

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

581 SCOM117: JOINT INTERIM COMM. ON LIMITED ENTRY 1979

two points that I have, and that's all.

CHAIRMAN: Any questions from members of Committee?

MR. BELANGER: I would like to salmon and halibut added to this year.

CHAIRMAN: You would like to see other species of fish added into it?

MR. BELANGER: That is my point, and we--I have another one that kind of looking at me, he says he's going to talk about it little (sp.), and shrimps and crabs, and all kinds of species. But to us here in Southeast Alaska, that's really going to hurt us. (Indisc.) These gillnetters will move on us just like (indisc.), so we (indisc.) industries in Southeast.

CHAIRMAN: I can understand your concern. That's something that I think that we will take into consideration when we remark up this bill. I intend to anyway.

MR. TILLION: Yeah. It should be all the fish, there's no doubt.

MR. BELANGER: Cause I didn't like one thing you said before, Clem. You said, in the future we will add.

MR. TILLION: Oh, no. No. No. No. I agree that it has to cover, because there's species that we're not even fishing now. Why let those get over-capitalized, when we can save them by limiting it now.

CHAIRMAN: Mr. Eliason.

MR. ELIASON: All fish except halibut?

MR. BELANGER: No, salmon and halibut and shrimps and crabs and...

MR. TILLION: We've got a problem with halibut...

MR. BELANGER: No...

MR. ELIASON: Don't misinterpret what he said. You don't mean halibut at the present time. Why should we limit our gear and the Canadians come and pick up 90 percent of the quota, and you're sitting there

wondering why.

MR. BELANGER: At the same time, what's going to happen to me with 300 boats on my--you know, on our gear?

MR. TILLION: Well, you're going to get them anyway. Dick can see it already.

MR. ELIASON: At 70 cents a pound it's going to bring in twice as many boats. I don't like it either.

MR. TILLION: You might (indisc.) We might end up limiting in-shore--no in-shore licenses. We can't--I agree, we can't license, you know, cut our off-shore fleets, but we might limit our back bay fleet.

MR. ELIASON: Well, you're not talking about many boats.

MR. TILLION: That's where the gillnetters will go.

MR. ELIASON: Unfortunately, the problem is tremendous.

MR. BELANGER: I heard that (indisc.) news last week. None enforceable.

CHAIRMAN: Do you have anything else? Any more questions? Does anyone else wish to testify?

UNIDENTIFIED SPEAKER: I have a rain check.

CHAIRMAN: Would you give us your name and who you represent.

WALTER JOHNSON: I'm Walter Johnson and I'm speaking for myself. Well, the one big point that I see is the Commission--the Commissioner--I mean, the Commission will be too small. It is too small as far as I can see. I can see some possibilities that would end up hurting the fishermen with the small commission that they have, and those three appointees by the Governor could be extended by three more, voted by the fishermen...

CHAIRMAN: Pardon me. This bill has a five-man commission.

MR. JOHNSON: Huh?

CHAIRMAN: This bill has a five-man commission--this 126.

MR. JOHNSON: Oh, this 126 is--reading the Governor's bill. Also, the word is circulating around about a board of inquiry made up of fishermen and lawyers. In case a person got his permit yanked, they could have someone to appeal to. I can see the possibilities of people--now I heard two people mention adding crab. This would hurt if they did add crab at this time. This would hurt Yakutat as a community, because at this time we are in the process of trying to acquire two boats--crab boats, and if they limit the gear license, that would mean that they would give the--there's nine boats fishing out in the Gulf, and they're all West Coast fishermen. These nine boats in Yakutat, according to figures that we got, put nine--three million pounds of crab, and that's little--and it's come a little bit over a million dollars. This--if we get this loan processed and we get the boats, and they add crab to this bill, we would have the boats, we would have the finances to pay back, and no way to get the finances paid back. So, that's about all I have for right now.

CHAIRMAN: Any questions? Well, thank you, Mr. Johnson. Does anyone else wish to testify? Give us your name and who you represent.

JERRY CONSTANTINE: My name's Jerry Constantine and I'm representing Alaska Aquatic Farming Co-op.

MR. TILLION: Where? At Pelican?

JERRY CONSTANTINE: Pelican and Linden Bay.

CHAIRMAN: What's the name of your organization?

MR. CONSTANTINE: Alaska Aquatic Farming Co-op, and its a conglomerate

of a number people and a number of (indisc.), I'd say. Well, last time I came up and testified before this committee-- committee at the time. Of course, I think it was about two years ago. And, I think at the time, the first thing that I said as far as limited entry, it was my belief that the probably the most effective thing we could do would be to limit the entry of outside fishermen coming in, and I guess I'm referring to people from the West Coast coming up, and since it has become pretty obvious that we can't do this without a constitutional question. So, I just want to go on record as saying a few things, and answering a few questions and then leaving. First of all, I'd have to take exception to Mr. Gardner's commission, or what he sees--pushing through the bill just to establish a commission, simply because, as far as I can see from reading over the--this paper here, there isn't any place that it says just exactly what the commission's going to do. And, I recognize the fact that some of these tables may be a little inaccurate, except for perhaps these tables that the Fish and Game's published. I just don't think that the--that the commission's the answer. Probably my strongest thing on this would be the--here is the fact that they say here that you're entitled to a hearing if your license--if you're denied a license, and my experience with hearings has always been that by the time they get around to hearing what you have to say, the fishing season is well over, and so you've missed the season. The next things that I'd like to propose that this committee investigate is the possibility of upgrading boats in some type of a loan program. Now, when we're talking about depleting the fisheries, particularly

in Southeast Alaska, I think we're talking about depleting the inside fishery, whereas we've got an outside fishery, and with all this talk about (indisc.) mile limit going on around now, I think that our outside fishery and outside waters has got a much greater potential than the inside waters do. And the next thing I'd like to propose is that this committee also investigate fish farming as a reasonable substitute to limited entry. I--unfortunately, I don't have any figures to give you as to what our findings have been on fish farming yet, since we're an infant organization, and just beginning to investigate this ourselves. But I do have these Fish and Game figures that state the number of licenses that have been issued from 1961 to '71, a ten-year period since then, and ever since statehood this limited entry idea has been kicked around and, because of that, every year it seems that there are a number of people who go and buy licenses simply because they're afraid if they don't buy them now they're not going to be able to buy one ever. I think by taking this into account, I'd kind of like to take a general look at this. Our commercial licenses from '61 to '71 jumped--the number jumped 4,867 in this ten-year period. Vessel licenses, 2,784. Drift net licenses, 1,757. Set net, 998. Purse seines, 141, and trolling licenses, 856. Now if we break this down we've got 486.7 licenses per year in this ten-year period of commercial licenses. Skipping vessel licenses down to drift nets, 175.7 per year, 99.8 per year set net licenses, 14.1 purse seine, and 85.6. Now these are totally inaccurate, I realize this, but if had a breakdown from year to year, I'm sure that these--that there'd be quite a fluctuation

here. But referring now to this Southeastern Alaska chart on page seven in this letter to Terry Miller from the Governor, it looks to me like there just really isn't that many more people fishing from 1968 to 1971. The fluctuation isn't that great, as compared to the total salmon catch. Now, 1968 I remember, was just a fantastic year for fishing, and I'm sure that everybody that was fishing then made a lot of money, but then it just started to drop off quite a bit. And, so, it just appears to me that the big problem we have here is not that there's too many fishermen, basically, but there just aren't enough fish. And, so, obviously the solution to this is to try to incorporate some type of aquatic farming of our fisheries resource, and I don't--somehow hatcheries just don't seem to do it. Now, Fish and Game--what I know of Fish and Game hatchery program so far and the plastic trays and however else they do it, the fry that they produce is usually is a pretty substandard fry, smaller than the ones are produced in the steams. What we're investigating right now is what Canada's doing, and that's dredging diversion channels using whatever means are available, and growing the fish right in their natural habitat, rather than in a plastic tray that has been proven to produce a substandard smole (sp.). And one last suggestion I have--I just don't know--I don't know if this would work or not, but if we've got to do a limited entry thing here, and if we've got to have a commission, well, I'm a little bit worried about the politics in the commission that might take place. In other words, because somebody on the commission doesn't like a guy that's applying for a license, the guy can't get a license. Perhaps we could divide up these

classes of licenses into a commercial and a subsistence commercial class license. Also, include the guy like from Elfin Cove that only wants to make \$4,000 during the year and live on his boat the rest of the year. I'll entertain any questions that anybody like to ask.

MR. CHAIRMAN: Mr. Eliason.

MR. ELIASON: Jerry, do you have a commercial gear license?

MR. CONSTANTINE: No, I don't at this time. I pick eggs and I fished salmon long line for a while this summer, but I...

MR. ELIASON: Fished salmon long line?

MR. CONSTANTINE: No, halibut long line.

MR. ELIASON: This has been your experience in fishing then?

MR. CONSTANTINE: Yeah, this has been my limit.

CHAIRMAN: Any more questions by member of committee? Well, thank you.

MR. CONSTANTINE: Thank you.

CHAIRMAN: Anyone else wish to testify?

MR. ELIASON: There's a (indisc.) fish farm bill in incidently.

MR. CONSTANTINE: Oh, well we're hoping that there'll be a lot more of them, too.

CHAIRMAN: Please state your name and who you represent.

BOB BISHOP: I'm Bob Bishop, Ketchikan.

CHAIRMAN: Bishop?

MR. BISHOP: Bishop, yes. I'm representing myself at this hearing. I realize I'm not prepared to present any testimony at this hearing properly, and I'm scared to death, but I'll do the best I...

CHAIRMAN: (Indisc.)...testimony...(indisc.)

MR. BISHOP: I'll do the best I can, because I'm here on behalf of this limited entry, mainly. I represent the Southeast Alaska Gillnetters Association of Ketchikan at the UFA meetings. However, I want to make it clear that I can't speak at this time for my organization in Ketchikan or for the UFA. I like the governor's bill quite well. When we got a copy of the bill about two days before I left Ketchikan, and I haven't had too much of a chance to work on it here because we've been having meetings from almost early morning till late night every day since we've been here. I can up here with pretty severe reservations about the bill itself. I've listened to all the testimony of the governor's study group, and most of my fears have been allayed. Many voice a fear of a commission. I see nothing wrong with the commission or the makeup of the commission, and I feel that there's every need to have limited entry and a limited entry bill and it must be regulated. I feel that at both times a salaried commission can do a much better job of gathering information and putting it in its proper place in the various areas than any other possible means. The Department of Fish and Game probably could handle it, but they're probably not staffed for it, and would only represent one source of feeling. I'm a little concerned about the permits, the entry permits, the permanent ones, where they specify that more than one entry permit may be held by a person, and for different species and for different types of gear and more than one entry permit may be held for an additional administrative area. Most of this has been explained to me satisfactorily, however I see a possibility where, let's say the total number--maximum

number of allowable units of gear in the State of Alaska would be set at 5,000. There is a possibility that in time that total number of permits allowed should end up in the hands of one-third that many fishermen, which would exclude other people from making a reasonable living from the fishery, while a few got exceedingly wealthy from it. I see no reason why the fishery shouldn't support as many as possible, and if this situation here were that a few fishermen could hold a number of permits which would take the permits out of the availability of other fishermen, it would be good for the fishery and it would be good for the stocks, probably, but it would exclude quite a few fishermen from participating where they're making a reasonable living made by them. The bill is extremely non-specific, and that's where most everybody's worry seems to come in, however I feel that being non-specific it can the commission a better chance to study and make the regulations necessary to be as fair as possible and hurt as few as possible. There's only two areas I notice in it that are quite specific, and that is the salary of the commission and the penalties for a person if they violate this provision of this bill. I might say, also, that I am definitely for limited entry. I can speak that my group, who I represent, is definitely for limited entry, and generally in favor of the governor's bill. I think that's about all I can up with tonight.

CHAIRMAN: Any questions, Mr. Tillion?

MR. TILLION: Yes, we have one problem. I just wondered how you-- if you'd thought about it, of the real fulltime professional fisherman, who, on down cycle, for instance, of salmon, must

turn to some other type of fishing. You know, a man who-- everything he owns is invested in the vessel and is going to be fishing twelve months a year somewhere. Now, he just about has to hold permits, even for other areas if this area's down-cycle, or else he'd have to turn to some non-fishing income to feed him.

MR. BISHOP: The solution I've been able to come up with, this one problem of one fisherman holding more than one permit, is that if this fisherman holds more than one permit--say, a fisherman in Southeastern might qualify to hold three permits, one for seining, one for gillnetting and one for trolling, which is our major form of fishing. If he held three permits he would only be entitled to fish one type of gear at a time by the Board of Fish and Game regulations, so if you took the total number of permits that this fisherman held and divided them by one-third, so that he would classify as holding one-third unit a year for each type of permit he held. Then it would not exclude other fishermen from participating in the fishery as badly as if they were counted as three different units of gear, which would come out as a total allowed for that area--that specific area. Does that answer your question?

MR. TILLION: That's a little confusing with--you know, units of gear. Usually, you know, your gillnet season and your trolling season are slightly different, and therefore, he could very well be delivering above-average on all three and be counted as only a third. This...

MR. BISHOP: Well, he would probably--if he held three permits he

could only fish one at a time.

MR. TILLION: Do your seasons overlap is what I want to know. At home I hold a seining permit and a gillnetting permit, because the two seasons don't overlap. The seining begins at the end of gillnetting season.

MR. BISHOP: Yes. Of course, that happens in our district, too. The seasons overlap, and they also run at the same time. Quite a few of the fishermen change from one form of gear to another during the season when the best fishing seems to be in one fishery or another. Now, I think the commission would have the power to solve this problem and set the maximum units of gear allowable to allow--to apply to this sort of accounting system.

CHAIRMAN: Any more questions of Mr. Bishop? Well, thank you.

MR. BISHOP: Thank you.

CHAIRMAN: Does anyone else wish to testify? State your name and who you represent.

FRANKLIN R. PETERSON: I'm Franklin R. Peterson. I'm a gillnetter and I represent myself. I am a member of the Southeast Alaska Gillnet Federation. I'd like to go on record as saying that I do support a limited gear program, and I support a time factor in that the man has to spend so much time, and rather than an economic--there's so much money being made from some other source, and this is all I've come up here for is to get on record that this is what I support.

CHAIRMAN: Any questions, Mr. Tillion?

MR. TILLION: It was a little confusing. Do you say a time or percentage year?

MR. PETERSON: Time. I'm for time and not for the percentage income. I'm for the time. If a man wants to go out and fish a hundred percent of the time and make a few thousand dollars on the side, I'm all for him, cause that's the way I do.

MR. TILLION: Yeah. I'm just wondering about on the down cycles. Do you still want to require that a man fish every year, or would you stand for some leniency so that in bad years, with the bad predictions, that he could just do something else without losing his right to come back when the predictions are up.

MR. PETERSON: I think this is where the board could come in, and a person would have to apply for a permit if they want that forecast on something like this. I (indisc.) I'd like to ask one question. Is there--it seems to me that this is a very important bill to the fishermen, and to put ninety days on it to work all the details out seems awful short. Is there some way that licenses can be froze at this time, and then work on it. Maybe it's going to take a couple of years.

MR. TILLION: We can pass something that might serve to come close to freezing licenses, where an outright freeze would probably be unconstitutional. This is according to the Attorney General's office. We might have to freeze--pass something that says you don't issue over this number of licenses, but I agree, that this is a short time. Course, some of us have been working on it for years. Yeah, but if you leave it wide open for another year you're going to have a real problem.

MR. PETERSON: I know that. It's if the increase--there's so many more licenses, I guess, issued right now than there has been

and most of the fulltime fishermen haven't even went and got their license yet. So...

CHAIRMAN: Mr. Gotkin (sp).

MR. GOTKIN (sp.): Yeah, if the alternative to handling it fast, it seems to me that we would then have to approach this thing from a different angle, and we would have to simply do away with grandfather rights as any consideration for past entry. And, what would your reaction be to that?

MR. PETERSON: Well, past entry. If I hadn't got my license now, why I'd be out, and I've got all the investment. So, I don't know where the answer is.

CHAIRMAN: Any more questions?

UNIDENTIFIED SPEAKER: Any of the limit that we've been dealing with is mythical. It's just the mood of this session. There isn't anyone that knows how long this session is going to last.

MR. PETERSON: It has--well, after last year, I think the legislators got such a harrassment over going over that I think that they're going to be watching it pretty close, and I'd hate to take in to figure somebody'd make an irrational--you know, real quick decision on what I'm going to be living on.

CHAIRMAN: Mr. (indisc.).

UNIDENTIFIED SPEAKER: Yeah. There's many of us that can consider problems in facing the problems as they come up, and although there's pressure to have a very short session, I think most legislators will take a look at the problem areas and be responsible to the people they represent. So if you have a great concern for this particular bill and it comes down to a crunch on whether it's going to be a short session or a long

session, you ought to talk to your representative in your area and let them know your feelings about it. You know, there's no statutory limit to the end of the session, that's correct. It's just the mental problem of some people.

MR. TILLION: Oh, yes, but Chuck, you're both dreaming if you think this legislature's going to sit here. When that budget comes down, they're going to adjourn. The point is, it's going to adjourn out from under us.

CHAIRMAN: Chuck?

CHUCK: Mr. Chairman, we've spoken so much about this 90-day that now the witnesses are starting to refer to it as the 90-day limit. Well, in fact, there are no magic--ninety is the magic number, like 89 or 91.

CHAIRMAN: When I first come up here, 60 was the magic number.

Mr. Hubert and Naughton (sp.) and then Eliason.

MR. HUBERT: I can understand the concern there, but there's not a 90-day limit, or something like that, but, you know, Speaker Fink says this ought to be a 75-day session. He happens to be one of the leaders now, and I would expect that this bill--we're really going to have to work on it fast and time is of the essence, but I can expect the fishermen will be the next group following Mr. Atwood of Anchorage, to ask for a session over 90 days. I don't think Mr. fisher would ask for a long session even if it was for their bill, because they haven't felt that way in the past. We'd better try to get them (indisc.) and get this thing put together.

MR. TILLION: I don't intend to miss another halibut season.

(Laughter)

CHAIRMAN: Mr. Hugow (sp.).

MR. HUGOW (sp.): While we're talking about this idea of getting this bill out this Spring, I'd like to throw the idea out in front of UFA, that if this thing isn't knocked into shape by the end of 90 days, the pressure should be put on the Governor to call the Legislature back in for a special session just to deal with this one specific bill, and you might start laying the ground work for that at home.

CHAIRMAN: Another thing with passing it at the first session, it gives the same body of legislators a chance to hear the comments and find out what's going to happen, amend it something, whatever has to be done the next year. You wait till next year and, you know, in the Resource Committee you're apt to have like we had last year, Fairbanks--or Anchorage lawyers on it, and then you don't have a hell of a lot of chance.

MR. TILLION: You only said that (indisc.).

CHAIRMAN: Mr. Eliason.

MR. ELIASON: Oh, I was just commenting on this 90-day. I don't think--the legislature didn't exactly say that, I think the people said it here about two months ago, and I think we'd better listen.

CHAIRMAN: Mr. Barker.

MR. BARKER: Well, one thing everybody is talking about--you'll notice in the bill it does say that there--everybody says it's going to take two years to figure out, or whatever time to figure out what the optimum level is, well, you notice in the bill it does say, the established interim entry permits to start with, so I wish everybody...

MR. TILLION: Well, I'd rather see them give the entry permits at established interim optimum levels so they could adjust that. I think the average fisherman is afraid--well, the testimony I've heard, you know, the one who liked the bill just as is, the rest of them were all afraid of that commission screening them out. And, I think Guggenbickler's testimony was probably the most widely held position, even though it's different than yours you'd probably say that was the most widely held position that UFA, and that was to be a little lenient, to let little people--you know, let a little more in it necessary to make sure you didn't screen the wrong man out and then if you want that license you either wait for attrition if there isn't a constitutional barrier, or buy it out if there is. And, I think that's--you know, that's what I gathered in three days of sitting down there, and I don't--they're thinning out so fast here.

CHAIRMAN: Any more questions of this witness? Give your name and who you represent.

CLANCY HINKINS: My name's Clancy Hinkins and at the present time I'm just going to talk for myself. I wouldn't--I didn't even come here with the intention of speaking, but the point was brought up and I would like to...

CHAIRMAN: Now you don't need to say you didn't come here (indisc.).

MR. HINKINS: I fish for a living and have for quite a number of years and I fish at quite a number of different things, such as shrimp, crab, herring, halibut once in a while and I troll and gillnet besides, so what you're doing is if you put all this into a--everything--all types of fish in this, you're just

going to force me to put in for all types of permits, even though economically maybe some years I don't do some of them. I just wanted to make the point. I think Clem understands what I'm getting at. So, I would be forced under this kind of conditions to ask for more than three, four, maybe five permits at the most just to cover all the things that I do have gear and have (indisc.) in the past. That was the point I wanted to make was all.

CHAIRMAN: Mr. Eliason.

MR. ELIASON: You do agree with the concept, though, of limitation of some type?

MR. HINKINS: My organization does, yes. I'll speak for them at that point.

MR. TILLION: No, I think we fully understand that. You don't want to force a man to go on a carpentry job just because you took one of his licenses away, and if it's a down season or something.

UNIDENTIFIED SPEAKER: (Indisc.)

MR. TILLION: Me, I always need a good carpenter, I'm such a lousy one.

CHAIRMAN: Anyone else who wishes to testify?

MIKE ROSE My name is Mike Rose, and I'm a member of the Southeastern...

CHAIRMAN: We don't want to be confused with Mike Rose because this is a different one.

MR. ROSE: No relation. Mike Rose and I represent the Southeastern Trollers' Association.

MR. TILLION: Couldn't you just change it.

(Laughter)

MR. ROSE: The only thing I can say for or see on this. I have one

point that was brought that was brought out to me repeatedly, and that is, if we have limited entry we want some kind of a guaranteed rehabilitation program tied into it.

MR. TILLION: You can't (indisc.) two separate subjects.

UNIDENTIFIED SPEAKER: Salmon or fishermen?

MR. ROSE: Beg your pardon?

(Laughter)

MR. ROSE: Salmon.

CHAIRMAN: We have better than your aspiration of rehabilitation as fast (indisc.) This committee has, but (indisc.).

MR. ROSE: Now, personally, I want to see some type of limited entry. I've been listening ever since we've been meeting here to all different ideas, and I don't know exactly--can't make any definite recommendations, but I do feel this way. I want to see the professional fisherman be the one that remains, and we've argued and argued and argued in the UFA and we can't come to any definite definition of economic dependence on (indisc.) fishery.

UNIDENTIFIED SPEAKER: What do you define as professional? How do you define professional?

MR. ROSE: This is my idea of a professional. It is a man that fishes the whole season, starts the opening day of the season and he's still fishing at the end of season.

UNIDENTIFIED SPEAKER: Okay, go all the way to Brazil? I know there's different fisheries from--all the way from salmon all the way to tuna and all that.

MR. ROSE: Salmon fishermen. I'll qualify that if you want.

UNIDENTIFIED SPEAKER: No, I mean. I'm having difficulty with your

definition of professional fisherman. Do you get on a boat and do you go from one type of fishery to another, and finally end up off the shore--coastline of Chili and stuff like that?

MR. ROSE: A Southeastern professional fisherman would fish the total salmon season.

MR. TILLION: What he's saying is total by species, I think, Chuck. That a professional salmon fisherman fishes it from the beginning to the end. This is a little confusing, because you have a lot of professional fishermen that would take a look at the price of crab and the fact that you aren't expecting a big run, and he's still a professional fisherman--he'd fish crab that year.

MR. ROSE: Yes, that's right.

MR. TILLION: And you can't penalize him.

MR. ROSE: But he puts in as much of the season as he possibly can in his area. I realize that we have guys that troll and at the end of the trolling season they go tuna fishing or they switch over. Personally, this year I fished halibut half the season and I fished black cod late into the season.

UNIDENTIFIED SPEAKER: So your definition of professional fisherman, if he'd fish within his own area for the maximum amount of time, he could?

MR. TILLION: That would cover you, Chuck.

UNIDENTIFIED SPEAKER: I just wanted to know what his definition...

MR. ROSE: My worry on this dependence upon a fishery, and this is my own case. I do fish the whole season. I put in as much time as I can and on my other investments, I make more money than I do fishing. At the same time, I feel like that's--that's

my right to be able to go fishing, and I don't want to be kicked out. And that's about all I have.

CHAIRMAN: Any more questions? Mr. Naughton (sp).

MR. NAUGHTON (sp): Well, if we accept the concept of professional fisherman as you had said, then you'd have no real worry about being kicked out.

MR. ROSE: I don't feel that I would, that's right.

MR. NAUGHTON (sp): Given that we're trying to take out some of the school teachers and State employees who are sports commercial, but they fish every night, and they land a few fish every day. Wouldn't we run into problems trying to weed them out with that definition?

MR. ROSE: Yes, I--we very definitely would, but there again, if we did have a commission, why, I believe they could establish definite guidelines that we could go on.

MR. NAUGHTON (sp): Are you saying that you don't want two--one guy being in two professions, being a professional fisherman.

MR. ROSE: I can't say that because I am. I do. I have outside investments, and I would actually be classified as being in two professions at once. So I feel that we'll have to put some kind of a--how much time a guy spends working at the fishery. Some kind of a clause in there. I don't know what it would be.

MR. TILLION: Yeah, this is a roughy, because where I come from a professional fisherman is a man who starts on January 1 and quits on December 31st. And he might fish different species every year for a number of years, whatever happens to be the best market. But he is a professional fisherman. It's his only

way of life. And there is always the worry that you would say, well he has to fish three years in a row. We have seven bad predictions for Bristol Bay. That man wouldn't think of going to Bristol Bay until probably seven years from now. Do you wish to take that right away from him, you know. And this is some of the problems that we face.

MR. ROSE: Yes, that's right. There's definitely problems, but at the same time we have to use something of this nature as a guideline because we can't have a guy--poor old schoolteacher keeps catching it in the neck...

(End of one side of tape)

CHAIRMAN: (Indisc.) who do you represent?

UNIDENTIFIED SPEAKER: I'm going to repeat Mike. I'm with SETA but I'll speak for myself. But, somehow I hope that fish and fish rehabilitation come hand in hand. I'll stand on that.

UNIDENTIFIED SPEAKER II: Did Mr. Tillion take off?

CHAIRMAN: Oh, he'll be back. He takes a...

UNIDENTIFIED SPEAKER II: Good, I can say...

CHAIRMAN: (Indisc.) ten, twelve years up here, he's still here.

UNIDENTIFIED SPEAKER I: Possibly I'm wrong on this professionalism, but I think I can be established merely by fish tickets. You could--a man could show his fish tickets, and if he was crab fishing or shrimp fishing or, I don't know, somebody smarter than I would have to figure it out. But, if he was fishing tuna off of California or--I don't know if that would figure in or not, but somehow or another I hoped that the--this bill can establish professionalism. I think that's important. I haven't got all the answers. I'll answer any that I can, or try to.

CHAIRMAN: Mr. Hubert.

MR. HUBERT: Mr. Chairman, I was highly concerned that basically what we've--though we may say it's unconstitutional, what we hoped to do with limited entry was to discourage outside fishermen from fishing in Alaska. We'd like to save Alaska for Alaskans, for Alaskan fishermen. We'd like to, but we can't say it. And, I worry an awful lot--in fact, I care nothing, personally, for the professional fisherman who fishes tuna and fishes off San Diego and fishes out of Seattle, and then he fishes Alaska, too. I'd like some way to keep him home. I know they can't do it constitutionally, but one reason that the people in my area are not very interested, and I say this to every fisherman in this room, are not very interested in spending State money to rehabilitate the fishery, and I'm not saying what I think, but what they think. They say, well, we hear in the paper every day that the Japanese take all the fish, and the fisherman comes from the states and gets all the fish, and we don't like to spend our money to rehabilitate a fishery for outside interests. And, the hardest thing to talk to them--get them to say--to realize that the fish is still one of the greatest resources in Alaska. It's just exactly that. I think a professional man, if he isn't an Alaskan, I'd like to find a way to let him stay home, but I know I can't do it.

UNIDENTIFIED SPEAKER 1: The way it's been explained to me, is that you're right. We can't discriminate against down south--not that I'm for them, don't get that idea, but I don't know what you can do about it.

MR. HUBERT: If I may. Just one moment, if I may. I'm also told that, well, now look, Mr. Hubert, an awful lot of our good Alaskans are the best highlighter fishermen, have moved to Seattle. And they go out there for the winter, they vote in Seattle, they live in Seattle, they pay their taxes in Seattle, but they were old time Alaskans. And again, my heart doesn't bleed. The minute the man moves to Seattle and decides he wants to be a voting resident in Seattle, and left Alaska, I don't care if he was a 50-year-old or a 50-year resident from here, my heart doesn't bleed for him anymore when he decides that the pastures were better there and he just wants to come back and skim the creek.

UNIDENTIFIED SPEAKER I: I think the statistics--I wish I could just (indisc.) to you, but the percentage of resident fishermen has been raising. I don't know that's an answer, but that--the trend has been the other way around. The trend, that is.

MR. HUBERT: Thank you.

CHAIRMAN: Mr. Guy (sp).

MR. GUY (sp): Mr. Chairman, a question that you've been talking of of fish tickets. You seem to have a some idea in this area. Could you elaborate on it?

UNIDENTIFIED SPEAKER I: I don't understand the question. I mean, as far as proof of participation?

MR. GUY (sp): Whatever you were getting at. I didn't quite...

UNIDENTIFIED SPEAKER I: Well, every time a man sells he get a fish ticket. The date, the amount and the type of fish and the whole works. A fish ticket. And I think that could be used as proof of participation. Is that...

CHAIRMAN: Mr. Eliason.

MR. ELIASON: Victor, you never say anything about this commission.

Do you share the same concern that others do in regards to the power of this commission, and would you like more guidelines on what they can do and what they can't do?

UNIDENTIFIED SPEAKER I: Definitely. I--did I say I'm for limited entry, personally? Well, I'd rather see the governor's bill go through like it is than not at all, but I'd rather see this improved. And I think it can be.

CHAIRMAN: Anyone else? Is that all you have? Mr. Naughton (sp).

MR. NAUGHTON (sp): On the commission--I don't know whether anybody else sees it this way, but when I look at the commission I see a chance for us to be pretty arbitrary in cutting out the outside fishermen--the stateside fishermen, and if we don't let the commission have a--you know, quite a wide scope, an awful lot of authority, we're going to defeat ourselves in that area, and when you get down to guidelines for that commission I would hate for us to lock them in so tight that they can't get arbitrary. See, if all we do is limit the number of people fishing and we don't weed out that outside penetration that we have I would consider this bill a favor.

UNIDENTIFIED SPEAKER I: How do you answer that?

MR. NAUGHTON (sp): Well, what I'm saying, I think, is that that commission is going to have to have a lot of arbitrary authority, and (indisc.)

(Simultaneous speech)

CHAIRMAN: Any more questions?

MR. HUBERT: Ted brought one up there that I just might try it. It

is kind of a question to this witness. In your fishing experience, let's say that we have this little bit of arbitrary power on the part of the commission and they cut out--in cutting this down they decide to cut out some very big stateside interests, good big boats and good equipment. From knowing and associating with some of these type of fishermen and stuff, what do you think would happen? Do you think they would be successful right away or do you think they would have some means of hollering foul and getting a court decision, getting a court staying order that will allow all these guys to be here anyway. What is your feeling on it.

UNIDENTIFIED SPEAKER I: Well, I don't know if this is going to answer what you say. Possibly. But, I'm thinking of a different aspect--the same thing. But, for instance, myself, last winter. I crab fished all winter long. I crewed on boat. I'm a vessel owner and a fisherman, but I consider myself to be a professional fisherman and 100 percent of my money comes from fishing. Okay, and our season closes theoretically in September. I fished right up until September, then after that I went into a different type of fishery. It was--I didn't make a nickel at it. I was bottom fishing. It was experimental, but I was fishing, and I had a couple of fish tickets. In the--I went crab fishing in December working on a boat. Okay, I'm going to go fishing just as soon as I get out of this mess.

(Laughter)

UNIDENTIFIED SPEAKER I: Okay. I hadn't even thought of it before, but speaking of the stateside fisherman, I can only speak for one group, and that's trollers. And, the average troller leaves

Seattle April 1st, 10th, 15th. The--there's a lot of guys, I'm not--a lot of the gillnetters in that fisheries, and they don't even have this. Well, they do, too. I know a lot of net fishermen--I'm speaking of Hoonah guys and stuff like that, that in the winter time they've got a skiff and they go out and sport fish. These are professional fishermen, and when the--myself, I'm at it off and on the year round, one way and another. Well, I think--well, back to what I was going to say. The Seattle fisherman leaves April 1st, 10th, 15th. He catches his first fish in May 1st. He's afraid of the equinox storms around September. Fishing's slow in the Fall. He goes down the first of September. Well, he--I think that using that as a criteria would have a tendency to destroy the out-of-state fisheries. I don't know. There'd have to be somebody smarter than I make a study or something on it. I don't know. Did that--is that a good enough answer?

MR. HUBERT: I think so. I get some of--more of the feeling about it.

MR. ELIASON: Something I'd like to clear up. When comes to fisheries, Dexter, there's nobody smarter than a fisherman.

(Laughter)

MR. HUBERT: Well, Mr. Chairman.

CHAIRMAN: Yes.

MR. HUBERT: What they don't know is that I'm a fulltime fisherman, too, only I'm amateur, not professional.

(Laughter)

CHAIRMAN: Any more questions? Well, thank you. Anyone else wish to--yeah, would you step forward and give your name and who you represent.

JOHN PASQUAN: I am John Pasquan and a gillnetter,

CHAIRMAN: Pasquan?

MR. PASQUAN: Yeah. P-a-s-q-u-a-n. I wish to say I'm against the governor's bill as is. I don't think it's necessary. I don't think we--the voters voted to reduce the fishing fleet. I think they voted for limited entry. I did. I don't like the commission. I think the money could be better spent in rehabilitation, and I think the fishing industry's going to be in an uproar for the next four or five years, until this is settled. And, I think there will be a court case, but we don't know, but I suppose there will be. I don't believe we should try to freeze out the outside fishermen, I think we should have them come back to Alaska. There are a lot of investments there, considerable investments, too, and effort. And, I do not like the arbitrary power to the commission to--at their whim, you might say, to tell anyone he should go fishing at any time in the future. I don't think I have any more. This (indisc.) been elaborated on.

CHAIRMAN: Mr. Eliason and then Mr. Gardner.

MR. ELIASON: Mr. Pasquan, this is an interesting development. You're not at all interested in keeping outside fishermen out if there--if you could legally do it?

MR. PASQUAN: I have a lot of friends in the outside fishery, and I understand their position. I'd rather see them be Alaskans and compete like--even to the rest of us. My argument against the outside fishermen is their--they've got a built-in edge. They--their costs are 25 percent less. Probably the maintenance on the boat is down more than that. We're just not competing evenly. This bill, as I see it, is going to force the Alaskans

to leave Alaska for the simple reason that even in the next two years we--I don't see how a fisherman can dare compete by going out and getting another job. He can't--we're in competition with each other. We're on a priority list, and if it's a poor season we don't have anything prophesies of gloom and doom in this area, and if we don't make it can I afford to go out and work and make another income and more income, and the next man sits tight? He's got to be at an advantage.

MR. ELIASON: Well, we're you saying you want these southside fishermen to come to Alaska and fish and stay here? Is that what you meant?

MR. PASQUAN: Yes, definitely. I'd rather--I'd like to see them winterly residents.

MR. ELIASON: Well, I don't disagree with that concept at all.

MR. PASQUAN: Speaking of--I have one more question. We say that we are getting more and more residents every year and I think it's possible we are getting more resident licenses, not necessarily residents. I think that the--that a resident is more or less a wintering resident, but our residency laws are quite lax.

CHAIRMAN: Mr. Gardner's next.

MR. GARDNER: Yeah, you said that you were for limited entry, but not for cutting anybody out. You mean just for some type of attrition policy?

MR. PASQUAN: Yes, I--I think I can see some methods of reducing the fisheries to optional methods. I don't see why we have to take half of the fishermen or a quarter or any amount for any reason and just throw them out of the fishery. I--in Juneau we have a large commercial sport fishing fleet, that's what they call

it and many of them are my friends. It's a way of life with them. I don't see why this way of life should be thrown out. They take so few fish it makes no difference as far as I'm concerned.

MR. GARDNER: You're talking about Southeast now. Do you think what is happening in Southeast and more or less what you're saying would be the proposed solution for it is comparable to what the Bristol Bay problem is there?

MR. PASQUAN: I have difficulty with Bristol Bay because we're trying to make a living for people in a three-week fishery, and three or four weeks--I just don't see where that applies to the rest of the State. One man talks about year around, the other man six months. In general, some years you can't get out of Juneau with a small boat. It's very difficult, and I don't see where the problems are applicable in the State's--I understand the problem in Bristol Bay, but I don't see how we can settle everything the same on the same bill.

MR. GARDNER: That why I guess I understood the theory of the commission was that they would treat each area separately, you know, each administrative area. Southeast--the solution for Southeast wouldn't necessarily be the same as Bristol Bay, and so I understood that was the reason for having the commission so that they could be solved separately, but I--it seems that now you're saying that you would rather see one standard for the whole State, and I don't see how that can solve the problem in Bristol Bay and at the same time solve the problem here.

MR. PASQUAN: I do not see where it is equitable to throw a participating fisherman, with a substantial investment, out of the fishery. I don't know what the Bristol Bay problems are, but I understand

they're most just fishermen, they're not boat owners or operators. I don't even know if they own their own gear. There's not much of an investment there, and there may be some method to handle that.

CHAIRMAN: Well, most of the Bristol Bay fishermen do own their own boats. Their investment's roughly, you know, the peak investment's probably twenty, twenty-five thousand. It's not as many as it was (indisc.).

MR. PASQUAN: Is this non-resident also?

CHAIRMAN: Yes. Mr. Hubert.

MR. HUBERT: I wanted to take one particular part of your testimony (indisc.). You weren't against the outside fisherman. It bothered me a little. How do you feel about them not paying taxes in Alaska?

MR. PASQUAN: Well, I resent it greatly. I'd rather see them Alaskan residents. Of course, I believe they pay their State income tax. I'm sure the better fishermen do.

MR. HUBERT: They don't pay ours. They get a court case that keeps them from being--from having to. They don't have to pay out-of-state income tax. That's what I was talking about. They won a court case.

CHAIRMAN: Yeah, that's the ones that don't land in Alaska, the ones that (indisc.) shore.

MR. PASQUAN: I understood they all paid income tax on income earned here.

CHAIRMAN: Are you done, Joe? Mr. Parker.

MR. PARKER: Mr. Chairman. Mr. Pasquan, do you think the Southeast fishery is in danger from overfishing?

MR. PASQUAN: With unlimited entry, yes. In the present situation, no. I believe that the management can still handle the problems. We speak of a few hours, or we've been spoken of a few hours either way could destroy a fishery, and I don't see that at all.

MR. PARKER: What do you think of the idea of--of having a fisherman being able to fish every day of the season?

MR. PASQUAN: Given a viable industry, I'd say fine.

MR. PARKER: Whereby given the present Southeast fishery.

MR. PASQUAN: And this is a criteria of staying in the fishery.

MR. PARKER: I'm wondering, do you think that would be an ideal for the fishery in Southeast? That a fisherman should be able to fish every day.

MR. PASQUAN: Oh, you mean every day of the week?

MR. PARKER: Every day of the fishing season.

MR. PASQUAN: Well, the gillnet season--the gillnet fishery is right now--I mean, speaking of, it'd be impossible. We fish three days, that's 72 hours, we fish 72 hours, the successful fisherman. There's no other way. He couldn't do that for six, seven days. I don't know what would happen, but surely something would happen. Of course, they'd have to put some of them--but there'd be a few of the tougher ones fishing seven days. It'd be quite difficult.

MR. PARKER: So, as it all adds up to you, the present situation is working out to be what? The fishery's not in great danger, fish three days and have as many fishermen as there were last year, say, and again you think that's a good way to handle the fish resource in Southeast?

MR. PASQUAN: No, I think it would be advisable to institute some

kind of reduction in the fishery, but not a forced reduction.

I think it should be optional. To normal attrition, I think the problem is legality. I think that with unlimited entry the fisheries will definitely be endangered. Of course, we have management and maybe we're going down--maybe we're fishing 200 fathoms now, maybe we'd get down to 50 fathoms of net. This wouldn't endanger the fishery as such. Maybe the gillnetter or the fisherman, yes. I don't think it's advisable at all.

CHAIRMAN: Mr. Naughton.

MR. NAUGHTON: How much have you invested in fishing? What was your capital investment?

MR. PASQUAN: I would say roughly \$30,000, maybe more.

MR. NAUGHTON: Uh-huh. Have you ever appeared before the Fish and Game Board or the advisory board for the Fish and Game...

MR. PASQUAN: Oh, yes.

MR. NAUGHTON: ...and testified?

MR. PASQUAN: Yes.

MR. NAUGHTON: Have you ever testified asking them to reduce the time period that you could fish?

MR. PASQUAN: No.

MR. NAUGHTON: Have you ever asked them to expand the time period that you could fish?

MR. PASQUAN: Yes.

MR. NAUGHTON: Well, see, that's the problem, is that you're faced with that \$30,000 investment, and so you're putting pressure on the management board to increase the pressure on the resource.

MR. PASQUAN: I will qualify that statement, please. I did not ask for more time. I don't believe I have asked for more time. I

have asked for more area. I believe the gillnetter is discriminated against, and...

MR. NAUGHTON: You know, I'll just make my question a little bit broader and ask, have you ever asked for anything that would increase the pressure on the resource, so that you can meet your payments and make your living?

MR. PASQUAN: I do not think I did. I asked for a little more share of the resource.

(Laughter)

MR. NAUGHTON: But you see, I took that to mean that you asked for-- because if it's good for you, then everybody else has to have the same larger slice of the resource which puts the pressure on the resource. Do you follow?

MR. PASQUAN: Yes, but I was going to take it away from the purse seiner.

(Laughter)

MR. PASQUAN: I understand what you're driving at, but this is...

MR. NAUGHTON: But you can see what I'm getting at, though. That if we don't find some way to limit the amount of capital that the fishermen have, and when I say fishermen it's plural, it's the total capitalization of the fishing fleet, which of course, generates the pressure for more exploitation of the resource in order to meet the payments and the living standards, or the income you need for your living standard and such. And given that, are you still opposed to the concept of limited entry?

MR. PASQUAN: I haven't been--I regret it. I think that limited entry isn't--it isn't fair. We know that, but I think it is necessary. I--when I speak of limited entry, this is people--there's not

unrestricted entry to the fishermen. I mean, there will be no more entry as such, or increased entry. I am against reduction in the fishing effort, or in fishing. Let's put it this way, participating fishermen, that is. And I think it should be reduced. It would be advisable to reduce it with some more equitable method, such as the fishing, maybe a buy back. I don't know. I'm a little afraid of buy back.

MR. NAUGHTON: Well, then what--what I read you saying then is that you would in essence simply freeze the number of licenses we have out right now at approximately the level they are. You're saying that we should freeze the number of licenses we have. No more licenses would be issued. They would be issued to the same people or different people, but no greater number than we have today.

MR. PASQUAN: Definitely it would be a stipulation that the only--those participating fishermen or with substantial investments, would be allowed an entry permit as of December 31st of '72. I see no hardship on a man that held a license and not used it, unless he has--I know there's people that have invested in boats and gear in the last five months or so and I can see where they've got a problem. I think attrition would take care of this problem. It may take a while, granted it will take time. We don't know why--maybe ten years we'd get an adequate level of fishing effort. I--I do not like the idea of transferring licenses or selling them. I just think you're prolonging a problem, unless you throw all the fishermen out, or half of them. And as far as one man holding a permit and another man not being allowed to, maybe it's the same justification--maybe one man holding two--I don't understand that at all.

MR. NAUGHTON: Well, he'd be holding two permits, but only one for a particular type of gear on a particular species of fish.

MR. PASQUAN: I'm pretty dumb, but I think you get that out of the bill. I...

MR. NAUGHTON: Oh, well, this isn't written into the bill yet. This is--was in the concepts. We haven't written in.

MR. PASQUAN: Well, our organization has been through this, and, of course, everyone hopes that it will be amended, or it seemed to be, and--but all we can judge on now is what is in the bill as it is, that I can see.

MR. NAUGHTON: When reduced down to about as far as I can get it, then your message to us is that this bill is going to have to be amended before it would be acceptable to you?

MR. PASQUAN: Definitely. Greatly amended.

CHAIRMAN: Mr. Dayton.

MR. DAYTON: In past years they eliminated an efficient way of getting fish, and that was the fish traps, from what I understand. And would you favor that type of limited entry where you throw out some specific type of gear in order to save the fish?

MR. PASQUAN: You want an opinion? I feel the purse seine fishery is doing this (indisc.) Alaska as it is now. They're at low level to gain. They have huge investments. Unless the fishery-- unless the purse seine fishery is changed, I think this is going to come about. I--they're taking 80 percent of the fish. Their probably their percentage of profit is the lowest. Right now it's just talking--I don't have the figures. I haven't figured it out. I assume it is, and I think that this is going to force them out of the fishery unless there's a major

such as this--stopping everyone else from fishing and allowing the seiner to continue at reasonable--at this level. Of course, this--I understand these figures are arbitrary, but we have these figures pointing at maybe twenty seiners or so eliminated as against 150 to 200 gillnetters. They take 80 percent of the fish.

CHAIRMAN: Are you done Mr. Dayton?

MR. HUBERT: Can somebody tell me, give me the present (indisc.) I've been wondering about this, because I've heard the argument for year. As a matter of curiosity. You mentioned the ratio between the gillnetters and the seiners in relation to the number of fish they take. Could that also be expanded by somebody who's coerced by some idea about...

UNIDENTIFIED SPEAKER: I think that to get into the controversy between gillnetters and seiners wouldn't serve any purpose. I'll explain it to you in the (indisc.) one of these days. I'll tell you all about it.

MR. HUBERT: I've spent two years here listening to the under currents and the over currents, too, of the gillnetters the setnetters, the seiners, the trollers, but I wonder if anyone knows actually--and I'm not trying to start a controversy--what the ratio is, and the amount of fish they take. I want a ratio of the other.

CHAIRMAN: There's some of these people here might get, but I can't right off the top. Can you give that to Jim? Yeah, well...

UNIDENTIFIED: ...roughly 80 percent or so of these 15 seiners and gillnetters, and some years go up 12 percent, some years 6 percent, and somewhere along the line it was 6 percent. I don't know, they've probably got it written down there. I mean... You got it?

UNIDENTIFIED SPEAKER: Rich, do you have any of those figures with you?

CHAIRMAN: Yes, for Southeast (indisc.) right now. (Indisc.)

RICH: In 1971, Southeast Alaska (indisc.) 81 percent of the catch, drift net, gillnet 12 percent, the troll fleet (indisc.) six percent.

CHAIRMAN: Any more questions from members of the Committee? Some of the committee members had to leave. We are putting everything on tape. They have other commitments and everything else. Go ahead, John.

MR. PASQUAN: Can I make one more statement? I wouldn't want to be in the position of favoring the abolition of seining or anything like that. I just--I pointed out an opinion I have.

CHAIRMAN: I understand. Any more questions? Thank you.

MR. PASQUAN: Thank you.

CHAIRMAN: Would you step up and give us your name and who you represent.

LEONARD LEESE: Leonard Leese, Ketchikan. I'm representing myself.

I heard this point about professional fishermen, or professionalism, to be brought into this. And, I want to make just primarily a point on this. I am in favor of gear--or not gear limitation, but limited entry. Primarily, I'm talking about Southeast Alaska, now, and the gillnet fishery. There they have a fishing season that starts approximately, say, June 18th and it's runs through primarily October. We have fishing weeks that will start on a Sunday opening and run four days a week. And, so, these part-time fishermen that you're hearing so much about, what happens, is these guys--there'll maybe be a peak of the season. They will just hit the peak of the season. Maybe that's two weeks of the

season, where the professional guys that are deriving their income out of the fishery, primarily will be there the full season. The second point I'd like to make is, on the first day of the fishery, 50 percent of our fish are caught. And so this more or less shows you that we have too many boats if we catch 50 percent of the fish during a period on the first day. These part-timers, that aren't necessarily dependent on the fishery, they don't have to come up with their living off of the fishery because they have--they're school teacher or whatever they happen to be. They'll come and fish just the first day, and after the first day where they've caught 50 percent of the catchable fish, they'll go home the rest of the week. And, you know, do whatever else they want to do. And, actually, the guy who is fishing and making his living off--his entire living off this or even--it may not be his entire living, but he is making the primary part of living off this, will have to stay there the rest of the week to fish. And that was the main point I wanted to make.

CHAIRMAN: Any questions from members of the Committee?

UNIDENTIFIED SPEAKER: Mr. Chairman. Basically, then you're saying that possibly these people should be eliminated from the fishery?

MR. LEESE: Well, I, personally, would like to see them eliminated.

I feel they got--I--constitutionally they have a right there, I guess. A lot of them have some--I mean, they have some pretty big investments in the fishery, maybe even more than I do, and--but, really these guys they're just reaping the cream right off the very, very top, and by them doing this they might catch the two biggest weeks of the season, and the guy who's been out there

all season, you know, they really bring his standard of living down from doing that. And this is partially the reason our fishery's is in the bad source it is by--you know, we have too many guys and there's too many people just doing this. If we could knock those guys that just primarily come down there for that two weeks of the peak year season and could get them out of the fishery somehow, the fishery could stand more people. I mean, not more people, but more people than if we left them there. Do you understand what I'm trying to say? I probably confused you there.

UNIDENTIFIED SPEAKER: As I understand what you're saying is, the man that depends on the fishery for an income should be granted a higher priority than the man that doesn't.

MR. LEESE: Oh, yes, I believe that. The main thing I wanted to do was see in this bill that there could be something in there about the participation. We've heard that a lot. And I just want it made clarified what some of these guys are saying about fishing your pole throughout the fishery, because in the gillnet fishery, like I mentioned when it started, I think if a man fishes through that season, even though he may not be as a high line a fisherman as one person or another, is he's participating and doing the best he can, he should be allowed to stay in the fishery. Although, this guy that comes down there for two weeks, he may be the biggest high liner there is, and make more money than that poor guy that puts his full season in there, but I think the one that stays in the fishery for the full season, and is the professional, he should stay in.

UNIDENTIFIED SPEAKER: And, so, the determination should be made

by participation in the fishery and not economic dependence on it.

MR. LEESE: Basically, yes. Cause that economic dependence is going to get out of hand. You know, it can really be interpreted a lot of different ways. And I more or less feel that a board--well, commission is the only one that can really evaluate this, and get the true meaning out of it. You know, whether a guy just fishing two weeks out of the period or one day out of the fishing period, or what. Like they mentioned, the fishing--fish tickets--it very--it's the fact they're easy to get. I mean, it's--it doesn't cost a lot of money to get a hold of those fish tickets and you can analyze it very easily. And I believe, if there was a study made, you would see the amount of boats in the fishery on the first day, by the last day there'd be only half the boats in the fishery. There wouldn't be half the boats, but it's be a tremendous number--a decline from the first day of the period to the last day of the period. And you can tell--and the period, I mean, throughout the season, the peak weeks there'd be a tremendous amount of fishing effort on the peak weeks rather than at the first of the season or the last of the season. Now this is partially from guys that troll and gillnet and halibut, they're making the right decision and they're on top of it there, and so--I mean, you'd have to realize that, but that's more or less the point I wanted to make.

CHAIRMAN: Any questions by any more members?

MR. LEESE: Thank you.

CHAIRMAN: Thank you. Anyone else wish to testify? State your name and who you represent.

DAN GARROUTTE: My name is Dan Garrouette. I'm from Ninilchik. I

represent myself only.

CHAIRMAN: What's your--what's that last name? It's almost like Tony's, only it's...

MR. GARROUTTE: Garrouette. G-a-r-r-o-u-t-t-e. I came down here mostly to learn about this entry bill. It's got most of shook up, and I think it has most of the people that fish, whether they depend on it exclusively for a livelihood or just fish commercially, or intend to fish commercially. And like I say, I wasn't going to testify, but there are two or three points that kinda got hackles up, which always happens. I'm like Clancy. But, I came here with the intention of learning something about it, and the study group was appointed to look into this. They did a pretty good job and I'm really impressed with what they have to say, and I think should have a few people. I don't know if they presented their side like they did to us or not, but it's real good and I've had a little bit of change of mind. I was against the commission type concept at first, and I still am to a certain extent. I think maybe a five-man board, or commission would be more appropriate, but being's as this is about commercial fishing, I think it should weight--be weighted in favored of commercial fishing. It should be a concern to us only. Just a concern, gentlemen, just concerns of commercial fishing. So, I think maybe we should... Maybe a weighed choice there. And I (indisc.) entry, and I'm also for cutback in gear, and, of course, I feel that if anybody's damaged from this cutback they should be compensated, but those holding paper license should not be. And, I realize we're going to have to pay for it. And, maybe the commission could be enforced only long enough to

establish the rules. Once these rules are established, this is just my own idea, maybe it could be eliminated. I don't see any need for running a commission indefinitely. But, maybe... and I think this fish farming that Mr. Allison had real good help to rehab--I mean, quite seriously, it would. I believe it should be allowed for the commercial fisheries as long as--up to a certain point. Now, I think if a man establishes a fish farm he should have some protection. He should have maybe like an area where some places you have to stay a mile away from the rivers, others 500 yards. I think if a man has this fish farm, I think he should have to stay this--get the same privileges a spawning stream with natural (indisc.) fish. And, I noticed the Legislature's a little bit sensitive to this 90-day reference that's made every so often. I heard a reference here and that's what got my hackles up, about potential clean-out of a fishery in five days. To me that's kind of (indisc.) with me. I fish Cook Inlet, and I would like to explain my reason for thinking we need a limited entry and that's one of them. This reference to--if you make a calculation for five hours you potentially clean out the run. I see that aimed at us directly because of that fiasco two years ago. But let me tell you my side of that story. In the Susitna River, which is the biggest branch of the Cook Inlet, the Fish and Game had a monitoring device in there that is a fish wheel. They're not intended to catch an awful lot of fish, it's just to monitor the run and see how they compare from year to year. On a normal year they catch about 1,200 fish in that fish wheel. In 1971 they caught 1,800 in one day. That's why I'm sensitive to this river. I think

it's aimed at us, maybe not. So, we got the low pack that year, but there was a lot of fish, and they were afraid to open it. Maybe that was one of the man's fears, I don't know. It could be. He was afraid that amount of gear could clean him out, although it was a bigger run than he estimated. (Indisc.)

CHAIRMAN: (Indisc.). Any questions, Mr. Gardner?

MR. GARDNER: Wouldn't you agree, though, that the larger your fleet gets, the more riskier it is landing the fish, because you don't know what will happen?

MR. GARROUTTE: Well, I think there's two or three thoughts of what happened there. Well, I know, still aimed at the same direction. That's a typical example. That's true. A lot of people are afraid of that and, not only are there larger fleets, but the fleets are much more efficient now. I've been fishing quite a number of years and I know my gear is much more efficient now with the same amount of effort than it was several years ago. So, I think we need to cut down gear. And I believe these ghost license is only going to stop new ones from coming in. I think you need more than to knock those out.

MR. GARDNER: What you think about--you know, you expressed the fear of the commission that everybody else has that--and so, would you agree, too, like everybody else was saying, that they wanted to see more specific standards drawn out so, therefore, the commission is limited?

MR. GARROUTTE: I think so.

MR. GARDNER: Course, you know who's going to draw these specific standards out. Is that the body that you trust more than the commission?

MR. GARROUTTE: Well, I hate to say this, but I'm going to. I remember but you could possibly have a, say, a help-to-hell owner's governor, and maybe he could appoint a Fish and Game Commission as a typewriter salesman, and I can visualize our sports fishing biologist there, (indisc.) is almost a three-man board. Course, you could hire a lawyer from Fairbanks, no reflection on Fairbanks, but then the commercial fisherman could be a sports commercial out of Juneau. That's what scares me about boards. If they could qualify that board (indisc.) favor there, I think maybe I could trust them. I don't--I'm--somebody'd say, you got to have one man from each gear. That is no big thing at all, but I do--I can see one thing. I think it should be scattered out all over the State, one from the northern part of the State, one central part, one the other. Because I can see a tremendous outlook that different on what should or should not be (indisc.), because some people do not understand the other areas.

MR. GARDNER: Do you see what I'm getting at, though. If the commission doesn't do, somebody does it, and so then you throw it back to the Legislature and there may or may not be people who know something about fishing, and even if they do know something about fishing, they're spending a lot of time on a lot of other legislation, and you can hardly qualify very many people in the Legislature as experts on fishing. And so, I'm sure that I have never heard any great trust in politicians anyway, so I'm just wondering about whether people actually the Legislators...

MR. GARROUTTE: Well, like I say, I'm beginning to have second thoughts. With the study that the Governor's group did is quite commendable, but I think maybe that's--the biggest part of it is probably

acceptable.

CHAIRMAN: Any members of the Legislature have anything else? Mr. Hubert.

MR. HUBERT: Well, Mr. Chairman, I don't quite share Mr. Gardner's concern, but especially as long as we have Representative Joe McGill as chairman of this committee, I think that there will be come fishing expertise used in whatever is drafted, and I share the witness's concern. God help us if we get any Fairbanks lawyers helping on that draft.

CHAIRMAN: I believe that we're going to (indisc.). That's what we're doing, but Mr. Rose, do you have something?

MR. ROSE: Yes, I'd like to say that we hope that this little interview we're having tonight here, will give you an idea of what we want as guidelines for that commission set up.

CHAIRMAN: Well, that was the purpose. That was...

MR. ROSE: Right. I just wanted to make that point clear.

CHAIRMAN: I want to say again that I'm real glad that it could happen while this group was in town.

MR. GARROUTE: I didn't intend to testify, but I'm going to leave in the morning, and

UNIDENTIFIED SPEAKER: Well, most of the Legislature's gone at least (indisc.)

CHAIRMAN: Yeah. We're putting it all on tape, so thank you. If there's no more questions, thank you. Does anyone else wish to testify?

(End of tape)

DR. BART (sp.): If I could see some provision in the bill that would allow the fishermen to recall a member of the commission

that they feel is not giving them a fair shake, I guess is the best way to put it. That, say, 50 percent of the permit holders throughout the State sign a petition requesting that a commissioner be recalled, that nobody else could say no. I feel that something like this could alleviate many concerns the fishermen have. Another thing that I'm very upset about is the economic dependency clause put in this bill. I see so many hazy areas that the commissioners could shape one way or another that will affect so many people, and they're going to cause problems with the fishermen themselves. They're--well, I heard one remark the other day. The man's worried cause his wife's making too much and he's going to divorce her. This is ridiculous, but it's something that's being considered. Why should you people cause this much concern among the fishermen. All this does--it's not spelled out and it--that much--main fisherman out in the boondocks somewhere may say to himself if that's only solution to make sure that he's going to be in the fishing. And I hate to see something like this happen. And this is what's going through their minds. At least, if they're not doing it, they're at least thinking about it. On this professionalism. I would like to put in a suggestion here that the (indisc.) fishery, or however else you want to put it, that at least the idea of the amount of capital investment as compared to the income, could be used as a guideline. If a man has \$40,000 invested in the fishery he should be making more than a man who has \$4,000 invested in the fishery in order to qualify as a professional fisherman. I think this is a very strong point. Something else that I have given very strong consideration with is, being from the general

area is the strip fishing done in this area. I strongly feel that any permits issued should be under a separate category for these people. It's a separate type of fishery. I don't think they should be considered along with the power troller. The licensing is identical right now, but the fishing is not. It's a complete different ball game. And something else I'm concerned about is the administration of the interim permits. There's nothing definite in the bill that says how long these interim permits will be issued. The bill takes effect in 1974, but until the commission comes around to the specific areas and establishes the guidelines, they have to keep right on issuing interim permits for many years as it takes to happen. Till that commission gets there and establishes the optimum number of entrants, and this can be a serious problem. I guess I've about run out of steam. I'd like to get some questions now.

CHAIRMAN: Any questions? We're pretty well running out of question askers. Mr. Gardner.

MR. GARDNER: Yeah. Would you try to explain a little more your theory behind why a guy that has one (indisc.), the relationship between your investment and your income. What--I don't understand that.

DR. BART (sp.): Well, it's the same thing that you have in most any other business. A man can make a living with a small amount of investment easier--he needs less income to keep up his living. If he has a large amount of money invested, he is deeply involved. I guess what I'm trying to get at is, that you have (indisc.) sports commercial so-called fishermen who have a vast amount of money invested in the fishery, but they

are not catching that many fish. Their economic dependence is low. Someone else who has the same amount of money invested would be in a complete different category under this kind of a guideline, and I think that the man--I used the case of \$40,000 investment for one man, \$4,000 investment for another man. The \$4,000 investment will cover the man who's sitting out in the woods somewhere and he only needs a small amount of fish to live on for his livelihood, but a man who has \$40,000 invested, he's either going to have to use his \$40,000 in the fishery, or he's got some other idea of what he's going to use his capital investment for. And if it's not fishing, I don't want his piddling around in the fishery, period.

MR. GARNER: So which guy--I don't understand which guy's going to be in the higher priority.

DR. BART (sp.): If a man has \$40,000 invested and he's only getting \$1,000 a year in fish, he's in the small category as far as I'm concerned. That's what I'm--the point I was trying to make.

CHAIRMAN: Any more questions? Mr. Hubert.

MR. HUBERT: I don't know whether particularly to this witness or not. I'm concerned that we want--all of us seem to want limited entry and recognize its necessity as a means of controlling our fishery. At least to rehabilitate and getting it back to where it should be. Some of believe when we say limited entry we mean limiting--I guess we're talking about somebody else, and I'm concerned with I'm hearing here. Instead of limiting it against somebody else or something else, that we're setting Alaskan fishermen against Alaskan fishermen. And there seems

to be a lot of concern for that here.

DR. BART (sp.): Well, I guess the whole idea of the bill is that you--until everything is settled out, until every grain that will fit through the seive fits through, you're going to have a lot of agitation, and I don't see how you can get around it. And, the more stringent--whether the guidelines are set up, the more agitation you're going to have. I don't see where you're going to get away from it.

CHAIRMAN: I fall in a different category. You know, there's no question in my area that this bill would eliminate me to get them support, because I something that's got to be done.

MR. HUBER: Eliminate you because you're here you mean. So...

CHAIRMAN: Because I'm in office and got other business.

UNIDENTIFIED HOUSE SPEAKER: Yeah, this is not a question. It's just more or less a discussion. I suppose that different methods of fishing would put in separate categories, and take, for instance, a man with, say, a \$40,000 investment in a fishing boat, why he has a crew of about four or five men, but then a person who has an investment, say of about \$4,000, if he has a set netter where he can fish that by himself. Okay. See, the boat owner would have the one permit. Of course, I understand the the crew member would just require a commercial fishing license. So I'm sure that that would be put in there in consideration. I mean, they's be separated in different methods and different...

DR. BART (sp.): I requested a stipulation that the strip hand troll fleet or whatever you want to call it, would have a separate category all their own, because I cannot for the life of me see then in this--that being considered as saying a regular

full size troller.

UNIDENTIFIED SPEAKER: Dr. Bart (sp.), another question. Are you in favor or rehabilitating the program of any kind in any way.

DR. BART (sp.): I am strongly in favor or it, but I cannot see it as being effective until limited entry is in force.

UNIDENTIFIED SPEAKER: Thank you.

CHAIRMAN: Any more... Mr. Morrison (sp.).

MR. MORRISON (sp.): What you're talking about here is the criticisms of this bill as presented and so forth, not limited entry...

DR. BART: I'm all for limited entry.

CHAIRMAN: Any more questions? (Indisc.) anyone else wants to testify. How about you, John? Well, for everyone who's not here today tell them thanks a lot, and...

SCOMM

#17:22

SB 39: LIMITED ENTRY
SPECIAL COMMITTEE ON FISHERIES
January 24, 1973

CHAIRMAN: Here are the comments of administration spokesmen on Senate Bill 39, the Governor's limited entry proposal. Allen, I think that all the legislators know you. Will you introduce for their benefit, the rest of your people?

ALLEN ADASIAK: This is David Jackman with the Attorney General's office and this is Rich Listowski who is working for the Attorney General's office on contract handling these statistical data aspects of the limited entry study. And, pardon me, Roy Rickey, from the Department of Fish and Game who tells us about the fish.

CHAIRMAN: You mean they're such a minor part that they can be overlooked in all this. Okay, again, what we're going to do then, is give you whatever opportunity you desire for presentation of your case and we're going to open it up to questions from the committee members to you people, and if we still have time, then we'll take comments from the public if they wish to make them. So, without any other--are there other comments that any of the members would like to make before we begin? If not, the floor is yours.

MR. ADASIAK: Well, I think that the bill that you have before you is one that very many people agree in general concept is important. I can't think that I've talked to anybody recently who has said Alaska does not need limited entry, but when you get beyond certain general ideas like that into more specific considerations of what are you going to limit, how are you going to limit, who's going to be in, who's going to be out, it becomes very difficult, very complex. As most of you know,

the State doesn't just have one fishery and one type of gear. We have a variety of fisheries, a variety of different types of gear, a variety of species of fish that are taken, and we tried to put together a bill which would be flexible enough to look at individual areas of the State and the participants in each individual area in evaluating how it is that you limit the amount of gear that is in a particular fishery in a particular area. Now, again, you go from the general idea of limited entry, which I think is accepted, into specific considerations and right away you raise a fear in a lot of people's mind, and I'm sure many of you have fishermen in your constituencies. You've encountered it already. That's the fear that, that's me. I'm going to be cut out of the fishery when limited entry comes through. Then other information gets out on the basis of what is admittedly a very complicated bill because we've got a complicated problem and that information suggests that 46 percent of the boats, 46 percent of the gear will be removed from the fishery. Well, when you hear a figure like that, it's almost impossible to avoid concluding, that's got to be me, I'm out. Well, not necessarily, and definitely not under the terms of this bill. The 46 percent information that was advanced to the public is erroneous. It was arrived at through an incomplete consideration of the provisions in a very complicated bill that balances another whole series of factors, not just the number of units of gear necessary to catch fish. Now we would be--we'd be attempting to con people if we said we're proposing a limited entry program, but nobody will be taken out of the fishery, because you're just not doing anything then. And, there are

areas of the State where we can demonstrate quite clearly there's too much gear. The excess of gear works to a disadvantage biologically in the management of the fishery. It makes the management clumsy, and sometimes ineffective as far as controlling escapement in any certain way, and the excessive gear also makes the fishery less satisfactory from an economic point of view to the number of people who are in it. So, we have put together a bill which we feel will address the problem of how do you decide what the level of fishing effort should be in each area of the State and then, what is the fairest way that you can come from the present level down to the level that has been decided is desirable. And that's the thrust of what we've attempted to do, and in deciding who will remain in the fishery and who will get out, and again, it's an unpleasant question to have to look at because if you're going to reduce gear, that means somebody gets out. We felt that there would be three standards that should be applied. One of those standards is the people who have the least amount of economic dependence on the fishery. Now, economic dependence is fairly easily confused with strictly income, and economic dependence was a term that we chose because we felt it was broader than just income, and it allowed the commission which we established, or propose to establish here, to consider more factors in evaluating economically an individual's relationship to the fishery and his relationship of commercial fishing to his total livelihood. For example, a person could earn, and these are just figures I'm pulling out of the air to illustrate, \$8,000 from the fishery, but to say that his dependence on the fishery was that \$8,000 may completely

ignore the fact that he has about a \$45,000 boat, and whether he has the boat paid off, or whether he's got a mortgage on it and he's making payments, that boat represents another part of his economic dependence on the fishery. So, the term was chosen to allow a broad and what we hope to be a fair consideration of a person's relationship to the fishery economically. The second test that we proposed is that the people who should be eliminated, and these tests are not one or the other or all three, there's a balance of these three. The second test is that the people who fished the least should be the ones that we tend to eliminate, and the reasoning there is very simple. If you have a person who is going out, oh, one day every other weekend and he's catching a little bit of fish, his degree of involvement in the fishery over the past several years at that rate, is far less than the person who goes out for two or three weeks, four weeks, fishes ten months a year, and we feel that the time factor is relevant. The third thing we propose is a standard that people be ready, willing and able to fish. Now, the reason for that is, there has been in the past speculation that a limited entry program would come along and people have bought licenses and not fished them. Their speculation is that the way you decide who got into the fishery was to look and say who has held licenses over the past ten years, and say we'll let in the people who've held licenses eight over the past ten years. So, they've bought licenses, never fished them. We've term these paper licenses. We feel that if you're looking at actual fishermen, that you ought to look at people who've been in there fishing, not just paper license speculators, so we set

up a criteria of being ready, willing and able to fish. You've got to perform. Now, in applying these criteria, the commission in a given for a given type of gear, will apply these standards to the applicant, and it will conclude by category from those who rank highest in balancing all three of these, to those who rank lowest who should be in the fishery. When those standards are applied, and if at the lowest category there's more people than there are who can get in in that group, that's settled by lottery, but at any rate, once the level in an area and for a type of gear is brought down to what has been decided to be the desirable maximum allowable level of gear, from then on those permits that are issued, the permanent entry permits, are like property. A person who has them has a fishing right which he holds through the rest of his life, except under certain conditions. One of those conditions is if--there's an annual fee for the permit, and if for five consecutive years at any time, he fails to pay the annual renewal fee, he has the option at the end of that time of either paying up or he gets out and his permit reverts to the commission. Our reasoning there is again that we don't want people collecting and holding permits. We don't feel they should ride for free, yet a person can suffer severe economic hardship in a few years, such that he can't pay the permit fees, and there ought to be a grace period, but even a grace period has to have reasonable limits after which you either pay up or we cash you out. Now, another provision that we put in here is transfer or sale of permits. Once, in any area for any particular kind of gear, it's brought down to be the desirable level, those permits, which I said are

like property, can be sold to anyone else who is ready, willing and able to fish, The procedure isn't just simply that you meet at the corner and exchange money and you hand them a piece of paper. It does have to go through the commission so that the commission can satisfy itself that the sale is being made to another person who is going to participate in the fishery. This helps to eliminate the possibility of people closing out fishing in a certain area and controlling who does or does not fish by buying permits and keeping people out of the fishery through the control of those permits. So, while we have limited the number of people in a particular fishery for a particular type of gear we have not frozen the entire class and locked it in so that only those people forever more can fish. If someone wants to get in, he can attempt to contact someone who is in the fishery and buy him out. Those permits are for sale. So, you can buy in and you can buy out of the fishery. Now we know that transfer and sale does work from the British Columbia experience with limited entry, because you can look through the newspapers and you can see that these sales are going on. There is movement in and out of a class even though the level of gear has been set. And we feel that this will be a legally sustainable means of allowing mobility without freezing it into one particular group of people and protecting ourself from a court attack at the same time by creating a completely closed class. Another thing about these permits is that we have set them up so that they would attach to a person, not to a boat, and the permit can be fished only by that person. It can't be held by a corporation. The right to fish can't be delegated

to an agent, and our purpose behind this is to prevent any moneyed interest from trying to buy a block of permits again and gain an excessively large control over any particular fishery through the control of all of the people who fish.

We feel that by putting the permit--attaching the permit to an individual, it gives the individual more strength in league with other individuals in the fishery than if we were to allow any company or group to accumulate a whole handful of those permits and decide in a given year whether or not they would pass a permit out someone to let him use it. Now there are many other aspects to the bill, and we'll be happy to answer questions about all of them. The machinery, for instance, for deciding what an optimum--or a maximum allowable level of gear is in a particular area and things like that that we can discuss. We'll be happy to answer any questions you have about the entire proposal. Our concern in putting together the bill was to come up with what we felt would be a fair method of limiting entry so that you set a limit level and bringing fisheries where that level was too high down to the level that was arrived at.

CHAIRMAN: Why don't you go ahead while you have the floor, Allen, and explain about the commission and how it would work and function and such.

SENATOR KAY POLLAND: Mr. Chairman?

CHAIRMAN:

SENATOR POLLAND: Could I ask one question? I noticed that through the chair they didn't mention the income tax issue.

MR. ADASIAK: Fine. The--once the number of units of gear is established and the commission is set up, the series of standards, regulations,

qualifications within that number to decide in a given fishery who would get the permits, then as a separate stage after that it takes applications. We split this apart into two sections to try to reduce the amount of pressure and influence that would be put on the commission. It will set up regulations that define priority classes, boxes from top to bottom, taking these standards that we have of degree of economic dependence, past participation and present ability and intent to participate, and the commission will make a statistical study of each area and each type of gear, so although they don't know individuals they do know in terms of gear, and terms of the economics of the area, what's in there. And they will evaluate those, and say according to these standards, we know that this groups meets these levels, is definitely in this group which the levels are a little lower is in, and set classes down to one, which as I said before, may be a doubtful class, because they know the total number of people of people in the fishery and there might come a point where, in one group, some will make it, some won't, and that is resolved by lottery. There are hearings held on these regulations before their adopted so that the people in the area have an opportunity to comment on them, review them and satisfy themselves that it is a fair way of looking at their situation in their fishery. Then, and only then, before anybody knows anybody's name, then the applications are taken and the commission can require whatever information it feels is necessary in order to evaluate accurately which people go in which classifications. It was suggested in the Governor's transmittal letter that the commission may well request income

tax records. Now that, it seems to me, is a matter of convenience since most people file income tax records and income tax records contain a great deal of the information that the commission would probably want to look at. It doesn't have to. It's not in the bill. The commission can set up whatever information requirement it feels it needs in order to evaluate the different applications. There's also a provision in there for people who, for one reason or another, cannot furnish the particular kind of information that the commission has required, and it allows the person to come before the commission and to present alternate evidence, whether it's a testimony of associates or separate records, fish tickets instead of income tax records, or whatever, to build his own case if he has, for one reason or another, an inability to meet the information standards the commission set out, so that he has a fair opportunity to put his own case of proof on to demonstrate with whatever he has at hand that he should be considered, and that this is the grounds with his application. So, income tax records are, as I say, a likely choice because of the kind of information they yield, but there is nothing in the bill that requires the commission to require applicants to produce those.

SENATOR KAY POLLAND: There was one other item I had in mind, and that was that I thought there was consideration being given to the idea that if they had failed to pay Alaska income taxes (indisc.).

CHAIRMAN: Do you want to answer that, Dave?

MR. JACKMAN: Mr. Chairman, if might respond to that question. An applicant that was asked to produce income tax information and

was delinquent in his taxes, would clearly be liable for non-payment of taxes, and I would think this choice: either he would go to the Department of Revenue and try to strike a settlement and bring himself current so that he could then go in and make application and provide this kind of information without clearly opening himself to prosecution under our tax laws, or he would disinclined to apply. Now, there are probably a large number of people who've evaded taxes in the past who might decide, you know, we won't apply. There seem to be nearly between 25 and 30 percent of the people in the fishery that consistently the past few years failed to file income tax returns. So, that's a fairly substantial number of people. That's how I see it as working at the present time.

CHAIRMAN: Allen, let me back up a minute and introduce the members of the committee and some of the other legislators. Some of you people may not be familiar with them. Starting on the other side of Senator Polland is Senator John Sackett, and I think maybe you do know John, Senator Kay Polland here, Senator Hohman from Bethel, Senator Lowell Thomas from Anchorage, and (indisc.) is Senator Grove from Anchorage who is not a member of our committee but he is sitting in with us. I think I saw Ernie Haugen. Did Ernie leave? Okay. And I think maybe that's all the legislators that we have for the privilege of those people that... Okay. I'm Senator Palmer, and, oh, I'm sorry, Senator Hensley is here from the Senate also. Okay. Kay do you have another question at this point? Does that answer yours as far as income tax is concerned? In other words, that will be one of the means used to determine

the economic dependence. Does that...

MR. JACKMAN: It would be one of the forms of evidence mostly, probably the most useful forms of evidence in establishing some of those factors, yes.

CHAIRMAN: Yeah, fine. Are there other questions? Lowell?

SENATOR THOMAS: Well, I have one right off the bat. It looks to me like you would probably eliminating the part-time fishermen most often, judging from what's set out in the three standards, least economic dependence, those who fished the least, and I just wondered about this. It would seem to me that many of those part-time fishermen, that that part is critical to their overall economic situation, and they farm part of the year, or perhaps go to subsistence hunting or something of this sort, and would this be covered by a study of their income tax situation, or are they going to be the ones likely to suffer?

MR. ADASIAK: Do you want to start an answer on that?

MR. JACKMAN: This is a point that we spent about three hours wrestling with last night at a local public meeting of part-time fishermen and moonlighters and whatnot. The thing--the point that's most often missed in thinking of this is to think of comparing, say, the hand troll fishermen in the Juneau area with the purse seiner in Southeastern Alaska, or with the Bristol Bay drift net fishermen. That's not the apparatus that's set up in the bill. You would be looking at each area and each type of gear independently, and you'd be comparing likes with likes. You'd be looking at, say, the hand troll fleet in Southeastern or the drift net fleet in Bristol Bay. Now some of those fisheries by their very nature are part-time fisheries. So there you're

only asking who is less of a part-timer or who is more of a part--if you follow me. Nobody in Bristol Bay fishes the whole year in terms of that salmon fishery. So, the commission would be establishing reasonable, stable levels of entry for these different types of gear, these different particular fisheries and then only within that group would it have to make a decision in terms of ranking people on priorities, so while you can make the generalization that the categories are basically designed to work, if somebody has to come out it should be that person least dependent. I think that the point that's most often missed is we're comparing likes with likes, we're not going to throw all the part-time trollers out so that we can let all the purse seiners in that fish for ten months. Does that partially answer your question?

SENATOR THOMAS: Yes, sir, it does. Mr. Chairman, but then within that particular category, then perhaps you might wind up penalizing the most skillful fisherman, the one who's techniques are a little better, who doesn't have to spend as much time to get the fish or to make the money that some other do. He may have better equipment to--perhaps he only has to go for one-quarter of the amount of time of somebody else. And it would seem to me too bad if you wound up penalizing efficiency in the fishery, too.

MR. JACKMAN: Well, Senator Thomas, the efficient fisherman is the very fisherman who is, as you say, probably going to catch more fish, make more money, is economically dependent. It's likely to be a larger share even though a small share. It's likely to be a larger share of his income. He's liable to be the

guy that makes a few thousand dollars rather than three or four hundred dollars, because he is a good fisherman, whether he spends a lot of time at it or a little bit of time at it, and that evidences a higher degree of economic involvement. You know, a closer relationship between his livelihood in the fishery than some casual fisherman who gets out on a few weekends and doesn't really catch any fish.

CHAIRMAN: Are there other questions at this time? Well, let's pursue that one a little bit further if we may then, Dave. Let's consider two individuals that may be equally skillful in the harvest of fish, may have an equal investment, and be equal in all other ways, except that during the off-season, one individual may have a little higher basic metabolic rate, if nothing else. He may not be able to sit still and do nothing during the winter, so because of that he's a--he actually is a carpenter, and I have some people in mind as far as that's concerned that fit this exactly. Because of his motivation, his extra amount of energy, his desire to have a better living for his family, he goes on and spends some of his other time doing these things which very considerably increases his living, his total income. Now, compared--one compared to the other, is the one that does do something else in his spare time, is he actually going to be penalized then when it comes to a choice between which of these two people stay in the fishery?

MR. JACKMAN: Senator Palmer, this is one of the most difficult aspects of this priority ranking system, but I think that if you look at the actual participation in the fishery, what you're

usually faced with are a large number of people who have other employment. Most of the fishermen have some form of other employment, so you're looking at people that maybe 20, 30, 40 percent of their income is fishing, something in that range. The people that we're talking about is the marginal people, are the people that have two, three, four percent of their income from fishing that are very--that either don't fish regularly or there is just a bare threshold of economic participation in the fishery. If the commission were faced with a choice between two individuals, if it really--I don't see many of the lines falling in that area, that's what I'm suggesting, if you look at how the fishery--who's really participating in it, but if the commission were faced with that choice, the way these standards are set up, it would seem that the person that had no other alternatives is most economically dependent, but I think we've given the commission sufficient flexibility that it still is going to be treating those people very similarly if they're both participating at about the same level in the fishery, even though one has a little more outside employment. But there are certain areas in the State where people don't have alternatives, fishing communities in Southeastern and some of the other areas, where there simply are no other economic alternatives available but fishing, and the commission can take that into account where it's appropriate, and can say, even though these people don't make as much in dollar terms their livelihood is absolutely dependent upon the fishery, whereas another man who fishes hard but fishes part of the year and lives in a big city, does have other alternatives,

and there would be a basis for favoring the one who's a hundred percent dependent on the fishery in that instance.

CHAIRMAN: I hope you're going to make it a lot more black and white than it really is. I think they're going to be many more shades of gray in here than...

MR. JACKMAN: I certainly would agree with that, Senator.

MR. ADASIAK: If I could also comment on that. We were posed in a meeting this morning with a similar question where, for sake of illustration, you had one person--two people who earn \$10,000 a year on the fishery, one of whom was also a carpenter and earned another \$10,000. And the question was: who stays in? And our answer is that if you look at the statistical studies that we've done so far, which we hope will be prepared in some final, hard form, other than IBM run sheets for you very soon, you'll see that you're not called upon to make that choice. The pattern over the fishery is such that there's a very clear group of people whom it's obvious because of the minimal amount of their economic dependence, would be removed from the fishery, and that taking those away, you never get high enough up into the complexities to have to make the kind of choice illustrated by that situation. We believe the levels can be brought down without even getting into something like that.

CHAIRMAN: Are you, even in light of the severity of the cuts that are being discussed, do you still think that your cuts will be restricted, or would be restricted, to those who--you have said earlier, 50 percent of their income.

MR. ADASIAK: The question of the severity of the cuts that are

being discussed is something that--this, again, is one of the reasons that we proposed a commission with a good, competent staff to analyze area at a time and by type of gear, what goes on in the fishery, because, frankly, 46 percent is out of the question. That's not going to happen. But what will happen is a more complicated problem to evaluate than--than we've been led to believe. If you turn to page six of the bill, in deciding how to figure what your maximum allowable--your maximum number of units of gear is for each type of gear and for each administrative area which, for salmon, is going to correspond to the registration areas pretty closely, I'm sure, because of the way the species define themselves, the commission looks at four things, and it doesn't just tick them off and say you have to meet all four and have 25 marbles in each pile, but it makes a reasonable balance of these things so that it's flexible enough to adjust to the different social and economic conditions in different parts of the State. One of the things that it looks at is the number of units of gear which will result in an average level of income for the fisherman in that fishery so that they have an adequate and sufficiently stable income to sustain a professional fishery. Now, the term, average level of income, contains in it the meaning, when you come to average, of combining high levels of earnings and low levels of earnings. The commission prescribing one figure. Everybody in this fishery must earn \$8,000. It's to come up with a conclusion when it balances out all of these things, that the average is going to be at whatever it determines is appropriate.

CHAIRMAN: Or, Al, if I might even inject at this point. What it's looking is kind of--what--the fact that it's looking at under that number one standard is kind of the general income condition. In other words, is there so much over-capitalization and over-participation that people are operating right, then, on the margin where they can't make money and when there's no prospect in the future of making a decent living at fishing. It is in no sense an effort to guarantee people an income. It's only saying that we have to stabilize the level at an economically sensible level so that people can act efficiently, so that the pie isn't divided into so many small pieces that no one can keep their head above water, so it isn't a magic number. It's merely looking at an income condition and an acceptable range of income.

MR. ADASIAK: Now... Excuse me. Go ahead, Senator.

UNIDENTIFIED SENATOR: Okay. In that line then on page 5 of the Governor's cover letter we have a chart showing the various districts and the amount of gear registered in '70 and '71, and then optimum units required. Now, in our discussions, apparently, the levels that would be set are these optimum levels. Now, if that's correct, and we look at, for instance, Southeastern and drift gillnets, we have 420 in '70, in '71 it was built to 475, but optimum, apparently, is 250, so the question then becomes, how fixed a figure is that 250, and where's the reduction going to come from then?

MR. ADASIAK: That chart is not the answer. If that chart were the answer, we wouldn't need a lot of research staff to look at all the different areas of the State. All you'd need is

a few guys to figure out how to put the ax on particular individuals, and in coming to, first of all, a number of units of gear before even considering people, that chart falls into item number two on page six of the bill, which is the number of units of gear sufficient to fully harvest the allowable commercial take, and that is the one thing that that chart represents. It's strictly a biological harvest consideration.

MR. JACKMAN: I--Al, if I could just interrupt to make this point a little more clear, Mr. Chairman. That chart is nothing more than, I think, arm chair estimates by biologists asking the question on one factor alone. The only factor that they considered was, how many boats could harvest the allowable take in an area. You know, if you could have the best of all possible worlds and the most efficient fishery with their given type of gear. The bill sets out four factors, each one of them equally important. That's only one, and even that factor is only in the letter to give people an idea of the relative magnitude of the problem from area to area and type of gear to type of gear. That was the only thing it was intended to do, was just give people a feel for how many drift nets there really are in Bristol Bay, and that sort of...

CHAIRMAN: Well, I don't want to be contentious at all about this, but I think we do need to investigate it a little bit further. For instance, in Cook Inlet the optimum is set at 300 as I see it. I believe, according to our local management biologist, the actual number of boats fishing there in the last few years has been approximately 412. That right, Roy?

MR. RICKEY: Yes, I don't have those figures with me, but... I think

it's higher than that, as a matter of fact, Mr. Chairman.

Seven hundred and some registered and...

CHAIRMAN: Yeah, but there's only been just over 400 fish according to Loren. And I can't believe it would only require a reduction of a hundred to an optimum number there that could harvest all the fish adequately. Your own experiences in the last few years...

MR. RICKEY: Mr. Chairman, I'd like to go back even further. The area management people and the region supervisors were asked in 1965 when we were beginning to struggle with the previous step in this direction, as he said, standard two and part of standard three, we were asked what would be, not optimum, but maximum number of units of gear to harvest any run in any given year in any area of the State.

UNIDENTIFIED SPEAKER: Minimum.

MR. RICKEY: No, maximum.

CHAIRMAN: Okay. Optimum.

MR. RICKEY. In one case it's minimum, in the next case it's maximum, but we call it optimum.

CHAIRMAN: Adequate.

MR. RICKEY: In 1970, we were asked to revise their thinking and they didn't only do it out of their head, they talked to fishermen, they talked to processors, and talked to everybody they could encounter in this area. And this is where this came from and it is mostly concerned with standard two only. This was a misinterpretation in the first run through of this thing, so another question that parallels this is, there seems to be a feeling that the more gear you have the more fish you're going

going to catch, which is not true, simply because of the fishing period being shortened so that only a given amount is taken regardless of gear. There was no consideration given in this area of economic, (indisc.), fishermen or anything else. They were simply asked for this table. That was where it came from, and whether or not it's close to what the commission might do, I don't know, but this is one aspect of it. Another point, if I might for a second. I've explained this in every meeting I've been to, about five of them. This relatively low amount of gear in each fishery is capable of harvesting five to twenty times the amount they take now because of the restriction in time, and a great many people don't understand this. The limiting factor in every case that I'm familiar with has not been the amount of gear, but the process and capability when there are a lot of fish present.

CHAIRMAN: Alright, thank you, Mr. Rickey. Any other questions at this point? Well, let me continue with another one. If the commission on its own, then, is going to use these three criteria and a mix of those, to decide who is eligible for entry and who is not, then how do you prevent favoritism in this thing, since no third party is going to know exactly what mix there was, how these things were evaluated for any one individual and say yes he belongs here? Do you see what I'm getting at?

MR. ADASIAK: Well, first of all, the criteria, the three criteria of economic dependence, past participation, ready, willing and able. In a given area, administrative area, and for each type of gear, the commission analyzes the makeup of that area by gathering all sorts of data from different sources so that it

knows, in terms of income levels, in terms of types of gear, the character of that area and of the fishermen in that area. It then proposes regulations which will be applied to assigning priorities once individual applicants submit their application, and those regulations go out to public hearing and are adopted and it's only after that that the individual applicants are assigned. Now, if an individual applicant gets thrown into box four, which is the loser's box when he thinks he should go into box three, there are provisions in here for appeal, and there are also provisions that during the course of any appeals an entry permit is to be reserved for each person who is pursuing an appeal on the assumption that he will win it, so that he isn't sort of he loses anyway, even though he goes through his appeal. It's saved. And if he wins his appeal and demonstrates that he has been classified wrongly, then he has an entry permit.

CHAIRMAN: My question goes back to number one, though. Since number one is the least amount of economic dependence, that's going to be a somewhat subjective decision rather than an objective one, apparently. That's one of the ideas of the commission, that they're going to make an individual evaluation in each case. It seems that it would be somewhat wide open at least for favoritism to become involved. I'm not so much concerned about the guy that doesn't give in and feels he should, because you do have a procedure he could follow, yes, than about the guy that shouldn't be in that does get in because of this type of thing. Do you have anything there?

MR. JACKMAN: Mr. Chairman, if I could respond to that. This is

why--one reason that we've set this commission up as a quasi-judicial commission, once the regulations and the qualifications are established. That is the priority classifications, as Allen explained. The commission, in looking at individual applications, will make an evidentiary finding. In other words, acting sort of like a court on individual applications, either on the basis of the actual evidence submitted to it, or on the basis of the administrative adjudication, which it can be given at the request of an applicant, and the only thing they'll be determining is his qualifications, and it'll be determined in an orderly fashion in conformance with the regulations which are set out in advance, so that this should make it very difficult to abuse the system, because it will be a quasi-judicial evidentiary determination with the opportunity for hearing officers to get into and all of that, and alternative forms of evidence, so that any individual applicant is treated fairly, and if he's not treated fairly he can appeal it as provided in our Administrative Procedures Act to the courts, show an abuse of discretion by the commission, and as Allen said, his right to an entry permit will be preserved while he's pursuing that appeal, so we've tried to build in administrative procedures which will do as good a job as possible at protecting the individual applicant's rights to fair treatment.

CHAIRMAN: Do you have further statements that you, you know... I'm sorry. Senator Grove.

SENATOR GROVE: I've been a D.A. in a defense counsel so, you know, I've been on both sides of the fence, but I don't understand why in the penalty section you don't have any imprisonment

provisions for violations.

MR. JACKMAN: We certainly--Mr. Chairman, Senator Grove, we certainly-- actually we had those in the form of draft, and we thought the most effective thing would be destroying a man's eligibility, after a multiple violation, to ever hold an entry permit again. That imprisonment in this kind of situation would be very--the courts would be very reluctant to impose imprisonment, maybe it would only be a matter of fine, and then a much more legal sanction would be to say to the man that if he violates the provisions of this Act, I think it's twice or three times, he never again will be eligible for an entry permit.

SENATOR GROVE: Yeah. Mr. Chairman. The problem is, though, that's the one thing the judge isn't going to take away from him. He may send him to jail for 30 days, but he's not going to take that permit away from him.

MR. JACKMAN: We certainly find nothing inconsistent with the imprisonment provision. I don't think it's something that, in putting this thing together, that really...

SENATOR GROVE: ... Mr. Chairman, but I do think that, you know, if it's going to be a misdemeanor, well we ought to treat it like all of the misdemeanors.

CHAIRMAN: I'm not familiar with that section of the bill. Does this allow the commission to...

SENATOR GROVE: No, sir...

CHAIRMAN: ...the eligibility, the entry requirement?

SENATOR GROVE: Note eleven, line 26. It says if a person violates the provisions of the Act he is guilty of a misdemeanor and punishable by a fine by up to \$5,000 for the first conviction,

\$10,000 for second conviction, \$10,000 for third conviction.

CHAIRMAN: If a guide, licensing and control board can rescind that guide license, why couldn't this provision rescind an entry permit given by the Legislature this power?

MR. JACKMAN: Mr. Chairman, if I might respond to that. There, I think, is a distinction in the thing we're trying to create with an entry permit system and a guide license. What I'm suggesting is we are dealing here with, if a man violates the Act, the determination of the violation, you know, made in court--I mean, we felt it was a very important thing. It should have all those kinds of protection with it. He should really be found of a misdemeanor if you're going to impose these penalties on him, and it's only at that point it might be giving the commission too much discretionary power to say that it can at any time destroy this very valuable right to participate in the fishery without the protections of the criminal procedures and sanctions.

CHAIRMAN: While it might not be advisable, still is there something illegal about giving the commission that power.

MR. JACKMAN: Certainly not.

CHAIRMAN: That's my point.

(End of one side of tape)

SENATOR THOMAS: Regardless of who the governor is or which party he belongs, the partisanship getting into it, I worry about the influence of fishermen around the State in terms of elections and all of those things, and although I see that the Legislature has to confirm, I don't know how you can--if there's any way you can relieve my concern over that angle that might come into

this thing. You've mentioned already, Allen, the enormous pressure or influences which could be brought to bear on the commission. I just really wonder how any commission can stand up under that kind of thing, the political pressures that would undoubtedly occur, it seems to me, in an election year especially.

MR. ADASIAK: Well, you can't deny that they'll be under pressure.

The people who are commissioners are going to feel the heat. They're going to have to have asbestos skin, but there are two things. One, in terms of the way we structured the procedures that the commission has to follow, I think they will be under less pressure having to make impersonal determinations first about categories of priority rather than dealing directly with individuals. I think that insulated them somewhat from an immediate, personal pressure. The other thing is argument by analogy in that we do have a transportation commission and a public utilities commission which have a similar scope of authority and they, too, face certain pressures and yet...

MR. JACKMAN: Mr. Chairman, if I might add just a couple of points to the question that Senator Thomas has raised. This is one of the great dilemmas, I think, of trying to come ^{up} with a limited entry program which can cope with the problem statewide, can cope with the problem for the various species and the various different fisheries, because you have to give it tremendous flexibility or you'll be cutting with too broad a knife across, you know, and unfairly treating the multitude of various situations we have in our fisheries. But at the same time, this is why we felt that a professional commission 365 days a year, people that will have to have a high degree of ability

and dedication to this job is the only way to set up a mechanism which can really be sensitive to the particular problems you're going to face in every area, but at the same time, the dilemma is, in doing that, in creating an institution which can be flexible and be sensitive, you're also creating an institution which has a great amount of discretion, and there's no denying that. It's a balance and I recognize the problem.

SENATOR THOMAS: Could I ask another question, Mr. Chairman?

CHAIRMAN: Sure.

SENATOR THOMAS: Has any thought ever been given, not only with this commission, but with others, of having one of the appointments come directly from the Legislature, another directly from the Judiciary, and the third from the Executive?

MR. JACKMAN: I don't think we've ever thought of that.

MR. ADASIAK: Not to my knowledge.

SENATOR THOMAS: Perhaps that would be unconstitutional, I don't know, but you mentioned the word lottery in here, and it's been a while since I read the cover letter. Has any thought been given at all to making the whole thing--putting it all on a lottery basis, leaving it all up to chance as to whose in and whose out?

MR. JACKMAN: Well, Mr. Chairman, Senator Thomas, we gave that some thought, but when you really think about it, there are some inequities with a lottery. There's an even more fundamental uncertainty and an even more fundamental instability. I think that we've used lottery as a last resort. If you get down to a class of applicants which can't be reasonably differentiated, clearly a lottery may be the only way out, but if there's any

of coming up with equitable standards of preference, I think the dislocation, the actual dislocations of people, will be much less severe than with the toss of a coin or the, you know, drawing of straws.

CHAIRMAN: Any other questions?

UNIDENTIFIED SENATOR: Mr. Chairman.

CHAIRMAN: Yes.

UNIDENTIFIED SENATOR: If--any idea what this is going cost, about \$400,000 to administer this program?

MR. ADASIAK: We estimate that the first year that it will cost that, and the real question of the cost of administration is one of how long it's going to take to analyze each area and arrive at the gear level determinations, because once those determinations are made, and your gear is down to the level that you want it, then the commission's responsibilities and the things it has to accomplish are far less and it's cost of operating drop down, unless it has to deal with another species. If king crab is added later, for instance, then it has to be funded in order to deal with that question.

UNIDENTIFIED SENATOR: Since these licenses are become a valuable asset really, the transfer or fee of \$50, what is that going to raise on an annual basis in round figures?

MR. ADASIAK: We estimate it would be about \$500,000.

UNIDENTIFIED SENATOR: It's a washout, in other words, or maybe you might even make a hundred thou. I see.

UNIDENTIFIED SENATOR II. I don't know if you've considered this, Mr. Chairman. Did you go into the question of why--I mean, what was the theory in making these transferable through sale?

You know, I'm a lawyer. I've been a lawyer for 20 years. I've got a license to practice law. I can't sell that license.

MR. JACKMAN: Mr. Chairman. Our reason for doing that is because our objective was to stabilize the fishery, not close the fishery, not create an exclusive class of fishermen as individuals, but stabilize the fishery at that level. We see that as the real purpose of the bill, not to decide--and secondarily, one of the real legal weaknesses in any effort to limit entry is when you start to close the fishery for a substantial period of time, so a person on the outside has no way of getting in and there isn't any movement in and out of the fishery, there isn't--a person can't shift from one area to another easily, and we felt that the only way to accomplish this without creating insurmountable administrative burdens was, once this right is conferred, it's not really property and it may be quasi property of sorts, unless the individuals transfer or sell these permits.

UNIDENTIFIED SENATOR II: In the British Columbia experience, what do they sell for nowadays.

MR. JACKMAN: Well, you can pick up the Fishermen's News that's published in British Columbia, and usually the permits are sold, or they're what they call A licenses, in their system they're attached to the boats, in our system they wouldn't be attached to the vessels, but clearly they'd usually be sold with the vessels, and it seems to have increased the price of getting into the fishery maybe 20, 30, 40 percent. I mean, you can run down and there'll be, you know, gillnetter with X equipment, an A license, \$16,000 or \$10,000, or maybe a much better boat \$30,000. So, we haven't analyzed it as closely as we should,

but it appears that the variest (sp.) entry will rise somewhat, but not--you know, not anything unreasonable. They aren't going to go out of sight.

SENATOR GROVE: Mr. Chairman, when I first came to Anchorage you could buy a liquor license, you know, for \$3,000. The last time that anybody inquired it, that I'm aware of, they're selling for \$20,000, and that's over a period of time, and they become terribly valuable assets. I'm wondering what, you know, what range we're talking about here. Are we talking about \$300, \$500, \$1,000, \$5,000?

MR. JACKMAN: Clearly we're talking about many, many ranges, because each type of gear in each area and each fishery is going to be very peculiar. An entry permit to fish a hand troll boat in Southeastern won't be worth nearly as much as an entry permit to fish a purse seiner or a--because the entry permit represents nothing more than the right to participate in the fishery, and the projected discounted income from that fishery will establish the market value of the permits.

SENATOR GROVE: Thank you.

CHAIRMAN: Is that what's actually happening in British Columbia, or did your--indicated a minute ago that's it's a function of the value than (indisc.).

MR. JACKMAN: Well, because they're transferred at the same time, it's like (indisc.) base and the dairy industry or anything else. Part of that value is attributable to the entry permit and part of it is really the value of the capital, the boat there. In other words, a boat wouldn't lose it's value totally just because it didn't have an entry permit attached it. It's

hard to separate them out, but I'm sure that part is attributable to one and part to the other

CHAIRMAN: On page five again of the cover letter, that same chart, I'm a little concerned about it. Reading the sentence above the chart it says, if existing levels of gear are substantially above the optimum levels necessary for an economically healthy fishery as this table indicates, then merely halting any further increase in gear levels will not achieve the basic objectives of the limited entry program. A moratorium alone will not work, but again, if we get down to, for instance, Cook Inlet with which I'm more acquainted, we find that drift gillnets 761 registered, but probably something in just in excess of 400 actually being fished, set net somewhat the same situation. We all know that there are great many gear licenses purchased each year that are not fished, and yet if those figures are the basis for the statement above the chart there, that simply a moratorium on existing levels will not work, then perhaps the statement is wrong, too, since the chart actually misrepresents the situation. Is that a possibility?

MR. JACKMAN: I think it is. However, a moratorium has frequently been conceived of as a license freeze, which would...

CHAIRMAN: In numbers.

MR. JACKMAN: ...in numbers, but which would let in a much larger number of people that the numbers you mentioned of who actually fished in a given year cause usually it's based on anyone who fished in the last three years or on the actual paper registration or those things. If you perceive of a moratorium as those people actually fishing, then--I'm not--it would modify this

statement. I still think in some areas it's clear we'd have too much effort.

CHAIRMAN: If we were to say something that we discussed the other night. Three--someone had fished three years out of the last five or even three years of the last ten, then you're getting down much closer to the actual fishing effort rather than ghost or paper licenses, and, well, alright... Roy, do you have something you'd like to comment on that?

MR. RICKEY: Yes. Senator Grove's question to go back to that for a moment. I think the value of these permits would depend on the optimum or maximum amount of gear for each area and the anticipated return or runs of salmon. For one thing that would have, I think, a big influence on it.

SENATOR GROVE: Yes, Mr. Chairman. Mathematically, then, depending on what the commission decided as the number of units of gear they were going to put in a region, they would affect the value of those permits, wouldn't they?

MR. RICKEY: I would think so.

SENATOR GROVE: And if the commission decided that there would be a very limited units of gear in a given area, the value of those permits on a theoretical basis would go up.

MR. RICKEY: I would anticipate that, yes.

CHAIRMAN: Go ahead.

MR. RICKEY: Mr. Chairman, I've just about lost my original thought here.

CHAIRMAN: The amount of gear.

MR. RICKEY: Yes, the amount of gear. Oh, yes. One thing that might be interesting. In 1966, between '60 and '66, we had a vessel

plate for each vessel, and...

CHAIRMAN: Vessel plate?

MR. RICKEY: A plate. It was a yellow and blue plate that you--it came with your license...

CHAIRMAN: We still do don't we?

MR. RICKEY: In '66 we had to renumber the fleets, primarily because the wrong application by mostly private vendors of licenses, not understanding the complex things involved in licensing and registration. Anyway, we renumbered the fleet. Many of the people got the same number. We had 20,000 plates. Last year in August we ran out of plates and there are only 10,000 boats in the fishery. Now, this will give you some idea of the turnover, and the paper licenses are not the same people each year, so when you talk about taking out paper licenses, in total you may, but they may not be the same people each year who do not fish, and further, peculiar to the set net fishery and perhaps some of the others, are family groups fishing and causing us to think there are paper licenses, but they're selling all of their fish under one boat's number, because of the nature of the fishery. I'm sure you may be familiar with Cook Inlet in this instance. Those people actually fish, but they don't reflect in having landed any fish. So the paper license thing is not as precise as it may look on the surface.

CHAIRMAN: Yeah. There's another variation of that. I can think of families there that have as many as five gear license holders in a set net family, each one licensed to fish three 35-fathom nets. However, out of the 15 that they could be

fishing, probably only fishing nine, each one fishing only a portion of what he's really eligible to fish and selling the whole thing under one name. This happens frequently, but it's, again, a family unit here, and there's no reason why it shouldn't. So it's that much more difficult to really assess what's going on.

MR. RICEY: That's correct.

CHAIRMAN: Al.

MR. ADASIAK: Senator, if I could point out in the criteria for arriving at your allowable number of units of gear in an area, one of the standards that relates to this is standard four which is the number of units of gear commensurate with the history and traditions of the particular fishery, which gives the commission a little bit of flexibility in circumstances like that. Again, we feel that the commission is going to be required to do an awful lot of research so that in every area it's aware of a lot of little subtle differences that separate that from the one they did five months ago. The judgments are going to be on an individual area basis.

UNIDENTIFIED SENATOR: Well, Mr. Chairman, it seems like you really got around to something here. I know it's been talked about. What about a moratorium on the people, and not let any more in and just let those who are there slowly die off or move away until that alone reduced the number of people and the number of gear and the amount of gear to the right level.

MR. JACKMAN: Mr. Chairman, if I might respond to that. We considered that and rejected it primarily because it's on extremely weak legal grounds we think. Any attempt to really close the class