cumulative effect per person.

... how does this compare to status quo?

How much less is my PFD if the Legislature draws \$250 M from the ERA every year for 10 years?



Source: Legislative Finance (The PFD amounts are rounded to the nearest \$10.00)

Answer: In five years, it's 30 less. In ten years, it's \$110 less. 19

What does this really mean?

What will I give up if the Earnings Reserve Account is reduced by \$250 M each year for ten years?

Year One



Almost Nothing

Year Two



One Latte

Year Three



One Movie

Year Four



A Large Pizza

Year Five




A Woman's Haircut

Year Ten




A Fancy
Dinner for 2

... let's compare alternative revenue sources.



Income Tax
Raise \$250 Million
Cost \$1,000
(\$57,000 Adj. Gross Income)
Source: Department of Revenue



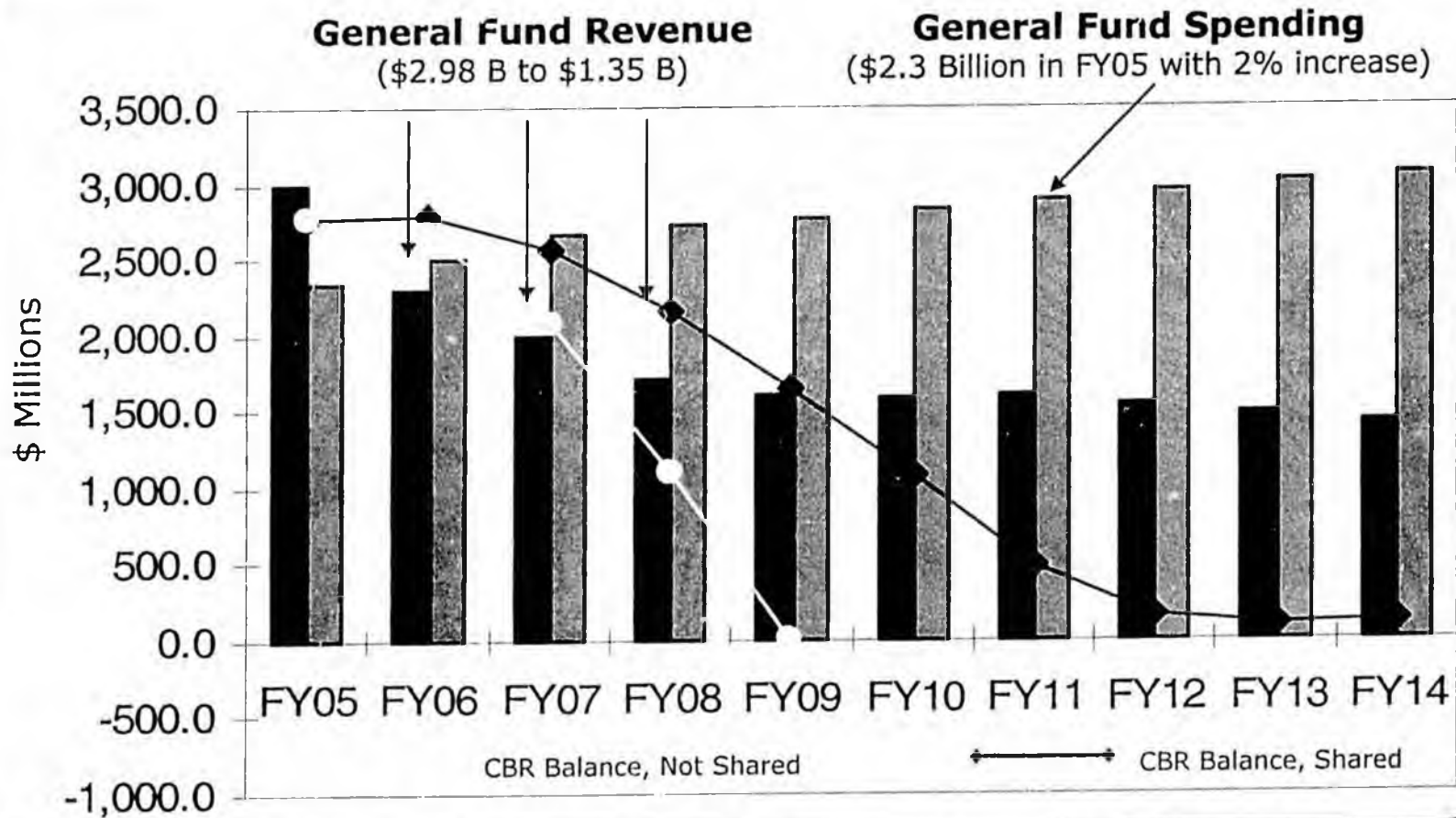
Sales Tax
Raise \$250 Million
Cost \$950
(\$57,000 Adj. Gross Income)
Source: Department of Revenue (2.75% Sales Tax)



Earnings Reserve
Raise \$250 Million
Cost \$12
(Slide 18)
Source: Legislative Finance

Under the Bridge to Development Plan (SB 88), all Alaskans share in the Power of Earnings.

... but does this help the CBR?



Source: Legislative Finance - expected CBR return @ 4.7% plus expected settlements

. . . let's use only when needed

Senate Bill 88 demands spending accountability because . . .

- (1) the Earnings Reserve Account is the people's money and
- (2) each legislator must answer to the public on how much was spent from the Earnings Reserve to fund state services.

. . . and to summarize

The Bridge to Development Plan



Bridges the State of Alaska revenue needs until development can occur



Recognizes Alaska's natural resource potential and opportunity for jobs



Recognizes the power of the Earnings Reserve - *the crown jewel of a fiscal plan*



Establishes accountability by forming an investment partnership with all voters

. . . and . . .



When needed, minimizes the financial impact on Alaska families



Doubles the life of the CBR



Strengthens the Alaska's bond rating and saves millions of dollars



Provides Alaska with a stable and dependable long term fiscal plan

Thank You!

Gary Wilken, Prime Sponsor
Senate Bill 88

www.akrepublicans.org/wilken

1													
2	General Fund	Baseline GF Revenue	2,986	2,301	1,987	1,701	1,616	1,589	1,603	1,549	1,475	1,418	1,349
3		New GF Revenue	0	0	0	0	0	7	50	732	1,467	1,710	1,970
4		GF Budget	(2,330)	(2,494)	(2,688)	(2,719)	(2,773)	(2,828)	(2,885)	(2,943)	(3,012)	(3,062)	(3,123)
5		GF Supplemental	(100)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
6		Fiscal Gap/Surplus	555	(244)	(729)	(1,088)	(1,208)	(1,283)	(1,282)	(712)	(110)	14	148
7		Draw from ERA	0	122	364	534	604	641	641	358	55	0	0
8		Draw from CBR	(555)	122	364	534	604	641	641	358	55	(14)	(146)
9		Fiscal Gap After CBR Draw	0	0	0	0	0	0	0	0	0	0	0
10	CBR Fund												
11		Beginning CBR balance	2,084	2,788	2,788	2,660	2,146	1,643	1,079	489	166	108	128
12		Settlements	20	19	9	0	0	0	0	0	0	0	0
13		Earnings	118	130	131	120	101	77	51	23	7	5	6
14		CBR Draw/Payback	555	(122)	(364)	(534)	(604)	(641)	(641)	(358)	(55)	14	146
15		Ending CBR balance	2,788	2,788	2,560	2,146	1,643	1,079	489	166	108	128	280
16	Permanent Fund												
17		Market Value - Begin Bal	27,400	28,316	31,047	32,429	33,481	34,460	35,468	36,522	37,895	39,624	41,487
18		Principal - Begin Bal	23,626	24,670	26,698	28,710	27,681	28,664	29,674	30,713	31,774	32,856	33,960
19		Dedicated Revenue	476	356	312	245	231	230	231	224	215	206	195
20		Other/Special Appropriations	27	21	23	24	26	28	30	32	34	37	39
21		Inflation Proofing	641	651	677	701	728	752	778	805	833	861	889
22		Principal - Ending Bal	24,670	25,698	28,710	27,681	28,664	29,674	30,713	31,774	32,856	33,960	35,083
23		Accumulated Unrealized Gain(Loss)	2,562	2,742	2,933	3,132	3,338	3,550	3,769	3,994	4,229	4,474	4,732
24		Reserved - Ending Bal	27,232	28,440	29,643	30,813	32,002	33,224	34,482	35,769	37,085	38,434	39,814
25													
26		ERA Begin Bal	859	2,084	2,807	2,786	2,689	2,448	2,244	2,040	2,126	2,538	1,053
27		Realized Gain(Loss)	2,474	1,988	2,106	2,187	2,268	2,333	2,402	2,473	2,544	2,615	2,686
28		Income Available for Distribution	1,217	1,383	1,771	2,158	2,317	2,287	2,374	2,451	2,528	2,605	2,715
29		Transfer to Dividend Fund	(608)	(691)	(885)	(1,079)	(1,158)	(1,144)	(1,187)	(1,226)	(1,264)	(1,308)	(1,358)
30		Inflation Proofing/Special/Other	(641)	(651)	(677)	(701)	(726)	(752)	(778)	(805)	(833)	(861)	(889)
31		subtotal	2,084	2,729	3,150	3,203	3,052	2,886	2,681	2,482	2,594	3,053	3,614
32		Draw for Fiscal Gap	0	(122)	(364)	(534)	(604)	(641)	(641)	(358)	(55)	0	0
33		ERA - Ending Bal	2,084	2,607	2,786	2,689	2,448	2,244	2,040	2,126	2,539	3,063	3,614
34		Market Value - Ending Bal	28,316	31,047	32,429	33,481	34,460	35,468	36,522	37,695	39,624	41,487	43,428
35													
36	50-50 Output												
37		Total Paid Applicants (thousands)	603	610	616	623	630	637	644	651	658	665	673
38		Dividend Checks											
39		Status Quo	na	1,080	1,380	1,680	1,800	1,780	1,850	1,930	2,000	2,070	2,150
40		W/ Draw	na	\$ 1,080	\$ 1,380	\$ 1,680	\$ 1,790	\$ 1,740	\$ 1,790	\$ 1,830	\$ 1,870	\$ 1,910	\$ 1,960
41			0	0	0	10	40	60	100	130	160	190	
42													
43		Principal											
44		Status Quo	24,650	25,680	26,690	27,680	28,640	29,650	30,690	31,750	32,830	33,930	35,050
45		W/ Draw	24,670	25,700	26,710	27,680	28,660	29,670	30,710	31,770	32,860	33,960	35,080
46			20	20	20	20	20	20	20	20	30	30	30
47		ERA											
48		Status Quo	2,080	2,730	3,280	3,730	4,180	4,710	5,270	5,870	6,510	7,190	7,910
49		W/ Draw	2,080	2,610	2,790	2,670	2,450	2,240	2,040	2,130	2,540	3,050	3,610
50			-	(120)	(490)	(1,060)	(1,730)	(2,470)	(3,230)	(3,740)	(4,140)	(4,300)	
51													
52		Accumulated Unrealized Gains											
53		Status Quo	2,560	2,740	2,930	3,140	3,350	3,570	3,810	4,050	4,310	4,580	4,860
54		W/ Draw	2,560	2,740	2,930	3,130	3,340	3,550	3,770	3,990	4,230	4,470	4,730
55			-	-	-	(10)	(10)	(20)	(40)	(60)	(80)	(110)	(130)
56													
57		Total Market Value											
58		Status Quo	29,320	31,170	32,930	34,550	36,190	37,950	39,750	41,690	43,670	45,720	47,850
59		W/ Draw	29,320	31,050	32,430	33,480	34,450	35,470	36,520	37,690	39,620	41,490	43,430
60			-	(120)	(500)	(1,070)	(1,740)	(2,480)	(3,270)	(3,790)	(4,050)	(4,230)	(4,420)

4/05/05
 Provided by Rob Carpenter

50-50 Model		(millions)	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
1	General Inputs:	Budget Growth Rate	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
2		Inflation Rate	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
3		CBR Earnings Rate	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
4	<i>DOR-Fall 2004 Forecast</i>	Baseline GF Revenue	2,986	2,301	1,987	1,701	1,616	1,589	1,603	1,549	1,475	1,416	1,349
5	<i>OMB</i>	Resource Development	0	0	0	0	0	7	50	732	1,467	1,710	1,970
6													
7	APFC Projection Inputs:	Statutory Net Income	2,474	1,998	2,114	2,231	2,340	2,451	2,570	2,694	2,822	2,956	3,094
8	<i>(update with APFC monthly financials)</i>	Principal Ending Balance	24,653	25,681	26,691	27,660	28,643	29,651	30,689	31,749	32,829	33,930	35,051
9	<i>Latest update - January 31, 2005</i>	MV Ending Balance	29,316	31,172	32,927	34,546	36,188	37,949	39,785	41,690	43,668	45,719	47,848
10		ERA Ending Balance	2,084	2,732	3,284	3,732	4,176	4,708	5,271	5,871	6,510	7,189	7,911
11		Accumulated Unrealized	2,562	2,742	2,934	3,136	3,348	3,571	3,805	4,051	4,309	4,579	4,863
12		Dedicated Revenue	476	356	312	245	231	230	231	224	215	206	195
13		Other/Special	27	21	23	24	26	28	30	32	34	37	39
14		Dividend Transfer	608	690	885	1,082	1,170	1,168	1,229	1,290	1,352	1,417	1,484
16		Inflation Proofing	641	651	676	701	726	751	777	804	832	859	888



Alaska Permanent Fund Corporation
801 West 10th Street, Suite 302 Juneau, AK 99801
Tel: (907) 465-2047 Fax: (907) 586-2057

MEMORANDUM

TO: Senator Wilken

FROM: Chris Phillips
Director of Finance
Alaska Permanent Fund Corporation

DATE: March 2, 2005

SUBJECT: SB 88 financial analysis

Per your request, we have reviewed your presentation materials for SB 88, using financial analysis prepared by Legislative Finance. We focused our review on how SB 88 would affect the Alaska Permanent Fund's annual distribution, particularly the annual per person dividend projection.

Specifically, we reviewed several scenarios of constant payouts of between \$100 million and \$500 million annually, which would be drawn from the accumulated realized earnings account each year, after paying the dividend and inflation proofing the principal of the Fund. The projected dividend differences outlined on slides 18 and 19 of your attached presentation are reasonable given the median case realized return assumptions for the Fund. Due to rounding, our numbers may differ slightly from Legislative Finance in any one year; however, we believe these differences are immaterial.

Under SB 88, the resulting difference in the dividend check using an annual draw to fund the fiscal gap is small early on. For example, if \$250 million (less than 1% of the Fund's total value) is removed from the accumulated realized earnings account each year, the dividend is affected only by the lack of earnings power of the amount withdrawn. Given the five year average in the earnings formula for the dividend outlined in statute, it takes several years for the impact of annual draws to noticeably affect the per person dividend check.

If you have a further questions you would like us to address, please feel free to contact us.

Attachment: PowerPoint slides

cc: Rob Carpenter, Legislative Finance
Laura Achee, APFC

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/2/05

FURTHER: Finance

Date of 5-Day Notice: 2/10/2005
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 3/16/05

State Affairs Committee considered SENATE BILL NO. 88

SB 88 POLICY ON GENERAL FUND REVENUE SHORTFALL

"An Act relating to the policy of the state regarding the source of funding used to cover a shortfall in general fund revenue."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Volunteer				✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Betty Davis</i>			X	
<i>[Signature]</i>		✓		
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
CHAIR: <i>[Signature]</i>			X	

Davis
 Elton
 [Signature]
 Higgins
 Merrill

SB

93

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 7, 2005

FURTHER REFERRALS:

Date of Committee Action: 4/19/05

The FINANCE Committee considered:

CSSB 93(FIN)

CS FOR SENATE BILL NO. 93(FIN)

FISHING PERMIT AND VESSEL LICENSE FEES

"An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date."

Recommends it be replaced with HCS or CS for SB 93 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 IIS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DFG		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Hawker	*			
	CROM			✓	
	MOSES	x			
	Kelly			x	
	FOSTER	x			
	Maye	x			
Chair:	Maye	x			
Chair:	Chenault	x			

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCSSB 093(FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Annual commercial fishing permit RDU Comm. Fish Entry Commission
and vessel license fees Component Commercial Fisheries Entry
Commission
 Sponsor Senator Ben Stevens
 Requester House Finance Committee Component No. 471

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	1,885.2	1,793.6	1,706.4	1,623.5	1,544.6	1,469.5
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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						
1156 Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*
 Passage of HCSSB 093(FIN) will not require additional expenditures or positions. It will provide for increased revenues generated by permit and license fees, though an exact amount cannot be determined at this time.

 HCSSB 093(FIN) maintains the commercial fishing vessel licensing in current law and statutorily establishes new vessel length categories of 25 foot increments to 300 feet. This results in an estimated increase in revenue of approximately \$115.3 for FY06.

 For commercial fishing permits, the bill maintains the directive that fees "must reasonably reflect the different rates of economic return for different fisheries," and establishes a \$3,000 base fee cap on annual permit renewal fees. The

Continued on page 2

Prepared by: Shirley Penrose, Administrative Officer Phone 907-790-6960
 Division Commercial Fisheries Entry Commission Date/Time 4/20/05 9:11 AM
 Approved by: Frank M. Homar, Commissioner Date 4/20/2005
 Agency Commercial Fisheries Entry Commission

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HCSSB 093(FIN)

ANALYSIS CONTINUATION

current \$300 fee cap artificially holds fees down in the highest-earning fisheries and results in those fisheries paying fees that are disproportionately lower.

While passage of HCSSB 093(FIN) would not, in itself, change annual permit fees, the removal of the current \$300 maximum base fee effectively authorizes CFEC to implement a fairer fee schedule that more truly meets the statutory mandate that fees are to reflect the earnings in respective fisheries. The regulatory fee structure CFEC intends to propose under provisions of HCSSB 093(FIN) would result in an estimated increase of approximately \$1,836.8 in revenues to the state from permit fees in FY06.

The change from a "per permit" nonresident fee differential to a single annual nonresident surcharge (necessitated by recent rulings in the Carlson v. State of Alaska class action), results in an annual estimated decline of about \$67,000 in revenue.

In combination, the various revisions made by HCSSB 093(FIN), and the regulatory framework CFEC intends to propose to implement the provisions of the bill, would likely result in an overall increase in revenues generated by approximately \$1,885.2 in FY06.

Due to steadily declining revenues, CFEC (a receipt supported agency) expects to be in a deficit situation in FY06 or FY07 without passage of HCSSB 093(FIN). While passage of the bill will likely increase revenues enough to provide revenues to the General Fund above the current cost of CFEC's budget in the next few years, total revenues generated by CFEC fees are expected to continue declining. This is due to economic difficulties in some fisheries (particularly salmon fisheries) resulting in their falling into lower annual permit fee classes, and to ongoing decreases in the number of permits and vessel licenses issued annually. This decrease in participants is due to many factors, including fewer permits being issued after each fishery limitation; consolidation in federally- managed fisheries licensed by the state; and cancellation of nontransferable permits as holders of those permits die or retire. Thus, the amount of revenue generated by CFEC fees, and the cost of funding CFEC's operating budget, will likely converge again in coming years.

Because of the uncertainty of future events and the downward trend in our revenues, we have shown the anticipated revenue this bill may produce to decrease at 4.86% per year, which is our current calculated rate of decline.

Moved

4118105

24-LS0504Y.2
Utermohle
4/15/05

AMENDMENT

Adopted
5-3

4-19-05

OFFERED IN THE HOUSE

TO: CSSB 93(FIN)

1 Page 2, lines 21 - 23:

2 Delete all material and insert:

3	"(4) over 75 feet - 100 feet	225
4	(5) over 100 feet - 125 feet	300
5	(6) over 125 feet - 150 feet	375
6	(7) over 150 feet - 175 feet	450
7	(8) over 175 feet - 200 feet	525
8	(9) over 200 feet - 225 feet	600
9	(10) over 225 feet - 250 feet	675
10	(11) over 250 feet - 275 feet	750
11	(12) over 275 feet - 300 feet	825
12	(13) over 300 feet	900."

ALASKA STATE LEGISLATURE

Chair
STATE AFFAIRS

Member
RESOURCES

Member
HEALTH, EDUCATION AND SOCIAL SERVICES

Member
WAYS AND MEANS



REPRESENTATIVE PAUL SEATON

House District 35

Session:
State Capitol Building
Juneau, Alaska 99801
Phone 907-465-2689
Fax 907-465-3472
1-800-665-2689
Rep.Paul.Seaton@legis.state.ak.us

Interim:
345 W. Sterling Highway
Suite 102B
Homer, Alaska 99603
Phone 907-235-2921
Fax 907-235-4008

House Finance Committee
Re: SB 93(FIN) and HB 174 on increasing CFEC fees

Re: Vessel license categories.

CFEC knows the length of each vessel applying for a vessel license. By having such large groupings, the fee structure does not recognize the vast difference between the fishing power of vessels at the lower and upper end of the class. Thus the fee on a 76-foot vessel fee is the same as a 149-foot vessel, and a 151-foot vessel is charged the same as a huge 249-foot vessel. CFEC prepared a fee schedule based on 25-foot increments, which will generate approximately the same revenue but will be fairer to the diversity of vessels throughout the fleet related to their fishing power.

This is submitted as Amendment # 1, 24-LS0504\Y.2

Thank you for your consideration of this matter in your deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Paul Seaton".

Rep. Paul K. Seaton



AMENDMENT

#2

with drawn
4-19-05

OFFERED IN THE HOUSE
TO: CSSB 93(FIN)

- 1 Page 3, lines 1 - 2:
- 2 Delete "or more than \$3,000"

ALASKA STATE LEGISLATURE

Chair
STATE AFFAIRS

Member
RESOURCES

Member
HEALTH, EDUCATION AND SOCIAL SERVICES

Member
WAYS AND MEANS



REPRESENTATIVE PAUL SEATON
House District 35

Session:
State Capitol Building
Juneau, Alaska 99801
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House Finance Committee
Re: SB 93(FIN) and HB 174 on increasing CFEC fees

CFEC permit fees are based 0.4% of the value of the fishery. The old cap was not an appropriate concept and the House Fisheries Committee Bill eliminated the cap. The House Resources CS reestablishes a cap even though at a higher amount. The effect of a cap is to shift the percentage of "tax" or CFEC fee to the smaller, less lucrative fisheries. That is, if we tax the less lucrative fisheries at 0.4% but cap the lucrative fisheries at \$3,000 we shift \$400,000 onto the smaller fisheries.

The Board of Fisheries management tendency is to promote consolidation in the fisheries. With consolidation fewer vessel or permits will harvest the resource and more may qualify for reduced payment with the cap even though the entire change is based on greater efficiency and profitability.

If we are going to base the CFEC revenue on a percentage of the value of the industry, I believe the state should receive an equal share from all the fisheries and not build in this cap exception. A good example is the scallop fishery where the permits were assigned to vessel owners – including corporations – in 2002. Now only one to three vessels may harvest that entire fishery since the permit owner is not even required to be "on board." The cap could mean that the State would receive much less if those permits consolidate. This has also been the case in halibut and sablefish IFQ fisheries with consolidation.

This is submitted as amendment #2, 24-LS0504/Y.1

Thank you for your consideration of this matter in your deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Paul Seaton".

Rep. Paul K. Seaton

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 93(FIN)
(S) Publish Date: 4/4/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title Annual commercial fishing permit RDU Comm. Fish Entry Commission
and vessel license fees Component Commercial Fisheries Entry
Sponsor Senator Ben Stevens Commission
Requester Senate Finance Commerce Component No. 471

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	1,890.5	1,798.6	1,711.2	1,628.0	1,548.9	1,473.6
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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						
1156 Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Passage of CSSB 093(FIN) will not require additional expenditures or positions. It will provide for increased revenues generated by permit and license fees, though an exact amount cannot be determined at this time.

CSSB 093(FIN) maintains the commercial fishing vessel licensing size classes in current law and statutorily establishes a 20% higher annual fee for each class. This results in an estimated increase in revenue of approximately \$120.7 for FY06.

For commercial fishing permits, the bill maintains the directive that fees "must reasonably reflect the different rates of economic return for different fisheries," and establishes a \$3000 base fee cap on annual permit renewal fees. The

Continued on page 2

Prepared by: Shirley Penrose, Administrative Officer Phone 907-790-6960
Division Commercial Fisheries Entry Commission Date/Time 4/1/05 9:02 AM
Approved by: Frank M. Homan, Commissioner Date 4/1/2005
Agency Commercial Fisheries Entry Commission

FISCAL NOTE # 2

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. CSSB 93(FIN)

ANALYSIS CONTINUATION

current \$300 fee cap artificially holds fees down in the highest-earning fisheries and results in those fisheries paying fees that are disproportionately lower.

While passage of CSSB 093(FIN) would not, in itself, change annual permit fees, the removal of the current \$300 maximum base fee effectively authorizes CFEC to implement a fairer fee schedule that more truly meets the statutory mandate that fees are to reflect the earnings in respective fisheries. The regulatory fee structure CFEC intends to propose under provisions of CSSB 093(FIN) would result in an estimated increase of approximately \$1,836.8 in revenues to the state from permit fees in FY06.

The change from a "per permit" nonresident fee differential to a single annual nonresident surcharge (necessitated by recent rulings in the Carlson v. State of Alaska class action), results in an annual estimated decline of about \$67,000 in revenue.

In combination, the various revisions made by CSSB 093(FIN), and the regulatory framework CFEC intends to propose to implement the provisions of the bill, would likely result in an overall increase in revenues generated by approximately \$1,890.5 in FY06.

Due to steadily declining revenues, CFEC (a receipt supported agency) expects to be in a deficit situation in FY06 or FY07 without passage of CSSB 093(FIN). While passage of the bill will likely increase revenues enough to provide revenues to the General Fund above the current cost of CFEC's budget in the next few years, total revenues generated by CFEC fees are expected to continue declining. This is due to economic difficulties in some fisheries (particularly salmon fisheries) resulting in their falling into lower annual permit fee classes, and to ongoing decreases in the number of permits and vessel licenses issued annually. This decrease in participants is due to many factors, including fewer permits being issued after each fishery limitation; consolidation in federally-managed fisheries licensed by the state; and cancellation of nontransferable permits as holders of those permits die or retire. Thus, the amount of revenue generated by CFEC fees, and the cost of funding CFEC's operating budget, will likely converge again in coming years.

Because of the uncertainty of future events and the downward trend in our revenues, we have shown the anticipated revenue this bill may produce to decrease at 4.86% per year, which is our current calculated rate of decline.

Alaska State Legislature
PRESIDENT OF THE SENATE

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Session:
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SENATOR BEN STEVENS

SPONSOR STATEMENT

Senate Bill 93

"An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date."

Senate Bill 93 will bring the state into compliance with recent rulings in *Carlson v. State of Alaska* clarifying that the nonresident fee differential will be charged on a "per person" basis rather than a "per permit" basis.

The measure will ensure that nonresidents who qualify for the reduced permit fee (by meeting low income standards) are charged the full allowable nonresident differential.

Currently, there exists a \$300 artificial cap on the base fee for annual permit renewal. The base fee must "reasonably reflect the different rates of economic return for different fisheries." This results in fisheries with a very high economic return being charged fees that are disproportionately low. Senate Bill 93 raises the \$300 cap on the base fee to \$3,000 and will allow CFEC to develop a fee structure that more accurately reflects the value of respective fisheries.

The bill maintains the existing 6 vessel length categories and raises the vessel license fees by 20 percent for each category.

Senate Bill 93 will authorize CFEC to charge reasonable fees for initial issuance and replacement of the number plates issued to vessels for displaying the vessel's ADF&G number and annual vessel license renewal stickers.

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SENATOR BEN STEVENS

Need for Senate Bill 93

“An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date.”

In 2001, the legislature passed legislation to bring the state into compliance with a State Supreme Court decision in the Carlson v. State of Alaska class action brought by non-resident fishermen challenging the state's fee structure charging higher commercial fishing license and permit fees to non-residents. The 2001 legislation eliminated the 3-to-1 non-resident permit fee differential and it was replaced it with the court's formula. Because certain aspects of the case were still under appeal at that time, the legislature recognized that further legislation would likely be required in the future to implement subsequent Carlson decisions.

While much of Carlson remains under appeal, a recent decision determined that the state may only assess the non-resident fee differential once per year per non-resident permit holder, regardless of the number of permits held. Thus, immediate legislative action is required to clarify the statutory language regarding the application of the non-resident differential.

The currently required revision will result in yet another decline in the revenues generated from commercial fishing fees.

Because of Carlson and for several other reasons discussed below, the Commercial Fisheries Entry Commission (CFEC) has experienced a continuing decline in revenues to the point where revenues generated from permit and vessel fees can no longer sustain CFEC's budget. CFEC, a receipt supported services agency funded by industry fees, has traditionally returned revenue to the general fund above its needs. In recent years, the legislature has appropriated these receipts to help fund the Division of Commercial Fisheries. Despite generating more revenue than its own budget, CFEC has experienced a 29% loss of its full-time staff due to budget reductions since 1986, decreasing from 41 full-time employees to 29 full-time employees.

Several factors beyond the control of CFEC have converged to decrease CFEC revenue to the point where it is now impossible to provide sufficient revenue to cover its budget from receipts. In addition to reductions in non-resident fee revenues due to the Carlson case, other factors include: consolidation in federal fisheries has resulted in the purchase of fewer state-issued halibut and black cod permits; reduced permit prices in the salmon fisheries have resulted in lower fees collected since fees are based on permit prices or gross revenues, and as they have declined so have fees; poor fishing seasons in recent years and fishery limitations have caused fewer permits to be purchased.

The outlook is for continued consolidation of the federal and state fisheries. Whether the salmon fisheries will rebound is uncertain, and industry's search for restructuring, product development and new markets are likely to take some time. At this time it is necessary to consider an increase in the annual permit renewal fee schedule, which have not been significantly changed since 1987, and a modest increase in vessels license fees, which have not been raised in 10 years.

What is being proposed by this legislation is a lifting of the statutory cap on permit fees. The existing \$300 statutory fee cap has artificially held down the amount of fees charged despite the substantial economic value of the fisheries affected. Removal of the cap will allow the fees to more closely conform to the statutory guidelines of AS 16.43.160(e), which requires: "The annual base fee must reasonably reflect the different rates of economic return for different fisheries."

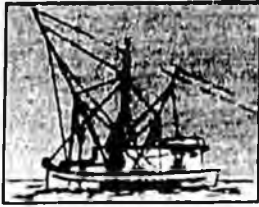
The commission then by regulation would propose slight increases in current permit fee classes and add several new fee classes for higher valued fisheries. This change will have little effect on the lower value fisheries.

The annual permit renewal fee increase would begin at \$15 for the lower value fisheries and progress through the fee classes by adding additional \$15 increments at each fee class. We would then add fee classes for the higher value fisheries that will reflect their economic value. The proposal only has a modest effect on existing fee classes. Those fisheries in the lowest two fee classes, currently \$60 and \$120 (which represent more than 80% of all permits), would only experience a \$15 and \$30 increase respectively. The current \$60 fee class (representing more than 55% of permits) would increase from \$60 to \$75 and the \$120 fee class (representing another 25% of permits) would increase from \$120 to \$150.

In short, this new fee proposal would have little effect on those in lower valued fisheries. The main effect of removing the statutory cap will be to adjust those very valuable fisheries (that have been artificially held down to \$300) to higher fee categories, that more accurately reflect their real economic return.

This legislation would also increase the range of annual vessel license renewal fees by amounts from \$15 for the 0-25 feet class (the lowest fee class) to \$90 for vessels larger than 250 feet (the highest fee class). The fee increase

for the lowest two fee categories which include vessels up to 50 feet (accounting for 87% of all vessels licensed) would only be \$30 or less.



Alaska Trollers Association

SB 93

130 Seward St., No. 211
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

April 15, 2005

Representatives Mike Chenault and Kevin Meyer, Co-Chairs
House Finance Committee
Alaska State Legislature
Juneau, AK 99811

Dear Representatives Chenault and Meyers:

The Alaska Trollers Association (ATA) wishes to voice its objection to SB 93 and HB 174, which we understand will increase vessel license renewal fees by 20% for 2005, and permit fees by an undesignated amount in 2006.

ATA represents the interests of hook and line salmon fishermen operating power and hand troll vessels in Southeast Alaska. Most of our boats fall into the two categories that span 25-75 feet. Troll permit value has fluctuated dramatically in recent years and for awhile was extremely depressed, due to loss of product and low prices paid for salmon. Many fishermen are still struggling to stabilize their businesses from those events. At this time troll permit values are rising, but we note that the markets affecting salmon prices are still volatile.

While ATA has long been supportive of the budgets of CFEC and ADFG, both of which have benefited from this category of user fees, we note that these permit and vessel increases are yet another operating expense, with no associated increase in service, for an already heavily taxed industry. Many of our members fish multiple permits, which will add to their individual burden of increasing costs.

ATA appreciates CFEC's offer to work with industry to establish a fair and reasonable fee structure for permits and we will certainly agree to do so should this bill pass.

However, given that HB 174 and SB 93 create uncertainty as to the combined effect of increased vessel fees added to undesignated permit fee increases in 2006, the ATA board found it difficult to support these bills at this time.

Thank you for considering ATA's point of view!

Best regards,

Dale Kelley
Executive Director

**CFEC VESSEL FEES
CURRENT AND PROPOSED**

Vessel Length	Number	Current Fee	Current Revenue	Proposed 20 % Fee	Proposed 20% Revenue
0-25'	3,484	\$20	\$69,680	\$24	\$83,616
25-50'	5,600	\$50	\$280,000	\$60	\$336,000
50-75'	764	\$100	\$76,400	\$120	\$91,680
75-150'	447	\$250	\$111,750	\$300	\$134,100
150-250'	92	\$500	\$46,000	\$600	\$55,200
250'	26	\$750	\$19,500	\$900	\$23,400
TOTAL	10,413		\$603,330		\$723,996

Source: CFEC 3/29/2005

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93

Permit Counts and Estimated Revenue By Base Fee With \$3000 Cap
March 29, 2005

Current 2005 Permit Renewal Fees				2005 Fees Using Proposed Method			
Base Fee	Number of Permits		Estimated Revenue	Base Fee	Number of Permits		Estimated Revenue
	Residents	Non-Residents			Residents	Non-Residents	
				\$3,000	45	220	\$795,000
				↓			
				\$2,025	9	42	\$103,275
				↓			
				\$1,500	12	54	\$99,000
				↓			
				\$1,200	34	17	\$61,200
				↓			
				\$900	200	209	\$368,100
				\$825	136	240	\$310,200
				\$750	101	23	\$93,000
				\$675	33	14	\$31,725
				\$600	23	2	\$15,000
				\$525	71	77	\$77,700
				↓			
\$300	747	918	\$499,500	\$375	10	2	\$4,500
\$240	858	272	\$271,200	\$300	652	254	\$271,800
\$180	827	241	\$192,240	\$225	257	32	\$65,025
\$120	3,749	1,634	\$645,960	\$150	4,496	1,860	\$953,400
\$60	10,702	1,815	\$751,020	\$75	10,804	1,834	\$947,850
Totals	16,883	4,880	\$2,359,920		16,883	4,880	\$4,196,775



Under the proposed methodology, no permits would fall into the omitted base fee categories

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93 With \$3000 Cap

3/30/2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
B05B	HALIBUT, HAND TROLL, STATEWIDE	N	170	0	\$60	\$75
B25B	HALIBUT, DINGLEBAR TROLL, STATEWIDE	N	4	1	\$60	\$75
B26B	HALIBUT, MECHANICAL JIG, STATEWIDE	N	72	3	\$60	\$75
C26B	SABLEFISH, MECHANICAL JIG, STATEWIDE	N	8	0	\$60	\$75
C4CE	SABLEFISH, NET GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5AE	SABLEFISH, FIXED GEAR MAX VL LENGTH 90', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5BE	SABLEFISH, FIXED GEAR MAX VL LENGTH 60', PRINCE WILLIAM SOUND	Y	3	0	\$60	\$75
C5DE	SABLEFISH, FIXED GEAR MAX VL LENGTH 35', PRINCE WILLIAM SOUND	Y	10	0	\$60	\$75
D09D	DUNGENESS CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	0	1	\$60	\$75
D09L	DUNGENESS CRAB, POT GEAR VL UNDER 60', CHIGNIK	N	1	0	\$60	\$75
D10A	DUNGENESS CRAB, RING NETS, SOUTHEAST	Y	5	0	\$60	\$75
D11A	DUNGENESS CRAB, DIVING GEAR, SOUTHEAST	Y	1	1	\$60	\$75
D91D	DUNGENESS CRAB, POT GEAR VL OVER 60', YAKUTAT	N	1	1	\$60	\$75
D9DA	DUNGENESS CRAB, 75 POTS/OR 25% OF MAX, SOUTHEAST	Y	91	10	\$60	\$75
G01K	HERRING ROE, PURSE SEINE, KODIAK	Y	51	14	\$60	\$75
G01L	HERRING ROE, PURSE SEINE, CHIGNIK	N	4	0	\$50	\$75
G01M	HERRING ROE, PURSE SEINE, AK PENINSULA	N	9	0	\$60	\$75
G31K	HERRING ROE, GILLNET & PURSE SEINE, KODIAK	Y	2	0	\$60	\$75
G34A	HERRING ROE & FDBT, GILLNET, SOUTHEAST	Y	78	37	\$60	\$75
G34H	HERRING ROE, GILLNET, COOKINLET	N	39	0	\$60	\$75
G34K	HERRING ROE, GILLNET, KODIAK	Y	80	9	\$60	\$75
G34M	HERRING ROE, GILLNET, AK PENINSULA	N	4	0	\$60	\$75
G34N	HERRING ROE, GILLNET, NELSON ISLAND	Y	123	4	\$60	\$75
G34S	HERRING ROE, GILLNET, SECURITY COVE	N	44	35	\$60	\$75
G34T	HERRING ROE, GILLNET, BRISTOL BAY	N	137	58	\$60	\$75
G34U	HERRING ROE, GILLNET, NUNIVAK ISLAND	Y	39	4	\$60	\$75
G34V	HERRING ROE, GILLNET, CAPE AVINOF	N	77	0	\$60	\$75
G34W	HERRING ROE, GILLNET, GOODNEWS BAY	Y	138	0	\$60	\$75
G34Y	HERRING ROE, GILLNET, CAPE ROMANZOF	Y	59	0	\$60	\$75
G34Z	HERRING ROE, GILLNET, NORTON SOUND	Y	183	59	\$60	\$75
H01L	HERRING FOOD BAIT, PURSE SEINE, CHIGNIK	N	1	0	\$60	\$75
H21A	HERRING FOOD BAIT, SPAWN ON KELP POUND, SOUTHEAST	N	19	3	\$60	\$75
H34M	HERRING FOOD BAIT, GILLNET, AK PENINSULA	N	22	0	\$60	\$75
H7BK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 75', KODIAK	Y	0	1	\$60	\$75
H7CK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 70', KODIAK	Y	1	0	\$60	\$75
H7DK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 60', KODIAK	Y	0	2	\$60	\$75
I05B	LING COD, HAND TROLL, STATEWIDE	N	20	0	\$60	\$75
I06B	LING COD, LONGLINE VL UNDER 60', STATEWIDE	N	18	2	\$60	\$75
I25B	LING COD, DINGLEBAR TROLL, STATEWIDE	N	72	3	\$60	\$75
I26B	LING COD, MECHANICAL JIG, STATEWIDE	N	42	2	\$60	\$75
I61B	LING COD, LONGLINE VL OVER 60', STATEWIDE	N	1	0	\$60	\$75
I91B	LING COD, POT GEAR VL OVER 60', STATEWIDE	N	2	1	\$60	\$75
K09D	KING CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	1	0	\$60	\$75
K09O	KING CRAB, POT GEAR VL UNDER 60', DUTCH HARBOR	N	1	0	\$60	\$75
K09Q	KING CRAB, POT GEAR VL UNDER 60', BERING SEA	N	2	0	\$60	\$75
K09X	KING CRAB, POT GEAR VL UNDER 60', SAINT LAWRENCE ISLAND	N	4	0	\$60	\$75
K19A	RED BLUE KING CRAB, POT GEAR, SOUTHEAST	Y	5	0	\$60	\$75
L12T	HERRING SPAWN ON KELP, DIVEHAND PICK, BRISTOL BAY	Y	201	6	\$60	\$75
L21C	HERRING SPAWN ON KELP POUND, SOUTHERN SOUTHEAST	Y	159	16	\$60	\$75
M01B	MISCELLANEOUS SALT WATER FINFISH, PURSE SEINE, STATEWIDE	N	1	0	\$60	\$75
M05B	MISCELLANEOUS SALT WATER FINFISH, HAND TROLL, STATEWIDE	N	72	4	\$60	\$75
M06B	MISCELLANEOUS SALT WATER FINFISH, LONGLINE VL UNDER 60', STW	N	667	60	\$60	\$75

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93 With \$3000 Cap

3/39/2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
M17B	MISCELLANEOUS SALTWATER FINFISH, BEAM TRAWL, STATEWIDE	N	4	0	\$60	\$75
M25B	MISCELLANEOUS SALTWATER FINFISH, DINGLEBAR TROLL, STATEWIDE	N	10	0	\$60	\$75
M26B	MISCELLANEOUS SALTWATER FINFISH, MECHANICAL JIG, STATEWIDE	N	445	51	\$60	\$75
M37B	MISCELLANEOUS SALTWATER FINFISH, PAIR TRAWL, STATEWIDE	N	1	0	\$60	\$75
M61B	MISC. SALTWATER FINFISH, LONGLINE VL 60' to 89', STW	N	48	11	\$300	\$75
P09D	SHRIMP, POT GEAR VL UNDER 60', YAKUTAT	N	15	0	\$60	\$75
P09E	SHRIMP, POT GEAR VL UNDER 60', PRINCE WILLIAM SOUND	N	1	0	\$60	\$75
P09J	SHRIMP, POT GEAR VL UNDER 60', WESTWARD	N	14	0	\$60	\$75
P17E	SHRIMP, BEAM TRAWL, PRINCE WILLIAM SOUND	N	5	0	\$60	\$75
P17J	SHRIMP, BEAM TRAWL, WESTWARD	N	2	0	\$60	\$75
P91A	SHRIMP, POT GEAR, SOUTHEAST	Y	271	21	\$60	\$75
P91J	SHRIMP, POT GEAR VL OVER 60', WESTWARD	N	5	0	\$60	\$75
Q11A	SEA CUCUMBER, DIVING GEAR, SOUTHEAST	Y	258	72	\$60	\$75
Q11B	SEA CUCUMBER, DIVING GEAR, STATEWIDE/EXCLUDING SOUTHEAST	N	23	5	\$60	\$75
R18B	CLAMS, SHOVEL, STATEWIDE	N	30	25	\$60	\$75
R23B	CLAMS, MECHANICAL DIGGER, STATEWIDE/NOT SE GEODUCK	N	1	0	\$60	\$75
S01E	SALMON, PURSE SEINE, PRINCE WILLIAM SOUND	Y	188	67	\$60	\$75
S01H	SALMON, PURSE SEINE, COOK INLET	Y	69	8	\$60	\$75
S01K	SALMON, PURSE SEINE, KODIAK	Y	267	85	\$60	\$75
S01M	SALMON, PURSE SEINE, AK PENINSULA	Y	83	26	\$60	\$75
S02K	SALMON, BEACH SEINE, KODIAK	Y	25	5	\$60	\$75
S03A	SALMON, DRIFT GILLNET, SOUTHEAST	Y	351	120	\$60	\$75
S03H	SALMON, DRIFT GILLNET, COOK INLET	Y	386	172	\$60	\$75
S04D	SALMON, SET GILLNET, YAKUTAT	Y	127	32	\$60	\$75
S04H	SALMON, SET GILLNET, COOK INLET	Y	611	120	\$60	\$75
S04P	SALMON, SET GILLNET, UPPER YUKON	Y	53	0	\$60	\$75
S04T	SALMON, SET GILLNET, BRISTOL BAY	Y	693	277	\$60	\$75
S04W	SALMON, SET GILLNET, KUSKOKWIM	Y	732	4	\$60	\$75
S04X	SALMON, SET GILLNET, KOTZEBUE	Y	146	4	\$60	\$75
S04Y	SALMON, SET GILLNET, LOWER YUKON	Y	561	5	\$60	\$75
S04Z	SALMON, SET GILLNET, NORTON SOUND	Y	139	2	\$60	\$75
S05B	SALMON, HAND TROLL, STATEWIDE	Y	961	118	\$60	\$75
S08P	SALMON, FISH WHEEL, UPPER YUKON	Y	100	2	\$60	\$75
S15B	SALMON, POWER TROLL, STATEWIDE	Y	756	186	\$60	\$75
T09K	TANNER CRAB (NOT BAIRD), POT GEAR VL UNDER 60', KODIAK	N	89	8	\$60	\$75
T09Q	TANNER CRAB, POT GEAR VL UNDER 60', BERING SEA	N	1	0	\$60	\$75
T10A	TANNER CRAB, RING NET, SOUTHEAST	N	105	2	\$60	\$75
T91K	TANNER CRAB, POT GEAR VL OVER 60', KODIAK	N	20	6	\$60	\$75
T89BK	TANNER BAIRD CRAB, POT GEAR VL UNDER 60', KODIAK	Y	106	6	\$60	\$75
U11A	SEA URCHIN, DIVING GEAR, SOUTHEAST	Y	34	38	\$60	\$75
U11B	SEA URCHIN, DIVING GEAR, STATEWIDE/EXCLUDING SOUTHEAST	N	3	1	\$60	\$75
Y05A	DEMERSAL SHELF ROCKFISH, HAND TROLL, SOUTHEAST	N	15	1	\$60	\$75
Y06A	DEMERSAL SHELF ROCKFISH, LONGLINE VL UNDER 60', SOUTHEAST	N	181	6	\$60	\$75
Y25A	DEMERSAL SHELF ROCKFISH, DINGLEBAR TROLL, SOUTHEAST	N	8	1	\$60	\$75
Y26A	DEMERSAL SHELF ROCKFISH, MECHANICAL JIG, SOUTHEAST	N	11	1	\$60	\$75
Y61A	DEMERSAL SHELF ROCKFISH, LONGLINE VL OVER 60', SOUTHEAST	N	28	1	\$60	\$75
D09J	DUNGENESS CRAB, POT GEAR VL UNDER 60', WESTWARD	N	24	3	\$120	\$75
D91L	DUNGENESS CRAB, POT GEAR VL OVER 60', CHIGNYK	N	1	0	\$120	\$75
G01H	HERRING ROE, PURSE SEINE, COOK INLET	Y	6	0	\$120	\$75
K91K	HING CRAB, POT GEAR VL OVER 60', KODIAK	N	4	1	\$120	\$75
L21E	HERRING SPAWN ON PELT SOUND, PRINCE WILLIAM SOUND	Y	2	0	\$120	\$75
P07J	POTTER TRAWL, WESTWARD	N	2	0	\$120	\$75

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93 With \$3000 Cap

3/30/2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
TB9AK	TANNER BAIRDI CRAB, POT GEAR VL OVER 60', KODIAK	Y	15	4	\$120	\$75
B06B	HALIBUT, LONGLINE VL UNDER 60', STATEWIDE	N	2,211	338	\$120	\$150
C07B	SABLEFISH, OTTER TRAWL, STATEWIDE	N	0	3	\$120	\$150
C5CE	SABLEFISH, FIXED GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	37	3	\$120	\$150
D91J	DUNGENESS CRAB, POT GEAR VL OVER 60', WESTWARD	N	9	2	\$120	\$150
D91M	DUNGENESS CRAB, POT GEAR VL OVER 60', AK PENINSULA	N	1	0	\$120	\$150
D9CA	DUNGENESS CRAB, 150 POTS/OR 50% OF MAX, SOUTHEAST	Y	72	11	\$120	\$150
G01T	HERRING ROE, PURSE SEINE, BRISTOL BAY	N	67	16	\$120	\$150
H01A	HERRING FOOD/BAIT, PURSE SEINE, SOUTHEAST	N	13	1	\$120	\$150
J11A	GEODUCK CLAMS, DIVING GEAR, SOUTHEAST	Y	44	34	\$120	\$150
K09Z	KING CRAB, POT GEAR VL UNDER 60', NORTON SOUND	N	71	5	\$120	\$150
K59A	BROWN KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	3	1	\$120	\$150
S01A	SALMON, PURSE SEINE, SOUTHEAST	Y	182	222	\$120	\$150
S03M	SALMON, DRIFT GILLNET, AK PENINSULA	Y	71	77	\$120	\$150
S03T	SALMON, DRIFT GILLNET, BRISTOL BAY	Y	900	911	\$120	\$150
T09M	TANNER CRAB, POT GEAR VL UNDER 60', AK PENINSULA	N	11	2	\$120	\$150
T09O	TANNER CRAB, POT GEAR VL UNDER 60', DUTCH HARBOR	N	3	0	\$120	\$150
D9BA	DUNGENESS CRAB, 225 POTS/OR 75% OF MAX, SOUTHEAST	Y	35	8	\$180	\$150
G02Z	HERRING ROE, BEACH SEINE, NORTON SOUND	Y	4	1	\$180	\$150
H1DK	HERRING, FOOD/BAIT, PURSE SEINE, FIXED VL LENGTH 60', KODIAK	Y	5	0	\$180	\$150
K29A	RED BLUE BROWN KING CRAB, POT GEAR, SOUTHEAST	Y	5	0	\$180	\$150
K39A	BROWN KING CRAB, POT GEAR, SOUTHEAST	Y	4	1	\$180	\$150
L21A	HERRING SPAWN ON KELP/POUND, NORTHERN SOUTHEAST	Y	96	14	\$180	\$150
P17A	SHRIMP, BEAM TRAWL, SOUTHEAST	Y	29	2	\$180	\$150
S03E	SALMON, DRIFT GILLNET, PRINCE WILLIAM SOUND	Y	403	135	\$180	\$150
S04K	SALMON, SET GILLNET, KODIAK	Y	130	56	\$180	\$150
S04M	SALMON, SET GILLNET, AK PENINSULA	Y	90	17	\$180	\$150
C91C	SABLEFISH, POT GEAR VL OVER 60', SOUTHERN SOUTHEAST	Y	3	1	\$180	\$225
D09M	DUNGENESS CRAB, POT GEAR VL UNDER 60', AK PENINSULA	N	6	1	\$180	\$225
H01M	HERRING FOOD/BAIT, PURSE SEINE, AK PENINSULA	N	17	5	\$180	\$225
D9AA	DUNGENESS CRAB, 300 POTS/OR 100% OF MAX, SOUTHEAST	Y	43	5	\$240	\$225
M09B	MISCELLANEOUS SALTWATER FINFISH, POT GEAR VL UNDER 60', STW	N	163	15	\$240	\$225
S04E	SALMON, SET GILLNET, PRINCE WILLIAM SOUND	Y	25	5	\$240	\$225
B01B	HALIBUT, LONGLINE VL OVER 60', STATEWIDE	N	231	122	\$240	\$300
C06B	SABLEFISH, LONGLINE VL UNDER 60', STATEWIDE	N	396	125	\$240	\$300
K91Q	KING CRAB, POT GEAR VL OVER 60', BERING SEA	N	9	5	\$300	\$300
T19A	TANNER CRAB, POT GEAR, SOUTHEAST	Y	16	2	\$300	\$300
C09B	SABLEFISH, POT GEAR VL UNDER 60', STATEWIDE	N	4	1	\$300	\$375
K09T	KING CRAB, POT GEAR VL UNDER 60', BRISTOL BAY	N	3	1	\$300	\$375
P07E	SHRIMP, OTTER TRAWL, PRINCE WILLIAM SOUND	N	3	0	\$300	\$375
M91B	MISCELLANEOUS SALTWATER FINFISH, POT GEAR VL OVER 60', STW	N	71	77	\$300	\$525
K49A	RED BLUE KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	23	2	\$300	\$600
M07B*	MISC SALTWATER FINFISH, OTTER TRAWL VL UNDER 60', STATEWIDE	N	33	14	\$300	\$675
C01C	SABLEFISH, LONGLINE VL OVER 60', SOUTHERN SOUTHEAST	Y	18	6	\$300	\$750
S01L	SALMON, PURSE SEINE, CROOK	Y	83	17	\$300	\$750
C01B	SABLEFISH, LONGLINE VL OVER 60', STATEWIDE	N	66	88	\$300	\$825
C91B	SABLEFISH, POT GEAR VL OVER 60', STATEWIDE	N	5	7	\$300	\$825
T91Q	TANNER CRAB, POT GEAR VL OVER 60', BERING SEA	N	63	145	\$300	\$825
C61A	SABLEFISH, LONGLINE VL OVER 60', NORTHERN SOUTHEAST	Y	82	27	\$300	\$900
K69A	RED BLUE BROWN KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	42	2	\$300	\$900
K91T	KING CRAB, POT GEAR VL OVER 60', BRISTOL BAY	N	76	180	\$300	\$900
G01A	HERRING ROE, PURSE SEINE, SOUTHEAST	Y	34	17	\$300	\$1,200

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93 With \$3000 Cap

3/30/2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
M61B*	MISC SALTWATER FINFISH, LONGLINE VL OVER 89', STW	N	12	54	\$300	\$1,500
K91O	KING CRAB, POT GEAR VL OVER 60', DUTCH HARBOR	N	9	42	\$300	\$2,025
M07B*	MISC SALTWATER FINFISH, OTTER TRAWL, VL OVER 59', STATEWIDE	N	45	220	\$300	\$3,000
			16,863	4,680		

Using the methodology proposed in SB 93, CFEC would assess renewal fees based on gross earnings for the M61B and M07B fisheries by splitting each fishery into two separate fisheries based on vessel length:

- M61B Misc. Saltwater Finfish, Longline VL 60' to 89' STW
- M61B Misc. Saltwater Finfish, Longline VL OVER 89' STW

- M07B Misc. Saltwater Finfish, Otter Trawl VL to 59' STW
- M07B Misc. Saltwater Finfish, Otter Trawl VL OVER 59' STW

MEMORANDUM

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION

TO: Senator Ben Stevens
Alaska State Senate

DATE: April 5, 2005

Representative Ralph Samuels
Alaska House of Representatives

PHONE: (907) 789-6160 VOICE
(907) 789-6170 FAX

FROM: Commercial Fisheries Entry Commission
Frank Homan, Commissioner
Mary McDowell, Commissioner
Bruce Twomley, Chairman

SUBJECT: Background for CFEC Fee Bills:
CSSB93/CSHB174

In 2001, the legislature passed legislation to bring the state into compliance with a State Supreme Court decision in the Carlson v. State of Alaska class action brought by non-resident fishermen challenging the state's fee structure charging higher commercial fishing license and permit fees to non-residents. The 2001 legislation eliminated the 3-to-1 non-resident permit fee differential and it was replaced it with the court's formula. Because certain aspects of the case were still under appeal at that time, the legislature recognized that further legislation would likely be required in the future to implement subsequent Carlson decisions.

While much of Carlson remains under appeal, a recent decision determined that the state may only assess the non-resident fee differential once per year per non-resident permit holder, regardless of the number of permits held. Thus, immediate legislative action is required to clarify the statutory language regarding the application of the non-resident differential.

The currently required revision will result in yet another decline in the revenues generated from commercial fishing fees.

Because of Carlson and for several other reasons discussed below, the Commercial Fisheries Entry Commission (CFEC) has experienced a continuing decline in revenues to the point where revenues generated from permit and vessel fees can no longer sustain CFEC's budget. CFEC, a receipt supported services agency funded by industry fees, has traditionally returned revenue to the general fund above its needs. In recent years, the legislature has appropriated these receipts to help fund the Division of Commercial Fisheries. Despite generating more revenue than its own budget, CFEC has experienced a

29% loss of its full-time staff due to budget reductions since 1986, decreasing from 41 full-time employees to 29 full-time employees.

Several factors beyond the control of CFEC have converged to decrease CFEC revenue to the point where it is now impossible to provide sufficient revenue to cover its budget from receipts. In addition to reductions in non-resident fee revenues due to the Carlson case, other factors include: consolidation in federal fisheries has resulted in the purchase of fewer state-issued halibut and black cod permits; reduced permit prices in the salmon fisheries have resulted in lower fees collected since fees are based on permit prices or gross revenues, and as they have declined so have fees; poor fishing seasons in recent years and fishery limitations have caused fewer permits to be purchased.

The outlook is for continued consolidation of the federal and state fisheries. Whether the salmon fisheries will rebound is uncertain, and industry's search for restructuring, product development and new markets are likely to take some time. At this time it is necessary to consider an increase in the annual permit renewal fee schedule, which have not been significantly changed since 1987, and a modest increase in vessels license fees, which have not been raised in 10 years.

What is being proposed by the committee substitutes for SE93 and HB174 is a lifting of the statutory cap on permit fees. The existing \$300 statutory fee cap has artificially held down the amount of fees charged despite the substantial economic value of the fisheries affected. Lifting of the cap to \$3,000 will allow the fees to more closely conform to the statutory guidelines of AS 16.43.160(e), which requires: "The annual base fee must reasonably reflect the different rates of economic return for different fisheries."

The commission then by regulation would propose slight increases in current permit fee classes and add several new fee classes for higher valued fisheries. This change will have little effect on the lower value fisheries.

The annual permit renewal fee increase would begin at \$15 for the lower value fisheries and progress through the fee classes by adding additional \$15 increments at each fee class. We would then add fee classes for the higher value fisheries, that will reflect their economic value. The proposal only has a modest effect on existing fee classes. Those fisheries in the lowest two fee classes, currently \$60 and

\$120 (which represent more that 80% of all permits), would only experience a \$15 and \$30 increase respectively. The current \$60 fee class (representing more that 55% of permits) would increase from \$60 to \$75 and the \$120 fee class (representing another 25% of permits) would increase from \$120 to \$150.

In short, this new fee proposal would have little effect on those in lower valued fisheries. The main effect of lifting the statutory cap will be to adjust those very valuable fisheries (that have been artificially held down to \$300) to higher fee categories, that more accurately reflect their real economic return.

This legislation would also increase the annual vessel license renewal fees by 20% for each fee category. This will have the effect of increasing the six fee categories from \$20 to \$24, \$50 to \$60, \$100 to \$120, \$250 to \$300, \$500 to \$600, \$750 to \$900 respectively.

SB

93

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
APR 04 2005
SENATE FINANCE
COMMITTEE

DATE: 2/23/05

FURTHER:

DATE TURNED
IN TO OFFICE: 4 April 2005

Finance Committee considered SENATE BILL NO. 93

SB 93 FISHING PERMIT AND VESSEL LICENSE FEES

"An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 93 (FIN)
- adopt previous _____ CS CS forthcoming (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

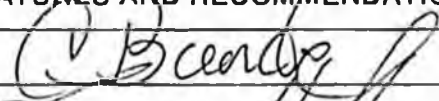
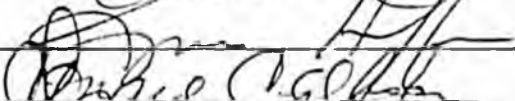
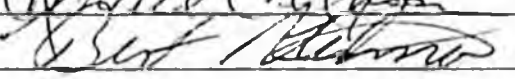
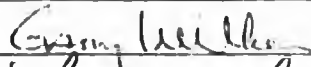
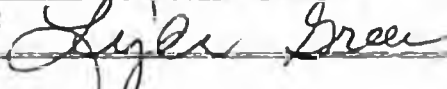
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
Fish & Game	4/1/05			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
			✓	
			✓	
COCHAIR: 	✓			
COCHAIR: 	✓			

APR 04 2005

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSSB 093(FIN)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title Annual commercial fishing permit RDU Comm. Fish Entry Commission
and vessel license fees Component Commercial Fisheries Entry
Sponsor Senator Ben Stevens Commission _____
Requester Senate Finance Commerce Component No. 471

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	1,890.5	1,798.6	1,711.2	1,628.0	1,548.9	1,473.6
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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						
1156 Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)
 Passage of CSSB 093(FIN) will not require additional expenditures or positions. It will provide for increased revenues generated by permit and license fees, though an exact amount cannot be determined at this time.
 CSSB 093(FIN) maintains the commercial fishing vessel licensing size classes in current law and statutorily establishes a 20% higher annual fee for each class. This results in an estimated increase in revenue of approximately \$120.7 for FY06.
 For commercial fishing permits, the bill maintains the directive that fees "must reasonably reflect the different rates of economic return for different fisheries," and establishes a \$3000 base fee cap on annual permit renewal fees. The

Continued on page 2

Prepared by: Shirley Penrose, Administrative Officer Phone 907-790-6960
 Division Commercial Fisheries Entry Commission Date/Time 4/1/05 9:02 AM
 Approved by: Frank M. Homan, Commissioner Date 4/1/2005
 Agency Commercial Fisheries Entry Commission

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. CSSB 093(FIN)

ANALYSIS CONTINUATION

current \$300 fee cap artificially holds fees down in the highest-earning fisheries and results in those fisheries paying fees that are disproportionately lower.

While passage of CSSB 093(FIN) would not, in itself, change annual permit fees, the removal of the current \$300 maximum base fee effectively authorizes CFEC to implement a fairer fee schedule that more truly meets the statutory mandate that fees are to reflect the earnings in respective fisheries. The regulatory fee structure CFEC intends to propose under provisions of CSSB 093(FIN) would result in an estimated increase of approximately \$1,836.8 in revenues to the state from permit fees in FY06.

The change from a "per permit" nonresident fee differential to a single annual nonresident surcharge (necessitated by recent rulings in the Carlson v. State of Alaska class action), results in an annual estimated decline of about \$67,000 in revenue.

In combination, the various revisions made by CSSB 093(FIN), and the regulatory framework CFEC intends to propose to implement the provisions of the bill, would likely result in an overall increase in revenues generated by approximately \$1,890.5 in FY06.

Due to steadily declining revenues, CFEC (a receipt supported agency) expects to be in a deficit situation in FY06 or FY07 without passage of CSSB 093(FIN). While passage of the bill will likely increase revenues enough to provide revenues to the General Fund above the current cost of CFEC's budget in the next few years, total revenues generated by CFEC fees are expected to continue declining. This is due to economic difficulties in some fisheries (particularly salmon fisheries) resulting in their falling into lower annual permit fee classes, and to ongoing decreases in the number of permits and vessel licenses issued annually. This decrease in participants is due to many factors, including fewer permits being issued after each fishery limitation; consolidation in federally-managed fisheries licensed by the state; and cancellation of nontransferable permits as holders of those permits die or retire. Thus, the amount of revenue generated by CFEC fees, and the cost of funding CFEC's operating budget, will likely converge again in coming years.

Because of the uncertainty of future events and the downward trend in our revenues, we have shown the anticipated revenue this bill may produce to decrease at 4.66% per year, which is our current calculated rate of decline.

Adopted 4/4/05

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS0504\F
Utermohle
3/24/05

CS FOR SENATE BILL NO. 93()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR BEN STEVENS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to commercial fishing permit and vessel license fees; and providing for
2 an effective date."

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

4 * Section 1. AS 16.05.520(a) is amended to read:

5 (a) The vessel license includes a permanent number plate. The number plate
6 shall be accompanied by a tab affixed to the number plate [IT] designating the year
7 to be fished. A number plate is not transferable, and the number plate [IT] shall be
8 considered a permanent fixture upon the vessel upon which the number plate [IT] is
9 originally placed. The number plate [IT] shall be securely fastened well forward on
10 the port side in plain sight. On a vessel with a superstructure the number plate shall
11 be fastened on the port side of the superstructure. A number plate remains the
12 property of the state. The Alaska Commercial Fisheries Entry Commission may
13 establish by regulation a reasonable fee for the initial issuance of a permanent
14 number plate. If a permanent number plate is accidentally defaced, mutilated,

1 destroyed, or lost, the person owning or operating the vessel shall immediately apply
 2 for and may obtain a duplicate upon furnishing the Alaska Commercial Fisheries
 3 Entry Commission with the pertinent facts and a payment of a reasonable fee
 4 established by the commission by regulation that is not less than \$2.

5 * Sec. 2. AS 16.05.530 is repealed and reenacted to read:

6 **Sec. 16.05.530. Renewal of vessel license.** (a) Upon payment of the vessel
 7 license fee and filing of the name and address of the owner of the vessel or the owner's
 8 authorized agent, the name and number of the vessel, a description of the vessel, the
 9 vessel license number, if any, the area to be fished, and other reasonable information
 10 required by the Alaska Commercial Fisheries Entry Commission, the commission
 11 shall issue a permanent number plate and a vessel license. If the vessel has a
 12 permanent number plate, the commission shall issue a vessel license and tab
 13 designating the year the license is valid. The tab shall be placed in the space provided
 14 on the permanent number plate.

15 (b) For calendar year 2006 and following years, the annual fee for a vessel
 16 license issued or renewed under this section is set according to the overall length, as
 17 defined by the United States Coast Guard, of the vessel under the following schedule:

18	(1) 0 - 25 feet	\$24
19	(2) over 25 feet - 50 feet	60
20	(3) over 50 feet - 75 feet	120
21	(4) over 75 feet - 150 feet	300
22	(5) over 150 feet - 250 feet	600
23	(6) over 250 feet	900.

24 * Sec. 3. AS 16.43.160 is repealed and reenacted to read:

25 **Sec. 16.43.160. Fees.** (a) Except as specifically provided in this section, the
 26 commission shall establish annual fees for the issuance and annual renewal of entry
 27 permits or interim-use permits.

28 (b) The commission may charge interest at a rate not to exceed the legal rate
 29 of interest established in AS 45.45.010 on fees more than 60 days overdue.

30 (c) For an entry permit or an interim-use permit issued or renewed for
 31 calendar year 2006 and following years, the annual base fee for issuance or renewal of

1 an entry permit or an interim-use permit may not be less than \$30 or more than
 2 \$3,000. The annual base fee must reasonably reflect the different rates of economic
 3 return for different fisheries. In addition to the annual base fee established by the
 4 commission under this subsection, a nonresident shall pay an annual nonresident
 5 surcharge for the issuance or renewal of one or more entry permits or interim-use
 6 permits. The commission shall establish the annual nonresident surcharge by
 7 regulation at an amount that is as close as is practicable to the maximum allowed by
 8 law.

9 (d) For an entry permit or an interim-use permit issued or renewed for
 10 calendar year 2006 and following years, the holder of a permit whose household
 11 income, assets, and financial resources fall within the eligibility standards for the food
 12 stamp program under 7 U.S.C. 2011 - 2025, as amended, is subject to an annual base
 13 fee for the issuance or renewal of an entry permit or an interim-use permit that is equal
 14 to 50 percent of the annual base fee that the permit holder would otherwise pay under
 15 (c) of this section. In addition to the reduced annual base fee under this subsection, a
 16 nonresident who qualifies for a reduced fee under this subsection shall pay the annual
 17 nonresident surcharge established under (c) of this section.

18 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
 19 read:

20 VESSEL LICENSE FEES FOR CALENDAR YEAR 2005. (a) Notwithstanding the
 21 repeal and reenactment of AS 16.05.530, by sec. 2 of this Act, the annual license fee for a
 22 vessel license issued or renewed for calendar year 2005 is set according to the overall length,
 23 as defined by the United States Coast Guard, of the vessel under the following schedule:

24	(1) 0 - 25 feet	\$20
25	(2) over 25 feet - 50 feet	50
26	(3) over 50 feet - 75 feet	100
27	(4) over 75 feet - 150 feet	250
28	(5) over 150 feet - 250 feet	500
29	(6) over 250 feet	750.

30 (b) Notwithstanding the repeal and reenactment of AS 16.05.530, by sec. 2 of this
 31 Act, a vessel license issued or renewed for calendar year 2005 under the former provisions of

1 AS 16.05.530 before the effective date of sec. 2 of this Act is valid for the period for which
2 the license was issued or renewed.

3 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 FEES FOR ENTRY PERMITS AND INTERIM-USE PERMITS FOR CALENDAR
6 YEAR 2005. (a) Notwithstanding the repeal and reenactment of AS 16.43.160, by sec. 3 of
7 this Act, for an entry permit or an interim-use permit issued or renewed for calendar year
8 2005, on or after the effective date of sec. 3 of this Act, the annual base fee may not be less
9 than \$10 or more than \$300. The annual base fee must reasonably reflect the different rates of
10 economic return for different fisheries. In addition to the annual base fee established by the
11 Alaska Commercial Fisheries Entry Commission under this subsection, a nonresident shall
12 pay an annual nonresident surcharge for the issuance or renewal of one or more entry permits
13 or interim-use permits. The annual nonresident surcharge shall be established by the
14 commission by regulation at an amount that is as close as is practicable to the maximum
15 allowed by law.

16 (b) Notwithstanding the repeal and reenactment of AS 16.43.160, by sec. 3 of this
17 Act, for an entry permit or an interim-use permit issued or renewed for calendar year 2005,
18 the holder of a permit whose household income, assets, and financial resources fall within the
19 eligibility standards for the food stamp program under 7 U.S.C. 2011 - 2025, as amended, is
20 subject to a maximum annual base fee that is equal to 50 percent of the annual base fee that
21 the permit holder would otherwise pay under (a) of this section. In addition to the annual base
22 fee under this subsection, a nonresident who qualifies for a reduced fee under this subsection
23 shall pay an annual nonresident surcharge of \$57 for the issuance or renewal of one or more
24 entry permits or interim-use permits.

25 (c) Notwithstanding the repeal and reenactment of AS 16.43.160, by sec. 3 of this
26 Act, an entry permit or an interim-use permit issued or renewed for calendar year 2005 under
27 the former provisions of AS 16.43.160 before the effective date of sec. 3 of this Act is valid
28 for the period for which the entry permit or the interim-use permit was issued or renewed.

29 * Sec. 6. This Act takes effect immediately under ~~AS 01.10.07(c)~~.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 4 April 2005 TIME: 9:35 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
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NOTES: Final Please
CS SB 93 (FIN) 24-LS0504/F
Utermohle
3/24/05
no changes
Thx
Mindy

Alaska State Legislature
PRESIDENT OF THE SENATE

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SENATOR BEN STEVENS

SPONSOR STATEMENT

Senate Bill 93

“An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date.”

Senate Bill 93 will bring the state into compliance with recent rulings in *Carlson v. State of Alaska* clarifying that the nonresident fee differential will be charged on a “per person” basis rather than a “per permit” basis.

The measure will ensure that nonresidents who qualify for the reduced permit fee (by meeting low income standards) are charged the full allowable nonresident differential.

Currently, there exists a \$300 artificial cap on the base fee for annual permit renewal. The base fee must “reasonably reflect the different rates of economic return for different fisheries.” This results in fisheries with a very high economic return being charged fees that are disproportionately low. Senate Bill 93 removes the \$300 cap on the base fee and will allow CFEC to develop a fee structure that more accurately reflects the value of respective fisheries.

The bill maintains the existing 6 vessel length categories and raises the vessel license fees by \$15, \$30, \$45, \$60, \$75, and \$90 respectively.

Senate Bill 93 will authorize CFEC to charge reasonable fees for initial issuance and replacement of the number plates issued to vessels for displaying the vessel's ADF&G number and annual vessel license renewal stickers.

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PRESIDENT OF THE SENATE

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SENATOR BEN STEVENS

Need for Senate Bill 93

“An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date.”

In 2001, the legislature passed legislation to bring the state into compliance with a State Supreme Court decision in the Carlson v. State of Alaska class action brought by non-resident fishermen challenging the state's fee structure charging higher commercial fishing license and permit fees to non-residents. The 2001 legislation eliminated the 3-to-1 non-resident permit fee differential and it was replaced it with the court's formula. Because certain aspects of the case were still under appeal at that time, the legislature recognized that further legislation would likely be required in the future to implement subsequent Carlson decisions.

While much of Carlson remains under appeal, a recent decision determined that the state may only assess the non-resident fee differential once per year per non-resident permit holder, regardless of the number of permits held. Thus, immediate legislative action is required to clarify the statutory language regarding the application of the non-resident differential.

The currently required revision will result in yet another decline in the revenues generated from commercial fishing fees.

Because of Carlson and for several other reasons discussed below, the Commercial Fisheries Entry Commission (CFEC) has experienced a continuing decline in revenues to the point where revenues generated from permit and vessel fees can no longer sustain CFEC's budget. CFEC, a receipt supported services agency funded by industry fees, has traditionally returned revenue to the general fund above its needs. In recent years, the legislature has appropriated these receipts to help fund the Division of Commercial Fisheries. Despite generating more revenue than its own budget, CFEC has experienced a 29% loss of its full-time staff due to budget reductions since 1986, decreasing from 41 full-time employees to 29 full-time employees.

Several factors beyond the control of CFEC have converged to decrease CFEC revenue to the point where it is now impossible to provide sufficient revenue to cover its budget from receipts. In addition to reductions in non-resident fee revenues due to the Carlson case, other factors include: consolidation in federal fisheries has resulted in the purchase of fewer state-issued halibut and black cod permits; reduced permit prices in the salmon fisheries have resulted in lower fees collected since fees are based on permit prices or gross revenues, and as they have declined so have fees; poor fishing seasons in recent years and fishery limitations have caused fewer permits to be purchased.

The outlook is for continued consolidation of the federal and state fisheries. Whether the salmon fisheries will rebound is uncertain, and industry's search for restructuring, product development and new markets are likely to take some time. At this time it is necessary to consider an increase in the annual permit renewal fee schedule, which have not been significantly changed since 1987, and a modest increase in vessels license fees, which have not been raised in 10 years.

Key Provisions of SB 93

RE: Commercial Fishing Permit and Vessel License Fees

- To comply with recent rulings in *Carlson v. State of Alaska*, clarify that the nonresident fee differential will be charged on a "per person" basis, rather than a "per permit" basis.

Nonresidents who renew more than one permit in a year have been paying an additional amount, above what a resident would pay, for each permit they renew. Under a recent ruling in *Carlson*, the state may only charge the nonresident differential (surcharge) to each nonresident one time per year, regardless of the number of permits they renew.

- Charge nonresidents who qualify for the reduced permit fee (by meeting low income standards) the full allowable nonresident differential.

Current law provides that residents and nonresidents who qualify for the reduced fee may pay one-half of the base fee for the fishery, and that nonresidents will also pay an additional amount equal to only one-half of the allowable nonresident differential.

- Remove the \$300 cap on the base fee CFEC may charge for annual renewal of permits.

While current law calls for annual base fees for permits to "reasonably reflect the different rates of economic return for different fisheries," the current \$300 cap places an artificial ceiling on the fee structure. This results in fisheries with a very high economic return being charged fees that are disproportionately low, relative to the fees charged to lower value fisheries. Removing the cap allows for a fairer fee structure that more fully complies with the mandate that fees reflect the value of respective fisheries.

- Slightly increase annual commercial fishing vessel license fees, beginning with 2006.

Fees are currently broken into 6 vessel size categories from smallest (vessels up to 24 feet) to largest (over 250 feet). The bill would maintain the 6 categories and simply increase the fee in the respective categories by \$15, 30, 45, 60, 75, and 90.

- Authorize CFEC to charge reasonable fees for initial issuance and replacement of the number plates issued to vessels for displaying the vessel's ADF&G number and annual vessel license renewal stickers.

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**FY 1984 - FY 2002 Commercial Fishing
Operating Budget Expenditures (\$ thousands)**

Department
Component/BRU/Category

Labor (DOL)

Fisherman's Fund
Wage & Hour
Mechanical Inspection
OSH

DOL Total

Public Safety (DPS)

Fish and Wildlife Protection
State Troopers
Commissioner's Office
Administration Services
Laboratory Services
Information Systems

DPS Total

Commerce (DCED)

Commissioner/Administration
Business/Economic Development
Commercial Fisheries Development
Community and Business Development
Trade & Development
Measurement Standards
Investments
ASMI
Fish Enhancement Tax
Fisheries Business Tax
Community Development Quota Program

DCED Total

Governor

Exec Operations, DGC & OMB

Court System

Law

Civ.
Criminal
Statehood Defense/Federal Relations
Environmental/Exxon
Mental Health Lands

Law Total

Operating Expenditures (continued)
(\$ thousands)

Department
Component/BRU/Category

Revenue (DOR)
Operations
Shared Fish Taxes
DOR Total

Community & Regional Affairs (DCRA)
Community Development Quota Program
Shared Fish Taxes
Bering Sea Fisherman's Assoc Grants
DCRA Total

Environmental Conservation (DEC)
Air and Water Quality
Environmental Health
Exxon Valdez Restoration
DEC Total

Legislature**
Legislature Total

Natural Resources (DNR)
Forest
Land
Water
DNR Total

University of Alaska
Fisheries Research
Fisheries Industrial Technical Center
School of Fisheries and Ocean Sciences
Institute of Marine Science
Marine Advisory Program
Sea Grant Program
CES Fisheries
University Total

Fish and Game (ADFG)
Commercial Fisheries
Sport Fish
FRED
Commissioner's Office
Administration
Boards of Fish and Game
Habitat
CF Restoration Projects
CFEC
ADFG Total

Total Operating Expenditures

Sources: Budget analyst's estimates using Legislative Finance, "Summary of Appropriations" data for various
Legislature and Courts estimates provided by OMB per Court-approved methodology.

provided by Senata Stevens office

Appropriate Resident -- Non-Resident Fee Differential Calculation FY 1984 - FY 2002	FY 84	FY 85	FY 86	FY 87	FY 88
"Fisheries Budget" Sub-Components (\$ thousands)					
Direct Operating Expenditures	82,917.8	95,904.1	103,159.3	96,845.0	102,099.3
Indirect Operating Expenditures	2,671.5	3,840.0	4,596.7	3,430.1	5,008.9
Enhancement Loan Subsidy	4,834.8	9,001.5	2,404.6	1,308.2	2,576.7
Harbors and Other Capital Costs	3,400.1	3,961.6	3,262.5	3,256.1	3,256.1
(1) Total "Fisheries Budget Sub-Components"	93,824.2	112,707.2	113,423.1	104,839.4	112,940.9
(2) Alaska Population, July 1 (thousands at beginning of fiscal year)	524.0	543.9	550.7	541.3	535.0
(3) Total State Revenue Appropriated (\$ millions)	4,465.9	5,094.8	4,223.9	5,261.8	3,924.8
(4) State Oil Derived Revenues Appropriated (\$ millions)	3,487.5	3,495.3	3,177.2	3,198.0	2,676.8
(5) Petroleum Derived Percentage of Total (5) = (4) / (3)	78.1%	68.6%	75.2%	60.8%	68.2%
(6) Per Capita "Fisheries Budget" (6) = (1) / (2)	179.05	207.22	205.96	193.68	211.10
(7) Appropriate Resident -- Non-Resident Fee Differential (7) = (5) * (6)	139.83	142.16	154.93	117.72	143.98
Average FY 84 - FY 2002	141.81				

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6/30/2003

Appropriate Resident -- Non-Resident Fee Differential Calculation FY 1984 - FY 2002	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
"Fisheries Budget" Sub-Components (\$ thousands)						
Direct Operating Expenditures	117,873.5	138,375.5	134,458.3	152,564.2	148,446.3	138,920.3
Indirect Operating Expenditures	5,562.5	5,385.5	3,486.5	3,717.8	5,477.4	4,231.3
Enhancement Loan Subsidy	4,305.0	1,927.7	1,588.9	3,567.3	3,298.5	2,626.4
Harbors and Other Capital Costs	3,279.8	3,388.7	3,512.3	3,648.6	6,120.0	4,273.2
Total "Fisheries Budget Sub-Components"	131,020.8	149,077.4	143,052.0	163,497.9	163,342.2	150,051.1
Alaska Population, July 1 (thousands at beginning of fiscal year)	538.9	553.2	569.1	586.7	596.9	600.6
Total State Revenue Appropriated (\$ millions)	3,986.7	4,212.0	4,879.4	4,976.9	4,943.9	5,608.3
State Oil Derived Revenues Appropriated (\$ millions)	2,660.6	3,062.8	3,620.1	2,972.5	2,862.1	2,589.2
Petroleum Derived Percentage of Total (5) = (4) / (3)	66.7%	72.7%	74.2%	59.7%	57.9%	46.2%
Per Capita "Fisheries Budget" (6) = (1) / (2)	243.13	269.50	251.39	278.66	273.65	249.83
Appropriate Resident -- Non-Resident Fee Differential (7) = (5) * (6)	162.26	195.97	186.51	166.44	158.42	115.34
Average FY 84 - FY 2002						

Prepared by OMB - BP
6/30/2003

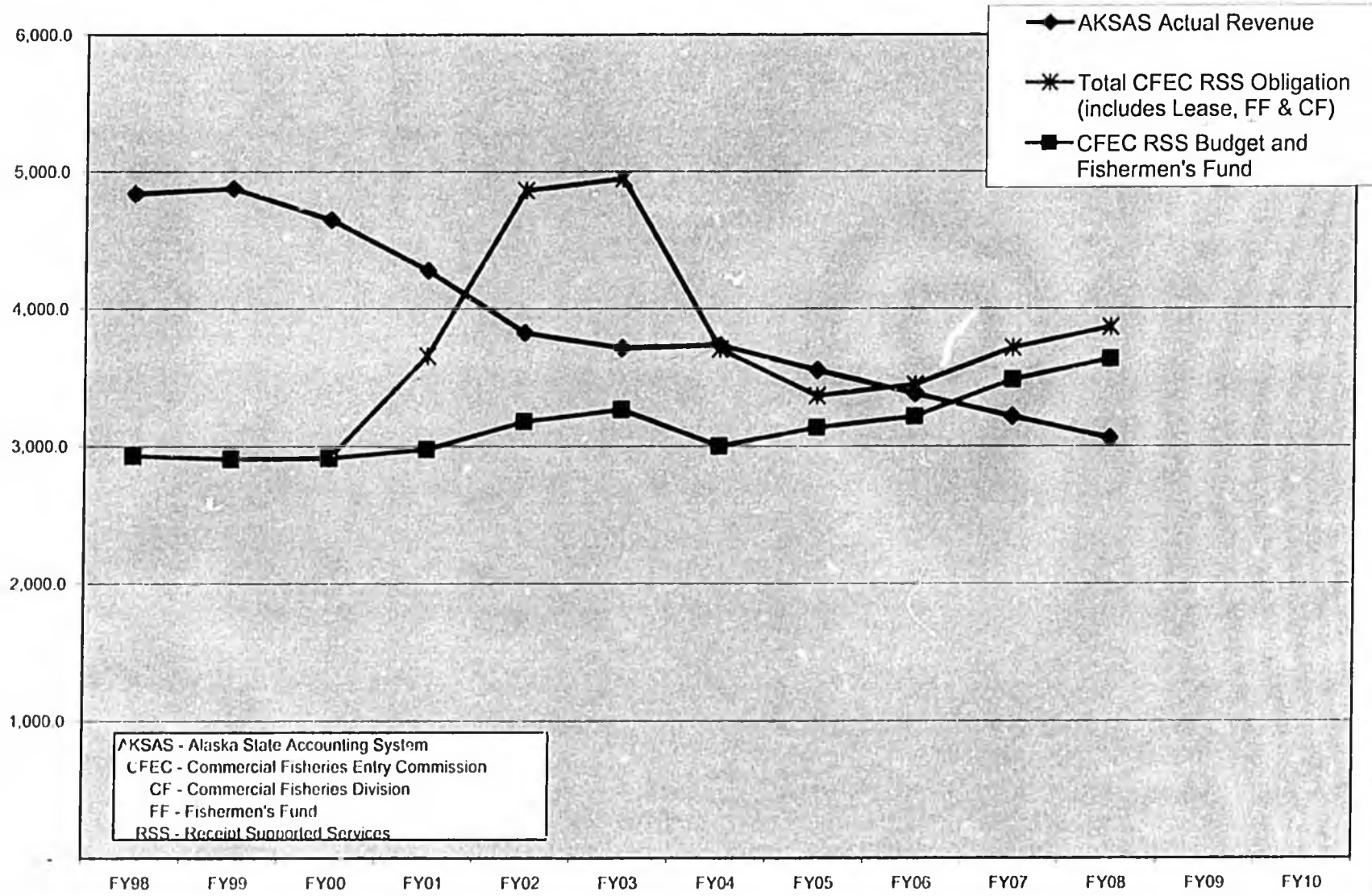
Appropriate Resident -- Non-Resident Fee Differential Calculation FY 1984 - FY 2002	FY 95	FY 96	FY 97	FY 98	FY 99
"Fisheries Budget" Sub-Components (\$ thousands)					
Direct Operating Expenditures	143,590.7	142,801.6	124,834.9	116,048.2	113,508.4
Indirect Operating Expenditures	3,122.4	2,916.1	3,439.3	3,623.2	3,591.8
Enhancement Loan Subsidy	5,072.9	2,357.2	1,209.9	1,719.2	804.2
Harbors and Other Capital Costs	3,797.3	3,686.1	8,547.8	3,978.5	4,761.1
Total "Fisheries Budget Sub-Components"	155,583.4	151,760.9	138,031.9	125,369.1	122,665.6
Alaska Population, July 1 (thousands at beginning of fiscal year)	601.6	605.2	609.7	617.1	622.0
Total State Revenue Appropriated (\$ millions)	5,182.8	7,141.3	6,288.1	5,610.2	6,053.1
State Oil Derived Revenues Appropriated (\$ millions)	2,552.5	4,841.8	4,045.6	3,071.4	3,288.3
Petroleum Derived Percentage of Total (5) = (4) / (3)	49.2%	67.8%	64.3%	54.7%	54.3%
Per Capita "Fisheries Budget" (6) = (1) / (2)	258.62	250.76	226.41	203.16	197.21
Appropriate Resident -- Non-Resident Fee Differential (7) = (5) * (6)	127.37	170.01	145.67	111.22	107.13
Average FY 84 - FY 2002					

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6/30/2003

Appropriate Resident -- Non-Resident Fee Differential Calculation FY 1984 - FY 2002	FY 2000	FY 01	FY 02
"Fisheries Budget" Sub-Components (\$ thousands)			
Direct Operating Expenditures	127,164.9	134,752.4	141,241.7
Indirect Operating Expenditures	1,898.6	2,405.2	3,767.8
Enhancement Loan Subsidy	1,012.5	591.5	386.9
Harbors and Other Capital Costs	4,751.3	4,632.7	4,360.8
Total "Fisheries Budget Sub-Components"	134,827.2	142,381.8	149,757.2
Alaska Population, July 1 (thousands at beginning of fiscal year)	627.7	633.6	643.8
Total State Revenue Appropriated (\$ millions)	6,750.1	7,297.3	7,495.2
State Oil Derived Revenues Appropriated (\$ millions)	3,783.6	3,673.6	3,732.5
Petroleum Derived Percentage of Total (5) = (4) / (3)	56.1%	50.3%	49.8%
Per Capita "Fisheries Budget" (6) = (1) / (2)	214.80	224.71	232.62
Appropriate Resident -- Non-Resident Fee Differential (7) = (5) * (6)	120.40	113.12	115.84
Average FY 84 - FY 2002	Latest 5 Year Average		113.54

Prepared by OMB - BP
6/30/2003

CFEC Revenue Received Compared To Authorized Receipt Supported Services Budget



AKSAS - Alaska State Accounting System
 CFEC - Commercial Fisheries Entry Commission
 CF - Commercial Fisheries Division
 FF - Fishermen's Fund
 RSS - Receipt Supported Services

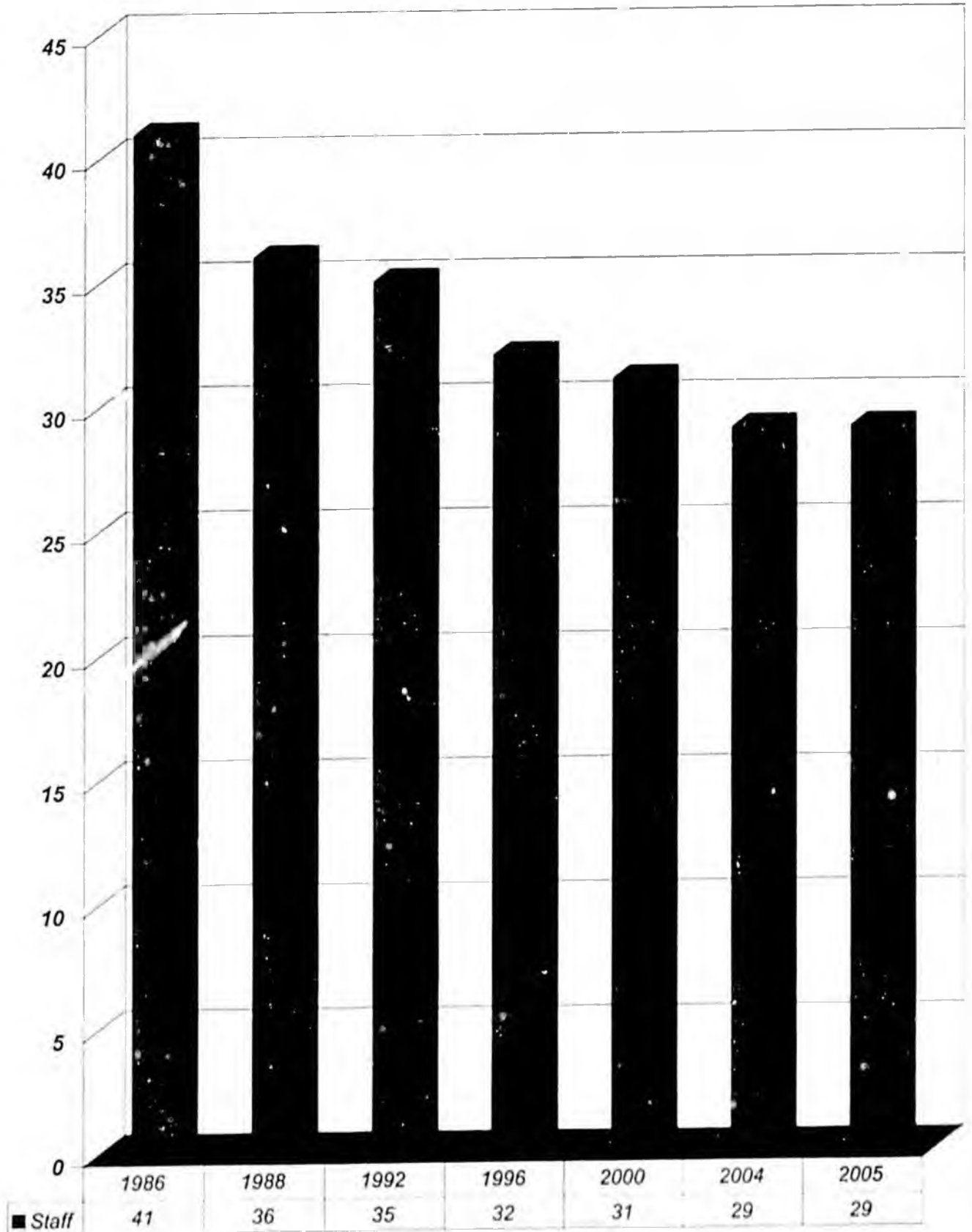
Commercial Fisheries Entry Commission Expenditure/Revenue Comparison

	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
AKSAS Actual Revenue	4,839.4	4,878.1	4,649.4	4,279.3	3,825.0	3,714.8	3,733.8	3,552.3	3,379.7	3,215.4	3,059.2
								*****Projected based on calculated 4.86% decline*****			
CFEC RSS Authorized Budget											
	2,536.5	2,520.4	2,520.4	2,563.8	2,786.5	2,856.9	2,592.9	2,727.2	2,808.8	3,078.8	3,228.8
FF Obligation	392.0	385.3	392.7	413.6	390.8	405.8	407.0	407.0	407.0	407.0	407.0
CF Obligation				678.0	1,684.1	1,684.9	704.0	230.0	230.0	230.0	230.0
CFEC RSS Budget and Fishermen's Fund	2,928.5	2,905.7	2,913.1	2,977.4	3,177.3	3,262.7	2,999.9	3,134.2	3,215.8	3,485.8	3,635.8
Total CFEC RSS Obligation (includes Lease, FF & CF)	2,928.5	2,905.7	2,913.1	3,655.4	4,861.4	4,947.6	3,703.9	3,364.2	3,445.8	3,715.8	3,865.8
								Items in orange area above are projections only			
Difference between Revenue and Total CFEC RSS Obligations											
AKSAS Actual	1,910.9	1,972.4	1,736.3	623.5	(1,036.4)	(1,232.8)	29.9	188.1	(66.1)	(500.4)	(806.6)

Note: Unobligated receipts remaining at fiscal year end are deposited into the general fund unless other provisions are made.

AKSAS - Alaska State Accounting System
CFEC - Commercial Fisheries Entry Commission
CF - Commercial Fisheries Division
FF - Fishermen's Fund
RSS - Receipt Supported Services

Commercial Fisheries Entry Commission Permanent Full-Time Budgeted Staff



Percentage of Full Time
positions lost since 1986

12.20%

14.63%

21.95%

24.39%

29.27%

29.27%

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFECC's Proposed Methodology for Implementing SB 93

Permit Counts By Base Fee Category

February 10, 2005

Current 2005 Permit Counts By Base Fee Category				2005 Permit Counts Using Proposed Method			
Base Fee	Number of Permits		Total Permits	Base Fee	Number of Permits		Total Permits
	Residents	Non-Residents			Residents	Non-Residents	
				\$3,975	45	220	265
				↓			
				\$2,025	9	42	51
				↓			
				\$1,500	12	54	66
				↓			
				\$1,200	34	17	51
				↓			
				\$900	200	209	409
				\$825	136	240	376
				\$750	101	23	124
				↓			
				\$675	33	14	47
				\$600	23	2	25
				\$525	71	77	148
				↓			
\$300	747	918	1,665	\$375	10	2	12
\$240	858	272	1,130	\$300	652	254	906
\$180	827	241	1,068	\$225	257	32	289
\$120	3,749	1,634	5,383	\$150	4,496	1,860	6,356
\$60	10,702	1,815	12,517	\$75	10,804	1,834	12,638
Totals	16,883	4,880	21,763		16,883	4,880	21,763



Under the proposed methodology, no permits would fall into the omitted base fee categories.

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93

Permit Counts and Estimated Revenue By Base Fee

February 10, 2005

Current 2005 Permit Renewal Fees				2005 Fees Using Proposed Method			
Base Fee	Number of Permits		Estimated Revenue	Base Fee	Number of Permits		Estimated Revenue
	Residents	Non-Residents			Residents	Non-Residents	
				\$3,975	45	220	\$1,053,375
				↓			
				\$2,025	9	42	\$103,275
				↓			
				\$1,500	12	54	\$99,000
				↓			
				\$1,200	34	17	\$61,200
				↓			
				\$900	200	209	\$368,100
				\$825	136	240	\$310,200
				\$750	101	23	\$93,000
				↓			
				\$675	33	14	\$31,725
				\$600	23	2	\$15,000
				\$525	71	77	\$77,700
				↓			
\$300	747	918	\$499,500	\$375	10	2	\$4,500
\$240	858	272	\$271,200	\$300	652	254	\$271,800
\$180	827	241	\$192,240	\$225	257	32	\$65,025
\$120	3,749	1,634	\$645,960	\$150	4,496	1,860	\$953,400
\$60	10,702	1,815	\$751,020	\$75	10,804	1,834	\$947,850
Totals	16,883	4,880	\$2,359,920		16,883	4,880	\$4,455,150



Under the proposed methodology, no permits would fall into the omitted base fee categories.

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93

February 10, 2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
B05B	HALIBUT, HAND TROLL, STATEWIDE	N	170	0	\$60	\$75
B25B	HALIBUT, DINGLEBAR TROLL, STATEWIDE	N	4	1	\$60	\$75
B26B	HALIBUT, MECHANICAL JIG, STATEWIDE	N	72	3	\$60	\$75
C26B	SABLEFISH, MECHANICAL JIG, STATEWIDE	N	8	0	\$60	\$75
C4CE	SABLEFISH, NET GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5AE	SABLEFISH, FIXED GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5BE	SABLEFISH, FIXED GEAR MAX VL LENGTH 60', PRINCE WILLIAM SOUND	Y	3	0	\$60	\$75
C5DE	SABLEFISH, FIXED GEAR MAX VL LENGTH 35', PRINCE WILLIAM SOUND	Y	10	0	\$60	\$75
D09D	DUNGENESS CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	0	1	\$60	\$75
D09L	DUNGENESS CRAB, POT GEAR VL UNDER 60', CHIGNIK	N	1	0	\$60	\$75
D10A	DUNGENESS CRAB, RING NETS, SOUTHEAST	Y	5	0	\$60	\$75
D11A	DUNGENESS CRAB, DIVING GEAR, SOUTHEAST	Y	1	1	\$60	\$75
D91D	DUNGENESS CRAB, POT GEAR VL OVER 60', YAKUTAT	N	1	1	\$60	\$75
D9DA	DUNGENESS CRAB, 75 POTS OR 25% OF MAX, SOUTHEAST	Y	91	10	\$60	\$75
G01K	HERRING ROE, PURSE SEINE, KODIAK	Y	51	14	\$60	\$75
G01L	HERRING ROE, PURSE SEINE, CHIGNIK	N	4	0	\$60	\$75
G01M	HERRING ROE, PURSE SEINE, AK PENINSULA	N	9	0	\$60	\$75
G31K	HERRING ROE, GILLNET & PURSE SEINE, KODIAK	Y	2	0	\$60	\$75
G34A	HERRING ROE & FDBT, GILLNET, SOUTHEAST	Y	78	37	\$60	\$75
G34H	HERRING ROE, GILLNET, COOK INLET	N	39	0	\$60	\$75
G34K	HERRING ROE, GILLNET, KODIAK	Y	80	9	\$60	\$75
G34M	HERRING ROE, GILLNET, AK PENINSULA	N	4	0	\$60	\$75
G34N	HERRING ROE, GILLNET, NELSON ISLAND	Y	123	4	\$60	\$75
G34S	HERRING ROE, GILLNET, SECURITY COVE	N	44	35	\$60	\$75
G34T	HERRING ROE, GILLNET, BRISTOL BAY	N	137	58	\$60	\$75
G34U	HERRING ROE, GILLNET, NUNIVAK ISLAND	Y	39	4	\$60	\$75
G34V	HERRING ROE, GILLNET, CAPE AVINOF	N	77	0	\$60	\$75
G34W	HERRING ROE, GILLNET, GOODNEWS BAY	Y	138	0	\$60	\$75
G34Y	HERRING ROE, GILLNET, CAPE ROMANZOF	Y	59	0	\$60	\$75
G34Z	HERRING ROE, GILLNET, NORTON SOUND	Y	183	59	\$60	\$75
H01L	HERRING FOOD BAIT, PURSE SEINE, CHIGNIK	N	1	0	\$60	\$75
H21A	HERRING FOOD BAIT, SPAWN ON KELP POUND, SOUTHEAST	N	19	3	\$60	\$75
H34M	HERRING FOOD BAIT, GILLNET, AK PENINSULA	N	22	0	\$60	\$75
H7BK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 75', KODIAK	Y	0	1	\$60	\$75
H7CK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 70', KODIAK	Y	1	0	\$60	\$75
H7DK	HERRING FOOD BAIT, OTTER TRAWL, FIXED VL 60', KODIAK	Y	0	2	\$60	\$75
I05B	LING COD, HAND TROLL, STATEWIDE	N	20	0	\$60	\$75
I06B	LING COD, LONGLINE VL UNDER 60', STATEWIDE	N	18	2	\$60	\$75
I25B	LING COD, DINGLEBAR TROLL, STATEWIDE	N	72	3	\$60	\$75
I26B	LING COD, MECHANICAL JIG, STATEWIDE	N	42	2	\$60	\$75
I61B	LING COD, LONGLINE VL OVER 60', STATEWIDE	N	1	0	\$60	\$75
I91B	LING COD, POT GEAR VL OVER 60', STATEWIDE	N	2	1	\$60	\$75
K09D	KING CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	1	0	\$60	\$75
K09O	KING CRAB, POT GEAR VL UNDER 60', DUTCH HARBOR	N	1	0	\$60	\$75
K09Q	KING CRAB, POT GEAR VL UNDER 60', BERING SEA	N	2	0	\$60	\$75
K09X	KING CRAB, POT GEAR VL UNDER 60', SAINT LAWRENCE ISLAND	N	4	0	\$60	\$75
K19A	RED BLUE KING CRAB, POT GEAR, SOUTHEAST	Y	5	0	\$60	\$75
L12T	HERRING SPAWN ON KELP, DIVERMAND PICK, BRISTOL BAY	Y	201	6	\$60	\$75
L21C	HERRING SPAWN ON KELP POUND, SOUTHERN SOUTHEAST	Y	159	16	\$60	\$75
M01B	MISCELLANEOUS SALT WATER FINFISH, PURSE SEINE, STATEWIDE	N	1	0	\$60	\$75
M05B	MISCELLANEOUS SALT WATER FINFISH, HAND TROLL, STATEWIDE	N	72	4	\$60	\$75
M06B	MISCELLANEOUS SALT WATER FINFISH, LONGLINE VL UNDER 60', STATEWIDE	N	687	60	\$60	\$75

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93

February 10, 2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
B05B	HALIBUT, HAND TROLL, STATEWIDE	N	170	0	\$60	\$75
B25B	HALIBUT, DINGLEBAR TROLL, STATEWIDE	N	4	1	\$60	\$75
B26B	HALIBUT, MECHANICAL JIG, STATEWIDE	N	72	3	\$60	\$75
C26B	SABLEFISH, MECHANICAL JIG, STATEWIDE	N	8	0	\$60	\$75
C4CE	SABLEFISH, NET GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5AE	SABLEFISH, FIXED GEAR MAX VL LENGTH 90', PRINCE WILLIAM SOUND	Y	1	0	\$60	\$75
C5BE	SABLEFISH, FIXED GEAR MAX VL LENGTH 60', PRINCE WILLIAM SOUND	Y	3	0	\$60	\$75
C5DE	SABLEFISH, FIXED GEAR MAX VL LENGTH 35', PRINCE WILLIAM SOUND	Y	10	0	\$60	\$75
D09D	DUNGENESS CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	0	1	\$60	\$75
D09L	DUNGENESS CRAB, POT GEAR VL UNDER 60', CHIGNIK	N	1	0	\$60	\$75
D10A	DUNGENESS CRAB, RING NETS, SOUTHEAST	Y	5	0	\$60	\$75
D11A	DUNGENESS CRAB, DIVING GEAR, SOUTHEAST	Y	1	1	\$60	\$75
D91D	DUNGENESS CRAB, POT GEAR VL OVER 60', YAKUTAT	N	1	1	\$60	\$75
D9DA	DUNGENESS CRAB 75 POTS/OR 25% OF MAX, SOUTHEAST	Y	91	10	\$60	\$75
G01K	HERRING ROE, PURSE SEINE, KODIAK	Y	51	14	\$60	\$75
G01L	HERRING ROE, PURSE SEINE, CHIGNIK	N	4	0	\$60	\$75
G01M	HERRING ROE, PURSE SEINE, AK PENINSULA	N	9	0	\$60	\$75
G31K	HERRING ROE, GILLNET & PURSE SEINE, KODIAK	Y	2	0	\$60	\$75
G34A	HERRING ROE & FDBT, GILLNET, SOUTHEAST	Y	78	37	\$60	\$75
G34H	HERRING ROE, GILLNET, COOK INLET	N	39	0	\$60	\$75
G34K	HERRING ROE, GILLNET, KODIAK	Y	80	9	\$60	\$75
G34M	HERRING ROE, GILLNET, AK PENINSULA	N	4	0	\$60	\$75
G34N	HERRING ROE, GILLNET, NELSON ISLAND	Y	123	4	\$60	\$75
G34S	HERRING ROE, GILLNET, SECURITY COVE	N	44	35	\$60	\$75
G34T	HERRING ROE, GILLNET, BRISTOL BAY	N	137	58	\$60	\$75
G34U	HERRING ROE, GILLNET, NUNIVAK ISLAND	Y	39	4	\$60	\$75
G34V	HERRING ROE, GILLNET, CAPE AVINOF	N	77	0	\$60	\$75
G34W	HERRING ROE, GILLNET, GOODNEWS BAY	Y	138	0	\$60	\$75
G34Y	HERRING ROE, GILLNET, CAPE ROMANZOF	Y	59	0	\$60	\$75
G34Z	HERRING ROE, GILLNET, NORTON SOUND	Y	183	59	\$60	\$75
H01L	HERRING FOOD/BAIT, PURSE SEINE, CHIGNIK	N	1	0	\$60	\$75
H21A	HERRING FOOD/BAIT, SPAWN ON KELP/POUND, SOUTHEAST	N	19	3	\$60	\$75
H34M	HERRING FOOD/BAIT, GILLNET, AK PENINSULA	N	22	0	\$60	\$75
H7BK	HERRING FOOD/BAIT, OTTER TRAWL, FIXED VL 75', KODIAK	Y	0	1	\$60	\$75
H7CK	HERRING FOOD/BAIT, OTTER TRAWL, FIXED VL 70', KODIAK	Y	1	0	\$60	\$75
H7DK	HERRING FOOD/BAIT, OTTER TRAWL, FIXED VL 60', KODIAK	Y	0	2	\$60	\$75
I05B	LING COD, HAND TROLL, STATEWIDE	N	20	0	\$60	\$75
I06B	LING COD, LONGLINE VL UNDER 60', STATEWIDE	N	18	2	\$60	\$75
I25B	LING COD, DINGLEBAR TROLL, STATEWIDE	N	72	3	\$60	\$75
I26B	LING COD, MECHANICAL JIG, STATEWIDE	N	42	2	\$60	\$75
I61B	LING COD, LONGLINE VL OVER 60', STATEWIDE	N	1	0	\$60	\$75
I91B	LING COD, POT GEAR VL OVER 60', STATEWIDE	N	2	1	\$60	\$75
K09D	KING CRAB, POT GEAR VL UNDER 60', YAKUTAT	N	1	0	\$60	\$75
K09O	KING CRAB, POT GEAR VL UNDER 60', DUTCH HARBOR	N	1	0	\$60	\$75
K09Q	KING CRAB, POT GEAR VL UNDER 60', BERING SEA	N	2	0	\$60	\$75
K09X	KING CRAB, POT GEAR VL UNDER 60', SAINT LAWRENCE ISLAND	N	4	0	\$60	\$75
K19A	RED-BLUE KING CRAB, POT GEAR, SOUTHEAST	Y	5	0	\$60	\$75
L12T	HERRING SPAWN ON KELP, DIVE HAND PICK, BRISTOL BAY	Y	291	6	\$60	\$75
L21C	HERRING SPAWN ON KELP/POUND, SOUTHERN SOUTHEAST	Y	159	16	\$60	\$75
M01B	MISCELLANEOUS SALT WATER FINFISH, PURSE SEINE, STATEWIDE	N	1	0	\$60	\$75
M05B	MISCELLANEOUS SALT WATER FINFISH, HAND TROLL, STATEWIDE	N	72	4	\$60	\$75
M06B	MISCELLANEOUS SALT WATER FINFISH, LONGLINE VL UNDER 60', STATEWIDE	N	687	60	\$60	\$75

State of Alaska
Commercial Fisheries Entry Commission

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and Under CFEC's Proposed Methodology for Implementing SB 93

February 10, 2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
M17B	MISCELLANEOUS SALTWATER FINFISH, BEAM TRAWL, STATEWIDE	N	4	0	\$60	\$75
M25B	MISCELLANEOUS SALTWATER FINFISH, DINGLEBAR TROLL, STATEWIDE	N	10	0	\$60	\$75
M26B	MISCELLANEOUS SALTWATER FINFISH, MECHANICAL JIG, STATEWIDE	N	445	51	\$60	\$75
M37B	MISCELLANEOUS SALTWATER FINFISH, PAIR TRAWL, STATEWIDE	N	1	0	\$60	\$75
M61B	MISC SALTWATER FINFISH, LONGLINE VL 60' to 89', STW	N	48	11	\$300	\$75
P09D	SHRIMP, POT GEAR VL UNDER 60', YAKUTAT	N	15	0	\$60	\$75
P09E	SHRIMP, POT GEAR VL UNDER 60', PRINCE WILLIAM SOUND	N	1	0	\$60	\$75
P09J	SHRIMP, POT GEAR VL UNDER 60', WESTWARD	N	14	0	\$60	\$75
P17E	SHRIMP, BEAM TRAWL, PRINCE WILLIAM SOUND	N	5	0	\$60	\$75
P17J	SHRIMP, BEAM TRAWL, WESTWARD	N	2	0	\$60	\$75
P91A	SHRIMP, POT GEAR, SOUTHEAST	Y	271	21	\$60	\$75
P91J	SHRIMP, POT GEAR VL OVER 60', WESTWARD	N	5	0	\$60	\$75
Q11A	SEA CUCUMBER, DIVING GEAR, SOUTHEAST	Y	258	72	\$60	\$75
Q11B	SEA CUCUMBER, DIVING GEAR, STATEWIDE/EXCLUDING SOUTHEAST	N	23	5	\$60	\$75
R18B	CLAMS, SHOVEL, STATEWIDE	N	30	25	\$60	\$75
R23B	CLAMS, MECHANICAL DIGGER, STATEWIDE/NOT SE GEODUCK	N	1	0	\$60	\$75
S01E	SALMON, PURSE SEINE, PRINCE WILLIAM SOUND	Y	188	67	\$60	\$75
S01H	SALMON, PURSE SEINE, COOK INLET	Y	69	8	\$60	\$75
S01K	SALMON, PURSE SEINE, KODIAK	Y	267	85	\$60	\$75
S01M	SALMON, PURSE SEINE, AK PENINSULA	Y	83	26	\$60	\$75
S02K	SALMON, BEACH SEINE, KODIAK	Y	25	5	\$60	\$75
S03A	SALMON, DRIFT GILLNET, SOUTHEAST	Y	351	120	\$60	\$75
S03H	SALMON, DRIFT GILLNET, COOK INLET	Y	386	172	\$60	\$75
S04D	SALMON, SET GILLNET, YAKUTAT	Y	127	32	\$60	\$75
S04H	SALMON, SET GILLNET, COOK INLET	Y	611	120	\$60	\$75
S04P	SALMON, SET GILLNET, UPPER YUKON	Y	53	0	\$60	\$75
S04T	SALMON, SET GILLNET, BRISTOL BAY	Y	693	277	\$60	\$75
S04W	SALMON, SET GILLNET, KUSKOKWIM	Y	732	4	\$60	\$75
S04X	SALMON, SET GILLNET, KOTZEBUE	Y	148	4	\$60	\$75
S04Y	SALMON, SET GILLNET, LOWER YUKON	Y	561	5	\$60	\$75
S04Z	SALMON, SET GILLNET, NORTON SOUND	Y	139	2	\$60	\$75
S05B	SALMON, HAND TROLL, STATEWIDE	Y	961	118	\$60	\$75
S08P	SALMON, FISH WHEEL, UPPER YUKON	Y	100	2	\$60	\$75
S15B	SALMON, POWER TROLL, STATEWIDE	Y	756	106	\$60	\$75
T09K	TANNER CRAB (NOT BAIRD), POT GEAR VL UNDER 60', KODIAK	N	89	8	\$60	\$75
T09Q	TANNER CRAB, POT GEAR VL UNDER 60', BERING SEA	N	1	0	\$60	\$75
T10A	TANNER CRAB, RING NET, SOUTHEAST	N	105	2	\$60	\$75
T91K	TANNER CRAB, POT GEAR VL OVER 60', KODIAK	N	20	6	\$60	\$75
TB9BK	TANNER BAIRD CRAB, POT GEAR VL UNDER 60', KODIAK	Y	106	6	\$60	\$75
U11A	SEA URCHIN, DIVING GEAR, SOUTHEAST	Y	34	38	\$60	\$75
U11B	SEA URCHIN, DIVING GEAR, STATEWIDE/EXCLUDING SOUTHEAST	N	3	1	\$60	\$75
Y05A	DEMERSAL SHELF ROCKFISH, HAND TROLL, SOUTHEAST	N	15	1	\$60	\$75
Y06A	DEMERSAL SHELF ROCKFISH, LONGLINE VL UNDER 60', SOUTHEAST	N	181	6	\$60	\$75
Y25A	DEMERSAL SHELF ROCKFISH, DINGLEBAR TROLL, SOUTHEAST	N	8	1	\$60	\$75
Y26A	DEMERSAL SHELF ROCKFISH, MECHANICAL JIG, SOUTHEAST	N	11	1	\$60	\$75
Y61A	DEMERSAL SHELF ROCKFISH, LONGLINE VL OVER 60', SOUTHEAST	N	28	1	\$60	\$75
D09J	DUNGENESS CRAB, POT GEAR VL UNDER 60', WESTWARD	N	24	3	\$120	\$75
D91L	DUNGENESS CRAB, POT GEAR VL OVER 60', CHIGNIK	N	1	0	\$120	\$75
G01H	HERRING ROE, PURSE SEINE, COOK INLET	Y	6	0	\$120	\$75
K91K	KING CRAB, POT GEAR VL OVER 60', KODIAK	N	4	1	\$120	\$75
L21E	HERRING SPAWN ON KELP POUND, PRINCE WILLIAM SOUND	Y	2	0	\$120	\$75
P07J	SHRIMP, OTTER TRAWL, WESTWARD	N	2	0	\$120	\$75

State of Alaska
Commercial Fisheries Entry Commission

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February 10, 2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
TB9AK	TANNER BAIRDI CRAB, POT GEAR VL OVER 60', KODIAK	Y	15	4	\$120	\$75
B06B	HALIBUT, LONGLINE VL UNDER 60', STATEWIDE	N	2,211	338	\$120	\$150
C07B	SABLEFISH, OTTER TRAWL, STATEWIDE	N	0	3	\$120	\$150
C5CE	SABLEFISH, FIXED GEAR MAX VL LENGTH 50', PRINCE WILLIAM SOUND	Y	37	3	\$120	\$150
D91J	DUNGENESS CRAB, POT GEAR VL OVER 60', WESTWARD	N	9	2	\$120	\$150
D91M	DUNGENESS CRAB, POT GEAR VL OVER 60', AK PENINSULA	N	1	0	\$120	\$150
D9CA	DUNGENESS CRAB, 150 POTS/OR 50% OF MAX, SOUTHEAST	Y	72	11	\$120	\$150
G01T	HERRING ROE, PURSE SEINE, BRISTOL BAY	N	67	16	\$120	\$150
H01A	HERRING FOOD/BAIT, PURSE SEINE, SOUTHEAST	N	13	1	\$120	\$150
J11A	GEODUCK CLAMS, DIVING GEAR, SOUTHEAST	Y	44	34	\$120	\$150
K09Z	KING CRAB, POT GEAR VL UNDER 60', NORTON SOUND	N	71	5	\$120	\$150
K59A	BROWN KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	3	1	\$120	\$150
S01A	SALMON, PURSE SEINE, SOUTHEAST	Y	182	222	\$120	\$150
S03M	SALMON, DRIFT GILLNET, AK PENINSULA	Y	71	77	\$120	\$150
S03T	SALMON, DRIFT GILLNET, BRISTOL BAY	Y	900	911	\$120	\$150
T09M	TANNER CRAB, POT GEAR VL UNDER 60', AK PENINSULA	N	11	2	\$120	\$150
T09O	TANNER CRAB, POT GEAR VL UNDER 60', DUTCH HARBOR	N	3	0	\$120	\$150
D9BA	DUNGENESS CRAB, 225 POTS/OR 75% OF MAX, SOUTHEAST	Y	35	8	\$180	\$150
G02Z	HERRING ROE, BEACH SEINE, NORTON SOUND	Y	4	1	\$180	\$150
H1DK	HERRING, FOOD/BAIT, PURSE SEINE, FIXED VL LENGTH 60', KODIAK	Y	5	0	\$180	\$150
K29A	RED BLUE/BROWN KING CRAB, POT GEAR, SOUTHEAST	Y	5	0	\$180	\$150
K39A	BROWN KING CRAB, POT GEAR, SOUTHEAST	Y	4	1	\$180	\$150
L21A	HERRING SPAWN ON KELP/POUND, NORTHERN SOUTHEAST	Y	96	14	\$180	\$150
P17A	SHRIMP, BEAM TRAWL, SOUTHEAST	Y	29	2	\$180	\$150
S03E	SALMON, DRIFT GILLNET, PRINCE WILLIAM SOUND	Y	403	135	\$180	\$150
S04K	SALMON, SET GILLNET, KODIAK	Y	130	50	\$180	\$150
S04M	SALMON, SET GILLNET, AK PENINSULA	Y	90	17	\$180	\$150
C91C	SABLEFISH, POT GEAR VL OVER 60', SOUTHERN SOUTHEAST	Y	3	1	\$180	\$225
D09M	DUNGENESS CRAB, POT GEAR VL UNDER 60', AK PENINSULA	N	6	1	\$180	\$225
H01M	HERRING FOOD/BAIT, PURSE SEINE, AK PENINSULA	N	17	5	\$180	\$225
D9AA	DUNGENESS CRAB, 300 POTS OR 100% OF MAX, SOUTHEAST	Y	43	5	\$240	\$225
M09B	MISCELLANEOUS SALTWATER FINFISH, POT GEAR VL UNDER 60', STW	N	163	15	\$240	\$225
S04E	SALMON, SET GILLNET, PRINCE WILLIAM SOUND	Y	25	5	\$240	\$225
B61B	HALIBUT, LONGLINE VL OVER 60', STATEWIDE	N	211	122	\$240	\$300
C06B	SABLEFISH, LONGLINE VL UNDER 60', STATEWIDE	N	396	125	\$240	\$300
K91Q	KING CRAB, POT GEAR VL OVER 60', BERING SEA	N	9	5	\$300	\$300
T19A	TANNER CRAB, POT GEAR, SOUTHEAST	Y	16	2	\$300	\$300
C09B	SABLEFISH, POT GEAR VL UNDER 60', STATEWIDE	N	4	1	\$300	\$375
K09T	KING CRAB, POT GEAR VL UNDER 60', BRISTOL BAY	N	3	1	\$300	\$375
P07E	SHRIMP, OTTER TRAWL, PRINCE WILLIAM SOUND	N	3	0	\$300	\$375
M91B	MISCELLANEOUS SALTWATER FINFISH, POT GEAR VL OVER 60', STW	N	71	77	\$300	\$525
K49A	RED/BLUE KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	23	2	\$300	\$600
M07B*	MISC. SALTWATER FINFISH, OTTER TRAWL, VL UNDER 60', STATEWIDE	N	33	14	\$300	\$675
C61C	SABLEFISH, LONGLINE VL OVER 60', SOUTHERN SOUTHEAST	Y	18	6	\$300	\$750
S01L	SALMON, PURSE SEINE, CHIGNIK	Y	83	17	\$300	\$750
C61B	SABLEFISH, LONGLINE VL OVER 60', STATEWIDE	N	68	88	\$300	\$825
C91B	SABLEFISH, POT GEAR VL OVER 60', STATEWIDE	N	5	7	\$300	\$825
T91Q	TANNER CRAB, POT GEAR VL OVER 60', BERING SEA	N	63	145	\$300	\$825
K61A	SABLEFISH, LONGLINE VL OVER 60', NORTHERN SOUTHEAST	Y	82	27	\$300	\$900
G69A	RED/BLUE/BROWN KING/TANNER CRAB, POT GEAR, SOUTHEAST	Y	42	2	\$300	\$900
K91T	KING CRAB, POT GEAR VL OVER 60', BRISTOL BAY	N	76	180	\$300	\$900
G01A	HERRING ROE, PURSE SEINE, SOUTHEAST	Y	34	17	\$300	\$1,200

State of Alaska
Commercial Fisheries Entry Commission

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February 10, 2005

Fishery	Description	Under Limited Entry?	Resident Permits	Non-Resident Permits	Actual 2005 Base Fee	2005 Base Fee Under Proposed Methodology
M61B*	MISC. SALTWATER FINFISH, LONGLINE VL OVER 89', STW	N	12	54	\$300	\$1,500
K91O	KING CRAB, POT GEAR VL OVER 60', DUTCH HARBOR	N	9	42	\$300	\$2,025
M07B*	MISC. SALTWATER FINFISH, OTTER TRAWL, VL OVER 59', STATEWIDE	N	45	220	\$300	\$3,975
			16,883	4,880		

Under the proposed methodology, CFEC would assess renewal fees based on gross earnings for the M61B and M07B fisheries by splitting each fishery into two separate fisheries based on vessel length:

- M61B Misc. Saltwater Finfish, Longline VL 60' to 89' STW
- M61B Misc. Saltwater Finfish, Longline VL OVER 89' STW

- M07B Misc. Saltwater Finfish, Otter Trawl VL to 59' STW
- M07B Misc. Saltwater Finfish, Otter Trawl VL OVER 59' STW

Handwritten notes:
 500' - 2,025
 1/2 - 1/2
 1/2 - 1/2
 1/2 - 1/2

**CFEC VESSEL LICENSE FEES¹
CURRENT AND PROPOSED**

Vessel Length	Number	Current Fee	Proposed Fee
0-25'	3,484	\$20	\$35
25-50'	5,600	\$50	\$80
50-75'	764	\$100	\$145
75-150'	447	\$250	\$310
150-250'	92	\$500	\$575
250'	26	\$750	\$840
TOTAL	10,413		

33.5% would increase only by \$15
53.8% would increase only by \$30
 87.3% would increase only by \$30 or less

¹ AS 16.05.530 last amended in 1995

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CFEC VESSEL FEES CURRENT AND PROPOSED

Vessel Length	Number	Current Fee	Current Revenue	Proposed 20 % Fee	Proposed 20% Revenue
0-25'	3,484	\$20	\$69,680	\$24	\$83,616
25-50'	5,600	\$50	\$280,000	\$60	\$336,000
50-75'	764	\$100	\$76,400	\$120	\$91,680
75-150'	447	\$250	\$111,750	\$300	\$134,100
150-250'	92	\$500	\$46,000	\$600	\$55,200
250'	26	\$750	\$19,500	\$900	\$23,400
TOTAL	10,413		\$603,330		\$723,996

NOTE: A 20% across the board vessel fee increase would generate \$120,666 in fees over the current vessel fees. In comparison the vessel fee proposal currently in SB 93 generates approximately \$291,000. The current fiscal note for SB 93 would be reduced by \$170,334 under this proposal.

State of Alaska
Commercial Fisheries Entry Commission

Comparison of Permit Renewal Fees For 2005 Licensing Year Under Current Fee Schedule
and Under CFEC's Proposed Methodology for Implementing SB 93

Permit Counts and Estimated Revenue By Base Fee With \$3000 Cap

March 23, 2005

Draft

Current 2005 Permit Renewal Fees				2005 Fees Using Proposed Method				
Base Fee	Number of Permits		Estimated Revenue		Base Fee	Number of Permits		Estimated Revenue
	Residents	Non-Residents				Residents	Non-Residents	
					\$3,000	45	220	\$795,000
					↓			
					\$2,025	9	42	\$103,275
					↓			
					\$1,500	12	54	\$99,000
					↓			
					\$1,200	34	17	\$61,200
					↓			
					\$900	200	209	\$368,100
					\$825	136	240	\$310,200
					\$750	101	23	\$93,000
					\$675	33	14	\$31,725
					\$600	23	2	\$15,000
					\$525	71	77	\$77,700
					↓			
\$300	747	918	\$499,500		\$375	10	2	\$4,500
\$240	858	272	\$271,200		\$300	652	254	\$271,800
\$180	827	241	\$192,240		\$225	257	32	\$65,025
\$120	3,749	1,634	\$645,960		\$150	4,496	1,860	\$953,400
\$60	10,702	1,815	\$751,020		\$75	10,804	1,834	\$947,850
Totals	15,883	4,880	\$2,359,920			16,883	4,880	\$4,196,775



Under the proposed methodology, no permits would fall into the omitted base fee categories.

DRAFT

SB 93 FISCAL NOTE REVENUE COMPARISONS

	Revenue Generated
Current version of SB 93 (No cap - with vessel license fee)	\$2.30 mili
With 20% increase in vessel license fee (No cap - reduction of \$170,000 in vessel fees)	2.13 mill
Without vessel license fee increase (No cap - with reduction of \$300,000 vessel fee)	2.00 mill
If \$3,000 cap on permit fees (reduction of \$258,375 from no cap)	2.04 mill
If \$3,000 cap and 20% vessel license fee (\$170,000 reduction from \$2.04 mill)	1.87 mill
If \$3,000 cap and no vessel license fee increase (\$300,000 reduction from \$2.04 mill)	1.74 mill

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

FRANK H. MURKOWSKI, GOVERNOR

8600 GLACIER HWY, #109
JUNEAU, AK 99801

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March 21, 2005

The Honorable Ben Stevens
Alaska State Senate

Dear Senator Stevens:

Passage of SB93 or its companion HB174 will provide the Commercial Fisheries Entry Commission (CFEC) with the means to continue to support commercial fisheries. CFEC is funded by revenue generated permit and license fees paid by the commercial fishing industry. CFEC fees have traditionally generated more revenue than its budget required and those revenues have been used to fund commercial fishing support projects in the Department of Fish and Game. Because of a number of factors, revenues in recent years have declined and there is a real threat in the near future revenues will not be sufficient to cover even CFEC's budgetary obligations.

Lifting the statutory cap on permit fees in SB93/HB174 will require that CFEC revise its annual permit fee schedule through the public hearing process. The public hearing process will provide the opportunity for CFEC and the fishing community to work together to develop a fee structure that reflects the statutory requirement that fees represent the economic return from the different fisheries and the reality that fees must be reasonable and not unduly burden the industry.

CFEC has already heard from fishermen and fishing associations on issues considered important in a new fee proposal which would be developed for public comment. The public hearing process could address, among others, such issues as: (1) a phase-in of fees over time that would provide the benefit of a planned approach, (2) adjustments in permit fees to recognize vessel size in order that reasonable fees are achieved; (3) adjustments in permit fees to reflect fishing capacity restrictions; (4) adjustments in fees where permit values may not be representative if no permit sales have occurred for some time; and other issues identified during the public hearing process.

CFEC will begin to develop a fee proposal and public hearing schedule based on comments received during the legislative hearings. In this way, a timely proposal would be submitted for public comment as soon as possible after passage of SB93/HB174. This will allow sufficient public hearing time for industry comments before calendar year 2006 fees are required to be adopted in the fall of 2005.

CFEC gives its assurance that upon passage of SB93/HB174 we will work with the commercial fishing community to develop a fair and reasonable permit renewal fee structure.

Sincerely,



Frank Homan, Commissioner

MEMORANDUM

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION

TO: Senator Ben Stevens
Alaska State Senate

DATE: February 3, 2005

PHONE: (907) 789-6160 VOICE
(907) 789-6170 FAX

FROM: Commercial Fisheries Entry Commission
Frank Homan, Commissioner
Mary McDowell, Commissioner
Bruce Twomley, Chairman

SUBJECT: Need for CFEC Fee Bill

In 2001, the legislature passed legislation to bring the state into compliance with a State Supreme Court decision in the Carlson v. State of Alaska class action brought by non-resident fishermen challenging the state's fee structure charging higher commercial fishing license and permit fees to non-residents. The 2001 legislation eliminated the 3-to-1 non-resident permit fee differential and it was replaced it with the court's formula. Because certain aspects of the case were still under appeal at that time, the legislature recognized that further legislation would likely be required in the future to implement subsequent Carlson decisions.

While much of Carlson remains under appeal, a recent decision determined that the state may only assess the non-resident fee differential once per year per non-resident permit holder, regardless of the number of permits held. Thus, immediate legislative action is required to clarify the statutory language regarding the application of the non-resident differential.

The currently required revision will result in yet another decline in the revenues generated from commercial fishing fees.

Because of Carlson and for several other reasons discussed below, the Commercial Fisheries Entry Commission (CFEC) has experienced a continuing decline in revenues to the point where revenues generated from permit and vessel fees can no longer sustain CFEC's budget. CFEC, a receipt supported services agency funded by industry fees, has traditionally returned revenue to the general fund above its needs. In recent years, the legislature has appropriated these receipts to help fund the Division of Commercial Fisheries. Despite generating more revenue than its own budget, CFEC has experienced a

29% loss of its full-time staff due to budget reductions since 1986, decreasing from 41 full-time employees to 29 full-time employees.

Several factors beyond the control of CFEC have converged to decrease CFEC revenue to the point where it is now impossible to provide sufficient revenue to cover its budget from receipts. In addition to reductions in non-resident fee revenues due to the Carlson case, other factors include: consolidation in federal fisheries has resulted in the purchase of fewer state-issued halibut and black cod permits; reduced permit prices in the salmon fisheries have resulted in lower fees collected since fees are based on permit prices or gross revenues, and as they have declined so have fees; poor fishing seasons in recent years and fishery limitations have caused fewer permits to be purchased.

The outlook is for continued consolidation of the federal and state fisheries. Whether the salmon fisheries will rebound is uncertain, and industry's search for restructuring, product development and new markets are likely to take some time. At this time it is necessary to consider an increase in the annual permit renewal fee schedule, which have not been significantly changed since 1987, and a modest increase in vessels license fees, which have not been raised in 10 years.

What is being proposed by this legislation is a lifting of the statutory cap on permit fees. The existing \$300 statutory fee cap has artificially held down the amount of fees charged despite the substantial economic value of the fisheries affected. Removal of the cap will allow the fees to more closely conform to the statutory guidelines of AS 16.43.160(e), which requires: "The annual base fee must reasonably reflect the different rates of economic return for different fisheries."

The commission then by regulation would propose slight increases in current permit fee classes and add several new fee classes for higher valued fisheries. This change will have little effect on the lower value fisheries.

The annual permit renewal fee increase would begin at \$15 for the lower value fisheries and progress through the fee classes by adding additional \$15 increments at each fee class. We would then add fee classes for the higher value fisheries, that will reflect their economic value. The proposal only has a modest effect on existing fee classes. Those fisheries in the lowest two fee classes, currently \$60 and