

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

583 SCOMM 17: JOINT INTERIM COMM. ON LIMITED ENTRY 1979

Allan Adasiak continued - in a case that we call the Isakson case, essentially as we understand it ordered us to take more applications from people who held ~~xx~~ gear licenses and ~~xfished~~ for the first time in 1973 or 1974 - we ranked them on the same point~~x~~ system as ~~every~~body else but we had to take more applications. Because of ~~the~~ additional applications and some of those people ended up getting permits, we are now ~~over~~ the ~~x~~ maximum number in the Bristol Bay Drift Gill net fishery. I think we're up to about 1700 permits ~~x~~ right now and ~~there~~ there's some more cases that are hanging fire that we haven't gotten decided. So we're already ~~over~~ the maximum number at the 17 point ~~level~~ because ~~xx~~ of the affect of this court case and the additional applications that we ~~have~~ to look at.

Fred Pike - Alright then if some of these court cases are won by these individuals then there will be ~~even~~ more permits ~~given~~ out then right to and you'll be going ~~xxx~~ farther ~~over~~ the number right? Alright, then in some cases there's going to be permits that won't be sold for instance, if someone should die and there is ~~not~~ one to ~~give~~ that permit to.. Is that how you expect to get back ~~x~~ down to your number?

Allan Adasiak - The way we expect to get back down - the ~~law~~ requires us to set an optimum number and there's a lot of procedures we ~~have~~ to go through, I explained this morning on what that number is - we haven't got a number yet but the number, It's my guess is going to be below 1700. Then what we ~~have~~ to do is come into the area, work with the fishermen and figure out how to ~~x~~ set up an assessment program that assesses the fishermen a percentage of his gross, that goes ~~into~~ a fund and we use that money to buy permits out of the fishery. We don't ~~have~~ any condemnation powers. We can't come by and tap a guy on the shoulder and say you here's some money you're out. It's not that way at all. It's purely ~~Voluntary~~ - we~~x~~ just say we're going to pay X amount of dollars for a permit~~x~~ and if a guy wants to sell he can sell to us and we'll just take his permit and tear it up. So we'd ~~have~~ to set up a ~~buy~~ back program and buy ~~backxx~~ out down to whatever this optimum number is. Now ~~there~~ more permits there end up in the fishery, if you lose court cases and you end up with 2,000 permits in the fisheries ~~instead~~ of 1700, that means we~~x~~ got to buy more to get ~~down~~ to that optimum number and that means that the assessment is probably going to be higher so it's going to cost the fishermen more in order to buy out those permits ~~or~~ else ~~is~~'s going to run

~~xxxx~~

Allan Adasiak continued - a longer number of years in order to get the job done and get the number of boats done.

Question from the audience - Would you explain the financing for the buyback program again?

Allan Adasiak - The law says ~~for~~ that for each fishery and the Bristol Bay Drift Gill Net fishery is a single fishery. If we set up a buy back program we will assess each permit holder a percentage of the ~~3~~ value of the cash landed on his permit every year. A guy who doesn't fish gets assessed at what the average was. So a guy who sits out gets to pay anyway. The law says that the maximum that we can assess is 7 percent, Now we know that probably in almost all cases 7 percent on your gross with all your other expenses is too much. And this is where we have got to get ~~it~~ back and meet with the people when we get around to setting up a buyback program and figure out what ~~the~~ is reasonable. You've got a borough sales tax, you might have an aquaculture assessment, you've got your ordinary running expenses and all the rest of that. We don't want to wipe you out. But on the other hand we've got to figure out some way to assess the money and the way we figure it'll be handled is it'll work ~~it~~ essentially like sales tax does in towns that have sales tax. In Juneau they merchant taxes a sales tax on when you buy something. Well, in this case what we would do is have the processors withhold, right at the time of payment and essentially collect the money for us and then ~~it~~ turn it over to us. ~~So~~ Otherwise you've got the state sending out bills and collecting from God knows how many thousand fishermen. It's crazy so we'll figure we'll have the processors make the assessment and collect ~~it~~ it for us the way I believe the Aquaculture Association in Southeast is doing it to fund their operation. So that's the basic mechanics. Then we've got a pile of money, which is Bristol Bay Drift Gill net money and we go on the market and we say alright we'll buy permits for 30,000 dollars and we see if anybody answers. If nobody answers then we boost the price a little bit ~~xxxxxx~~ because what we have to have is a fair market price, and a fair market is a willing buyer and a willing seller. So we just raise the price until somebody comes in the door and says fine that's

Allan Adasiak continued - a good price, here's my permit. It's a voluntary operation but one where we would be buying permits on the market just like another buyer who might want to get in only when we get a permit back it's gone.

Norman Anderson - Could you explain a ^{non transferable} ~~non transferable~~ permit? On set net permits? The origin of it and how it happened.,

John Garner - The legislature when it instructed the commission to issue permits said, talked about essentially two different categories of people in particular. They said there is a category of people who would suffer such severe hardship if they were not issued a permit that you must issue them a permit even if you have to exceed this maximum number. Those were the class of people who were described as suffering significant economic hardship if not issued a permit. The commission then defined who those people were and they defined that categories including all people who had 20 or more points. The second category that the legislature addressed specifically was the group of people who if they weren't issued a permit would suffer only minor economic hardship, that is they would suffer only very little hardship at least in the eyes of the commission. The commission defined the people in those categories as those who have five or less points. That is if the person received a permit with five points, four points, three points, one or zero then they would be in minor economic hardship category. The legislature then said if you're going to have a buyback program the people who received their permits with the five or less points total can transfer that permit only to the commission, if they want to transfer. They don't have to transfer it but if they do want to transfer it they can transfer it only to the commission and of course they would receive the fair market value of the permit just as if they had sold it to somebody else. But that's through the buy back program. Consequently, in the set net fishery where permits were issued to those with less than five points, some permits went out to people that were simply non-transferable because the commission had not yet developed the optimum number for the fishery and therefore it will be non-transferable until that's finally done. If there's not a buy back program in the set net fishery then the non-transferable portion of that permit will be removed because the law says that it can

John Garner continued - ~~xxx~~ be transferred only to the commission through the buy back program. That's the reason for the restriction, if there's not going to be a buy back program then there's no reason for the restriction and therefore the commission can by regulation remove that restriction on transfer. Additionally if there is a buy back program ~~if~~ if that person chooses not to sell it ~~to~~ to the commission through the buy back program then after the buy back program has completed then the non-transferable restriction on the permit would also; be removed.

Norman Anderson - What are the qualifications besides the point system.

John Garner - The point system is the only basis upon which we can issue those permits. So the person had to fish as a gear license holder between 1960 and 1974, made timely application and qualify for up to five points.

Norman Anderson - How many Limited Entry setnet permits have been issued in the Bay area?

John Garner - I think it's about 88 ~~88~~ 895.

Norman Anderson - How many non-transferable?

John Garner - very few, I think probably 20. I don't have a count off the top of my head. We have worked, I don't know, Geoff can talk about this too because legal services has worked very hard with the too, with trying to make sure that people who are receiving their setnet permits get more than five points so the restriction isn't on the permit, and will continue work that way.

John Eckert - It's my understanding that in 1977 they put a stopwater on all interim permits being issued is that so?

John Garner - No, we're required by law to issue interim use permits, essentially to people who are still pending before the commission, They're in a hearing before the commission, we haven't made a final decision on the point level that a person has, then they must have a interim use permit and that will continue to be the law for the next season.

John Eckert - That answers one part of the question. Another part of the question is an individual called up on the telephone raised hell with the commission and they sent her a permit by ~~the~~ the telephone, the next day she got a piece of paper with a stamp on it. She didn't get a card but someone at the cannery put her ~~in~~ boat in the water and so forth. What kind of a situation is that? No application

John Eckert continued - filed whatsoever.

John Garner - I'm not sure what you mean by no application filed. In cases where we have made an administrative error, we failed to process an application in a timely manner or we messed up and sent someone a wrong permit type or we lost the application and those kind of cases we have attempted to correct our error in a way that won't cause them to lose fishing time.

John Eckert - I was just wondering because according to the conversation there was no application mentioned. It was an outright demand on the commission and they so instructed the canneries and they gave her a number over the phone and instructed the canneries to put her boat in the water and within the next day or two she had her green piece of paper allowing her to fish.

Allan Adasiak - What can happen is not with a long form application for a person who's trying to get a permit the first time but if you've already got a permit and you need an emergency transfer for some reason or another or if you've mailed some stuff into us and it hasn't gotten there. Weather delayed, the mail coming in and stuff like that and you need to get a fishing, where there's special circumstances like that people have phoned the commission. We've gotten calls from Sand Point and the plane hasn't gotten out for 11 days. They call us and they tell us, you know they're ready to go fishing, the seasons going to open and we will then tell them if it's alright with protection and we check our files and if the person alright - if they're paid up and they've got it - we'll phone protection and say if it's alright with you then it's alright with us, these people are legal you can go fishing. We don't want to stop a guy from fishing because the mail didn't come through or something like that but that's in the case where the long application has already been completed and this is just a manual renewal or something else that somehow got screwed up through no fault of the fisherman.

Nels A. Anderson - We have with us a representative from the Bristol LBay Native Association who I think wanted to read a statement at this meeting as well as the meeting up in Iliamna. Bobby McCarr represented BBNA ~~the~~ the statement is attached to the testimony.

Nels A. Anderson - ; The proposals didn't go very far because they didn't take into consideration the negative aspects of the kind of solutions that I had in mind. But I think it's a working step forward and I think that also I'd like to encourage all of you not just to stop at this meeting ; in your thinking process ~~and~~ on how some of the things that you feel are problems could be solved. If you do come up with some ideas that we could use we'd appreciate a letter - directly to the commission - if that's the way you want to operate or through to me or to Terry Gardiner in Ketchikan or by any means that you choose - or to the Bristol Bay Native Association or through whatever organization that you're represented by but as you probably understand the ~~the~~ purpose of this meeting was just to get some idea of the range of the problems ~~that~~ that are facing us, not only in the legislature but also by the Commissioners. As they try to resolve some of the problems they have brought to our attention they have found themselves beating their heads against a pretty tough brick wall that they can't penetrate with the laws that they have to work with. So we have to now try to devise some means by which legislatively can modify what we've got to answer some of these questions. Again, I think it's obvious we don't have the answers here now. I think it was pointed out by Terry we don't have the answers. Some of the things that were brought up today I think are potential solutions such as the tax ~~incentive~~ idea proposed by Mr. Anderson, I think. I think it deserves some further study by the legislature. Mr. Comfort has suggested that some kind of a permanent committee be set up to ~~be~~ stay on top of the Limited Entry Program and to also continue to seek answers to problems that are continually facing us. The Bristol Bay Native Association has proposed some ideas that we have to work with and people here have also in ~~these~~ their questions proposed ideas that we haven't yet really taken a good close look at. So I don't know what more we can accomplish by this meeting except if there is anyone else right now that would like to make their feelings known before before I ask Mr. Adasiak to summarize what he thinks the commission can do and also what Terry sees. ~~XX~~ We can go on to hear some ~~xxxxxx~~ individuals.

Roy Matsuno - ; I was wondering if someone could go down to Limited Entry and check into records. Someone else's records with out a court order or whatever.

Allan Adasiak - ~~4~~You have to have a waiver from that person authorizing access to his records. A lot of them are confidential beyond that ~~xxxxxx~~ Judge Madsen in Kodiak came out with a very interesting ruling on fish tickets and other things that are made ~~xxxxxx~~ confidential by statute. According to Judge Madsen, state copies of fish tickets that we have we can not show to the fishermen whose tickets they are unless there's a court order. I think that's silly, and we are preparing a legislative amendment to ~~22~~ get that ~~x~~ straightened out so that a fishermen can look at his own fish tickets. So we can't show you ~~4~~ guys fish tickets ~~even~~ if he says it's alright. But other than that if you've got a written authorization from somebody else we can show you the contents of his file.

Norman Anderson - How about files that you guys have gotten for years and you say you've lost them or something. ~~xxxxxx~~ I'm a paralegal, I work with ~~3~~ Geoff in Dillingham, I've worked in several of the villages we have a lot of paperwork that's lost. We've tried court orders and all kinds of things and the back door is shut. You people are just sitting on records down that are lost forever.

John Garner - If we've got records that you need in helping an individual with an application let us know what they are.

Norman Anderson - I have, I've written letters, I've got copies ~~xxxxxx~~ right here if you'd like to see them.

~~Nels Anderson~~ - Have they been ~~xxxxxx~~ denied?

Norman Anderson - They just write back and say that they don't have any copy of that transaction being taken.

John Garner - You mean like a license or a fish ticket?

Norman Anderson - Copies of license, fish tickets, several things.

Nels A. Anderson, Jr. - Are these fish and game records or Limited Entry Commission records.

Norman Anderson - O.K., these are people that applied for Limited Entry permits and were denied because of inadequate points and were asked to prove that. So they send the originals done, that these people ask for in many cases, and after this the people don't ~~xxxx~~ hear anything back ~~to~~ from them and whenever someone passes through the village one of the people from legal services. They say we've already sent those records in so we write and ask what the status of all those records. ~~xxxx~~ Then they say that they've been lost or no we didn't receive them ~~xxxxxx~~

Allan Adaisak - Can you give me a list of ~~xxx~~ s names.

Norman Anderson - I would like to have you write and tell me back that you got the letter though.

Allan Adasiak - You can ~~xxx~~ hand it to me. I ~~mean~~ mean, I'll write back and tell you that I got your letter, but I can recall personally ~~xx~~ two files that we've lost. And I can recall because we tore the whole office up looking for them. I think eventually we found one of the two and one I don't know what happened to it, out of fifteen thousand files every now and then you lose one. But I don't know somehow I want to check and I would appreciate it very much if you could give me a list of the names, ages, ~~xx~~ social security number, whatever we need to trace this down and I'll trace them down and I'll let you know what's going on.

Earl Mollahand - We ~~haven't~~ gotten into ~~xx~~ brokerage. Can we get an idea of what's going on in the Brokers area. ~~xxxx~~ Are they involved in getting a permit in the first place or just buying and selling.

Allan Adasiak - There are a couple of people not too many who are permit brokers who are putting buyers and sellers together. Now in some cases they know who the sellers are- the way they do it instead of putting a buyer and seller (toget her) they'll ~~pick~~ pick up their permit from the seller themselves hold onto it and when a buyer comes along sell at a higher price and skim off what's in the ~~mix~~ middle. In other cases, it's a little more detached than that they just ~~do~~ do put ~~p~~ buyers and sellers together and they'll take a percentage of the transaction as a ~~xx~~ commission. We have considered and haven't yet come to any conclusions about - we're thinking about how desirable it might be to put in regulations or some kind of control on permit ~~xx~~ brokers. You've got on people who ~~don't~~ deal in securities and we want to think this through so that people who are buying and selling permits and someone else is handling it for them don't end up getting ~~paid~~ taken someone or getting burned or getting ~~xxxxxx~~ charged an excessive rate. So we're looking into the situation. There's another aspect of permit ~~p~~ brokering, perhaps it would be useful for the people in the Bay to think of. A lot of your concern about the permits moving out of the Bay, and non-residents who have more access to money being able to pick them up. As I said earlier, the figures don't show overall that ~~x~~ that is happened. I just double checked my ~~xx~~ numbers and if you look at the number of

Allan Adasiak continued - drift permits that went out of the Bay plus the number that went into the Bay, between 1976 and August of this year the total of twenty one drift ~~perm~~ permits have left the Bay. Set Net permits - a total of 18 left the Bay. Now those numbers are not huge. They're something that you ought to be concerned about. One way that we couldn't do it (we're a state agency, were supposed to be impartial, One way that the people in this area, if you're concerned about the movement of ~~perm~~ permits out of the Bay could help control that, would be to set up a what probably should be a non-profit corporation, or use an existing organization, like BBNA, that has people spread all around, speaks the ~~language~~ the local dialects and understands the cultural differences, and start putting together buyers and sellers. That way if there is somebody in the bay who wants to sell a permit you ~~xxxxxxxxxxxx~~ are in a position to make sure or help see that that permit goes to somebody in the bay who wants to buy ~~ixx~~ a permit. If there's a guy, it's February, ~~x~~ he's been drinking for a few days and ~~x~~ thinks he wants to sell his permit. You can't lock him in a ~~w~~closet but ~~xxx~~ at least if he starts coming to you because you're the ~~bx~~ broker maybe you'll be able to sit down and ~~give~~ him a cup of coffee to drink and talk with him a little bit before he makes a decision that he wants to sell his permit. I think that there could be real advantages in setting up some sort of a brokerage ~~x~~operation that would benefit the people in the Bay. You could ~~eventually~~ branch out if people ~~kxx~~ knew that you could put buyers and seller ~~xxxxxxx~~ ~~xx~~together so that you could get outsiders who wanted to sell their permits coming to you to ~~kl~~ook for buyers and ~~ay~~you would have buyers in the bay and you could end up reversing the trend and bringing permits into the Bay because you're in the position. You know who wants to buy who wants to sell, and you could put certain people together to make it happen. I think there's something there that the people who live here, the watershed ought to think about is a way maybe you can ~~eh~~ help yourself in this particular situation.

Randy Briggs - A thought occurred to me while I was sitting here is that Bristol Bay traditionally in the ~~fishery~~ fishery the families that worked together in groups and the children had setnetted and so forth, now maybe that child has been awarded a set net permit but now he would like to get ~~into~~ into the drift fishery. Is there any way that ~~even~~ though - I know Roy Matsuno here would apply, here he has a set net permit but a drift permit he's having problems with O.K. so is there any way if you have set net permits or some way that you

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Randy Briggs continued - may have an extra permit that if you were eligible for a set net permit perhaps you could get a drift permit. Or another way, in our area anyway in the fall fishing many of the drifters set net, legally they can't do this, but so that it would work both ways, in other words this might solve some of the family problems by having maybe a dual set net and drift permit which you could use one or the other but not both at the same time. I realize this would open up some more drift permits but this might help quite a few people in the process.

Allan Adasiak - Randy, about the only thing I could say on that is that the comment came up yesterday at the meeting in Dillingham and I can see some advantages to it. I can see it in terms of the way people customarily fish, that they drift part of the season, towards the end, especially if you get in areas like Togiak - they might shift ~~over~~ and set net and with a separate permits - it splits it apart and you have to work differently than you did before and really I don't think any of us ~~was~~ have had a chance to think about it thoroughly enough to figure out if there's a way that you could make it work. The first thought that comes to me is one which is very pessimistic and is not necessarily the only thought but if you wanted to let all set netters drift then you'd end up taking the number of set net permits and adding them to the number of drift net permits and that gives you what...

Randy Briggs - Parts inaudible - those who wanted to could apply and have a different sort of permit than the rest.

Allan Adasiak - There is one thing that I mentioned earlier in connection with the Herring that is in the law but we used yet that, it allows the commission to make essentially trades between different types of gear. We would have to figure out roughly how good a fish catching thing a set net is compared to how good fish catching thing a drift permit is. Again, I'm just going to use a number for an example, but let's say that you've decided that you could catch as many fish with three set nets as you could with one drift. We could set up something where three people who have set nets could pool their permits and trade it in on one drift net. That would keep the amount of effort, the amount of harvesting going on the same but it would shift it from one type of gear to another. Now in general terms the law gives us the power to do this we haven't really approached it yet because there hasn't been any serious need

Allan Adasiak continued - to do that. That kind of possibility does exist. But that's one that you people would want to think about too, because the people who had the set nets would then be giving them up, although they'd be trading them in. ~~xxx~~

- j Randy Biggs - If someone were to buy a drift permit could a drift permit be owned jointly but only one maybe the boat puller and the gear holder own the permit jointly?

Allan Adasiak - The way ~~the~~ law was set up right now only an individual person can own a permit - no partnership, no corporations, just single people.

Norman Anderson - You said ~~something~~ something about joint - e 3 setnetters - what would the difference - like I have a set net permit, like it was 16 points for a set net permit, Say I qualify at having 23 points or so like that why couldn't I use those extra points for a drift permit.

Allan Adasiak - I'm talking about after permits have been issued. Not points pooling before ~~hand~~ hand.

Mr John Garner - In terms of the commission's authority - we would have the authority ~~after~~ after the permits are issued to handle it through some sort of ~~permits~~ pooling permits together. In terms of pooling points ~~or~~ or shifting points between fisheries that would require a legislative change. Presently the statute says examine a person's qualifications for a particular permit based upon his activities within that fisheries specifically. And the drift net and set net in the bay are separate fisheries. So you wouldn't be able to take excess points from one application and apply them to another application.

Norman Anderson - Then how could we pool our set net permits together and get a drift permit.

John Garner - That ~~application~~ capability arises under another section of the law which says after ~~if~~ you've issued the permits the commission has the authority to essentially allow a person to trade ~~a~~ permits of one type for permits of another type. We're to do it in ~~a~~ a way the system. ~~lll~~. we have to determine how many set net permits equal one ~~2~~ drift permit or vice versa - maybe set net permits would be viewed.

Nels A. Anderson, jr. - Norman, ~~a~~ yesterday there was a question that arose or proposal made that would it be possible for people in one family ~~xxx~~ lets say that they had one person in the family had five points, one had six, one had seven or whatever, ~~when~~ the comment was whether or not it would be possible to pool those points to get a permit.

Nels Anderson, continued- I don't recall what the answer was but I don't think that there's any statutory authority to do that but that was one possibility of arriving at some solution on getting the family in~~o~~led where the individual could ne~~v~~er hope to get a permit ~~an~~ but if those points could be permitted to be ~~h~~ pooled then their ~~chances~~ chances increases substantially, so that was one idea that was talked about yesterday and that's something we will be taking a closer look at for a possibility.

Roy Matsuno - Is that just for the families or the individuals?

Nels Anderson, Jr. - It would be to protect the family group rather than spreading out amongst other groups.

Randy Briggs - If the set net fishery and drift fishery were I think were on the wrong approach a long time. I think the set net fishery and the drift fishery if it takes ~~a~~ legislative action should perhaps should not be separated then you could do some of these other things. Some of these other manue~~v~~erings and still be legal. Couldn't you? Say this person has drifted and this person has set netted maybe they've done some of both, rather than looking at it as an individual ~~fm~~ fishery as a Bristol Bay fisherman, in other words people that have been fishing in Bristol Bay that have been fishing in Bristol Bay for years and years and years, but maybe have never had a gear license or something like this. If it's Bristol Bay Fishery...

Nels A. Anderson, Jr. - The idea was proposed yesterday by a gentleman ~~over~~ in Dillingham as Allan pointed out earlier that he felt that a dual type of a permit system ought to be looked at by not only the legislature but an idea to ~~hdx~~ be tested. The other thing too that was to be brought to our attention yesterday that wasn't mentioned here but ~~w~~ the idea of partnerships where you have two individuals that own the same boat, who ~~we~~ own the same gear but one of the ~~indiv~~, I'm not sure how the thing would work out anyway the proposal was ~~sim~~ simply that could both individuals ~~h~~ share the same permit where each individual alone could not get one? That was an idea that ~~we~~ we were asked to take another close look at yesterday. So that's something I think maybe we weren't quite sure that was a problem just isolated ~~over~~ on the Nushagak side. I think ~~is~~ Ron Zimin was there and pointed out that there were similiar problems ~~over~~ in this area and other areas as well.

Randy Briggs - I could see the point as far as buying the permits if they were allowed, like two people that would work together to purchase a permit. Maybe their borrowing power between the two of them ~~xxx~~ would be sufficient to come up with the other ~~25~~³⁵ percent they need and would pay off their obligation together as a partnership.

Nels A. Anderson, Jr. - Is there anyone else that would like to comment?

Question ~~far~~ from audience - Would it be possible to issue a permit to a resident of Alaska if it was used for his or her family?

John Garner - Under existing law the only way that we can issue permits is under the points system and we're restricted to accepting applications from those who fished as gear license holders before ~~1975~~¹⁹⁷⁵. It would take a legislative change to accomplish that kind of proposal or many of the other kinds ~~of~~ proposals for issuing additional permits.

Herb Mitchell - Somebody just mentioned something about dual permits, I don't think that will work but the idea is in the fall fishery, all the fishermen - everybody takes off and goes out,, but the set netters a lot of them still ~~try~~^{try} to fish, now what's going to keep them from just having to require your entry permit during your critical period but in fall fishing let them go ahead and fish. All the boats are ~~gone~~ gone anyway. There's very few fishermen left in the fall fishery and in that case some of the guys that do set net in the fall they could go ~~out~~ out and possibly drift and make themselves a few extra bucks. In the set net you don't make the kind of money you do drifting. In the fall you're not creating any problems because there's no boats out there hardly. You get a few local boats and that's about it. But then ~~again~~ some of these guys that have a set net permit they still can't ~~it~~

SCOMM

#17:24

1 BY: REPRESENTATIVE NELS ANDERSON:

2 Q. For these other people who do come in, before we break up here, I think
3 we can summarize what we've discussed and vote for some of the proposals
4 that have already been -- or that will come out hopefully here and other
5 ones that have been proposed. Dillingham, Nak ... For those people
6 that came in late, if you don't know who I am, my name is Nels Anderson.
7 Again, Allan Adasiak, Chairman of the Limited Entry Commission, and John
8 Garner, who is commissioner of the Limited Entry Commission, Adelaide
9 Herman, who is my administrative assistant that works with me in Juneau.
10 Ah, here they come ...

11 UNIDENTIFIED MALE: ... going to sit in the
12 front row.

13 Have a seat. Okay, for the new guys again, one more time. Allan Adasiak,
14 Limited Entry Commission -- he's chairman of the Commission; John Garner,
15 Limited Entry Commission; Adelaide Herman, my administrative assistant in
16 Juneau; and I'm Nels Anderson, for those people who don't know me.

17 Pardon? Oh, excuse me again, I've always got to be reminded, since I can't
18 see and there's a fellow back in the back named Jim Larson. He's a special
19 assistant to the Limited Entry Commission. He is up with this symposium
20 to help people who have questions about their applications, and if you
21 have some problem with the status of an application you sent in, any kind
22 questions you have about it, he has your file in the back there, so if
23 during the meeting you want to go back and be with him, he'll be glad to
24 help you out. I think he may be back there with some people now, I'm not
25 sure. But anyway, he is available for you and will be here all day to work

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1 with you for those people who need help.

2 I think most of you know that there have been two days of meetings already
3 in the day, and they were requested by people, first of all, who feel that
4 they were left out of the program, people who had questions about young
5 people and how they would get into the limited entry program. A lot of
6 people were concerned about the prices of permits. In other words, if a
7 young person or anybody else who didn't have one, who was a Bristol Bay
8 resident and wanted to become a fisherman, they'd have to pay such high
9 prices for the permits because the permits are increasing in price at a
10 very rapid pace. At the meeting in Dillingham, we found out that there is
11 a permit that's going on sale and is going to be sold very shortly. We
12 understand that for a boat and a permit for \$100,000. So that gives you
13 an idea of the range of the costs of these permits that are available.
14 There is also a great problem that was brought to our attention, especially
15 in the Iliapa Lake area and again, for your information, we had planned
16 on two meetings, Dillingham and Naknek, and I got a call from (indisc)
17 who made it very clear that since a lot of people had been negatively
18 affected by the limited entry program, felt that there ought to be a
19 meeting in Iliamna as well. And he agreed to set this up, I discussed
20 the proposal with the Limited Entry commissioners, and they agreed that
21 we ought to make an attempt to come up here, and that's why we're here
22 today. So I do appreciate the efforts of Wassie and his insistence that
23 we get up here, and of course, we are glad to be here. So, what we are
24 attempting to do is, as you may not have heard on the radio, is that we
25 are trying to find some solutions to the problems that were created by the

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1 passage of the limited entry law in 1973. Since that time, the limited
2 entry law has been challenged in the courts regarding its constitutionality
3 and it was found to be sound. I don't know if the entire question was
4 tested, but anyway, the limited entry law was found to be intact as far as
5 the constitution is concerned. There was another test that was brought
6 before the people in the form of a ballot; in other words people were
7 asked on, I think in -- was it '76 -- 1976, whether or not they felt the
8 limited entry program was a desirable program for the State of Alaska, and
9 this was put to every voter in the state, and it passed by a two to one
10 margin. So it passed those two tests and now in the last two years, while
11 the law has been implemented, there have been a large number of court cases
12 trying to address some of the problems that I have mentioned earlier and
13 other people have mentioned in Dillingham and Naknek. Our purpose again,
14 though, for these meetings is to hear from you directly how you have been
15 affected by the law and how you think the law should be changed or
16 modified to make the difference so that the people that were left out or
17 the young people can get into the limited entry program. And that's why
18 we're here. I want to make another thing clear, too, is that I don't want you
19 to think that I have any immediate solutions to the problems that may be
20 brought to our attention today. We don't have any immediate solutions to
21 questions that were raised in Dillingham and Naknek, but we do have a better
22 idea of the magnitude of the problem, and I think we're going to be better
23 able now to work out some solutions that may work to make the law easier
24 to live with since it looks like the law is going to be around for quite
25 some time.

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1 So, at this time, I would have introduced Terry Gardiner but he had to
2 go -- he had to go back to Ketchikan. He has a function that he has to be
3 at in Ketchikan this evening, and he left for Ketchikan yesterday afternoon.
4 He wanted to be up here but he felt that he had this important time to be
5 back down in his district. We have, again, with us Mr. Allan Adasiak, and I
6 did ask him in Dillingham and Naknek to make some opening statements to you
7 on what he feels about the program, and give us some opening statements
8 about the function that his office (indisc) and the entire limited entry
9 question. So, Allan, if you would like to proceed...

10 MR. ADASIAK: Thank you, Nels.

11 BY: MR. ADASIAK:

12 Q. I'm Al Adasiak and the Chairman of the Limited Entry Commission. In one way
13 or another I have been involved with limited entry way back before a law
14 was even passed. I was part of the study group that did research on the bill
15 that was introduced and I followed the program along with it from the begin-
16 ning. John joined the commission as a hearing officer, or as a legal aid
17 and then a hearing officer, shortly after the program actually came into
18 existence. We've both had a lot of experience with what's happened and
19 some of the reasons why it's happened. And if during the course of our
20 discussion, we'll try and give you some explanations for why things have
21 been the way they were. But in spite of the fact that we've been around the
22 program for a long time and worked with it, or maybe because of it -- because
23 we've been with it for so long, we know that limited entry the way that it's
24 set up right now is not working. And we're not kidding ourselves, we're
25 not kidding you. We can see that there are some problems with it. We make

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1 mistakes, we try not to, but we do. We try to correct them when we find
2 out what they are. That's one of the reasons Jim Larson is in the back room.
3 He's got copies of files and he can go over a file, and every now and then
4 he finds where we did something wrong. We want to correct it wherever we
5 can. I want to thank you all for coming here. Meetings like this are very
6 important for us because we can learn an awful lot from your comments, from
7 your feelings from the things that are causing you problems about limited
8 entry, the questions you have about what's going on and why it's going on
9 that way. We're here to try and learn from you and try and answer questions
10 that you have, and then see what we can do as commissioners and from Nels'
11 point of view, what he and other people can do as legislators, to take
12 another look at this thing and see where we might be able to make it a
13 little bit better. Now as far as the limited entry program goes, limited
14 entry came about because of a problem which, put very simply, is that you
15 had more and more people getting into the fishery, going after the fish.
16 And when you get more and more people trying to catch the fish, the number
17 of fish get driven down. And one of the solutions that the legislature
18 decided to try, was to say, all right, let's put a lid on the number of
19 people who fish, put a lid on the number of boats that can be out there.
20 And there were two things that we thought would happen if we put a lid on
21 the number of boats. One, from the fish manager's point of view, he could
22 do a better job because when you've got a lot of boats out there, and you
23 make a decision on whether to have an opening, you're taking a chance on
24 whether you're going to get your escapement or whether those boats are going
25 to catch too many fish and you'll lose some of that escapement. And, if

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1 you can hold down the number of boats, he can do a better jo... He's taking
2 less chances, he's taking less risks with the resource and he can manage
3 better to build that resource and make sure that it stays this healthy. If
4 you've got more boats, his job is tougher and he's taking bigger chances
5 with the fish. By the same token, there's the fisherman -- the guys that
6 are out there catching the fish. If you have more and more people coming in-
7 to the fishery every year splitting up the catch, you've got people who are
8 making less money. You just can't have more people catching those fish
9 and keep the earnings level the same. And the two kinds of problems that we
10 looked at in limited entry were a problem of how can you do something that
11 will help fish management, how can you do something that's going to help
12 the fisherman's income. Well, I think we've seen this year in the Bay one
13 of the benefits of limited entry. Limited entry is starting to work --
14 you're starting to see the results. You had a pretty good year here in the
15 Bay, and because there was a lid on the number of boats, a lid on the number
16 of setnets, you made a decent amount of money on the size of the run that
17 came back, and fish prices have been going up. If it weren't for that lid
18 that's on the fishery right now because of limited entry, you would have had
19 more boats in here and you would have been splitting up that catch among
20 a lot more people. Even though the prices are up, the people who were in
21 there would not have made as much money. And in the Bay, the predictions
22 for the next two to three years are good predictions. '80 is your peak
23 year and the years on either side of '80 are generally also very good years.
24 So, if it weren't for limited entry, you could be pretty sure that you would
25 have an awful lot more people coming into the Bay being drawn by the promise

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1 of a lot of fish and good prices. So, with limited entry with that lid on
2 the boats is helping the manager and it's helping the fishermen. Now, we
3 had a tough job to do when the legislature set up the limited entry program
4 because there were more people who had fished than the number that we could
5 let in. And the way the law was set up, it said, all right, you've got to
6 sort these people out -- you've got to rank them. And the law said that
7 some people if you throw them out of the fishery are going to get hurt more
8 than other people will, and we want to hurt people as little as possible.
9 So set up a system that ranks them and leave the people in who would get
10 hurt most if they got thrown out. If you have to throw somebody out, cut
11 somebody out who's not going to get hurt as much. Now, that... when you
12 think about what that says is that anybody who's cut out of it is going to
13 get hurt some. I feel that we deal with a lot of fishermen and we talked
14 to some of the guys who didn't get permits -- we talked to a lot of them --
15 and I'm not going to sit up here and say they're not getting hurt -- they
16 are. But it's a question in degree, more and less, and the way the law was
17 set up we had to put in a system that would help to make that kind of choice.
18 And, we came up with a point system -- a lot of you are familiar with it --
19 and ranked people on the basis of the points, and the idea was that if you
20 ended up with less points compared to the other people, you'd be hurt a
21 little bit less than some of them. So, we put the system in and we've had
22 it working for a few years, and we're back here now to talk with you, to
23 take another look at it, and to see from your point of view how you think
24 it's worked, where you think it's worked right, and where you think it's
25 worked wrong, to get some of your ideas on how we might change it so that

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1 we can go back and improve the situation. Now, in terms of what we can do
2 as a commission or what Nels and other people in the legislature can do --
3 I don't want to hold out any false hopes that we can make everybody happy
4 and make it all better for everybody. The only way you could make everybody
5 happy is to give everybody permits, and you give all the crewmen, all the
6 pullers, all the wives, all the kids permits -- everybody's happy but instead
7 of that lid on the fishery, you're throwing it wide open. So, the solutions
8 are difficult. They're going to work and make things better, but they're
9 not going to make them perfect. So we have ... We want to learn from you,
10 how you feel about different changes that might be made that will help us
11 understand the ways that we can move to make this as much better as we can.
12 With that, I think we can just get on with it and see what we can work out
13 together here.

14 BY: REPRESENTATIVE NELS ANDERSON:

15 Q. Thank you, Allan. I think that, first of course, everyone's got to understand
16 that a new law was first passed, and again going back to some of the history
17 that it's been tested in the courts and also approved by all the voters of
18 the State of Alaska. The other thing, I think, that people may misunder-
19 stand, too, is that... I saw it happening in Dillingham, I saw it happening
20 in Naknek where the Limited Entry commissioners and their staff are looked
21 at as bad guys -- we're the good guys and they're the bad guys. Well, they
22 have a law that they've got to live with, and they have to make some very
23 hard decisions, and I'm not just saying this to apologize for them or to
24 defend their actions. They have some very tough rules and regulations in
25 the law and the bounds in which they've got to live. And when they say no,

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1 and they know they're hurting and affecting a Bristol Bay resident fisherman,
2 it isn't easy on them, as you might think. The other point that I wanted
3 to make is this -- is that they can't say it. They've got to be politically,
4 they've got to be legally neutral, and they can't say that they'd like to see
5 a Bristol Bay watershed resident fishery fished by a resident fisherman.
6 But my feeling is, and I think we all want that, and we want to correct
7 some of the problems that have arisen. We know that people were left out
8 because they weren't informed, because hearings weren't held in the various
9 villages where people were left out. We know that's a fact, and that was
10 wrong, and we all admit that. The other thing is is that when rules and
11 regulations were developed, people that would have been affected were not
12 contacted and were not given an opportunity to give their input so that
13 people would understand what the law was doing to them. I think we all
14 understand that. We made attempts -- they may have been looked at as
15 ineffectual attempts -- to get money to get the Bristol Bay Native
16 Association out to travel to various villages, and some people say that their
17 efforts were good, some people criticized their efforts, but at least there
18 was an effort. We did appropriate money to get a contract, or money to the
19 commission so they could contract with the native association to come out
20 and assist people with their various problems. There should have been
21 more of that, and we understand that as well. Now, to just throw spears at
22 what's wrong with it, I think is a good idea as well as constructive, and
23 it's also helpful for us to understand the range of the frustrations. So,
24 right now what we need to hear from you people is how has this law affected
25 you, what do you think is wrong with it, or what do you think is right with

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1 it, and what changes do you think ought to be made to the law to alleviate
2 some of the problems that you're faced with. That's why we're here, we
3 want to listen, and we also want to try to come to some solution into
4 legislature or perhaps these gentlemen may find some way to modify regula-
5 tions that they are operating under to be of some assistance. Let's open
6 it up to the public. Again, Wasi or anyone here, if you feel this ought to
7 be translated into any language that you want to, just let me know and I
8 think someone -- Wasi or someone could select someone to do the translation
9 up here. We'll open it up to the public now.

10 BY: UNIDENTIFIED MALE:

11 A. Yeh, (indisc) you started talking about the limited entry known as the
12 international water. When, uh -- it, uh -- Don Young was campaigning, he
13 stopped at King Salmon, south Naknek, where I was fishing at the time, and
14 I also suggested to him myself, I said, well what -- what can we do about
15 our waters that ... Okay, we're being crowded out of our fishing grounds,
16 uh... That's not only the problem there, we also have other problems, uh,
17 like the foreign fisheries. So he said, it's a good idea. He said, I'll
18 make attempt that we should, uh, throw international water out. (Indisc)
19 we're gonna do something because, uh, they're ganging up on Alaskan waters.
20 This is Alaska's land. Along the shorelines in many other states is, uh,
21 there are just some states anyway. I think we should be concerned about
22 our resources that's in the surrounding (indisc) in the State of Alaska.
23 And, furthermore, like you said there, it's true. It may -- it may have
24 done some help by putting a lid on it. Uh, I really think that it was
25 some help but I'm sure the 200-mile limit also did a lot of help because

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1 it kept that foreign fisheries out there so that the fish have a better chance
2 of getting into our water, where, uh, our fishermen here could benefit.
3 Okay, enough is said.

4 MR. ADASIAK: Uh, gentlemen? Thank you.
5 Do you have any ...

6 BY: MR. ANDERSON:

7 Q. Just a minute. Do you have any comments on that or just...

8 MR. ADASIAK: Well, I think the commission
9 would certainly agree that the 200-mile
10 limit has been a major beneficial factor
11 in the number of fish (indisc).

12 Yeh, okay. Could you please identify yourself when you -- before you go --
13 before you speak because some of these people don't know who you are.

14 BY: MACY HOHSON:

15 Q. May name is Macy Hohnson from Nondalton and I have a few questions. Uh, is
16 there any -- is there any good chance for making amendments after this is
17 reviewed? (indisc) of making change, in your opinion, do you have a very
18 good chance?

19 BY: MR. ANDERSON:

20 A. Well, legislatively, uh, there are several proposals that have been made to
21 us in Dillingham and Naknek that we feel are reasonable proposals that
22 deserved to be studied to see whether or not we can make those kinds of
23 changes. The thing... The thing that we explain to people before this,
24 when we amend this law, uh, when we're trying to help one group of people,
25 there are other people on the outside that we don't really intend to help

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1 when we're trying to help ourselves, so when we help, say, ten people in the
2 Bay, we're, uh, uh, helping the same number of people someplace else. And
3 our -- my desire and my goal is to move the limited entry permits into the
4 hands of Bristol Bay residents. Okay? That's why we're here. And I think
5 that there is a possibility - good possibility - that the legislature will
6 listen to the proposals that we make from these meetings and that there is
7 a good chance that they will adopt them if they make sense, and that they
8 will lead -- if the action taken leads to permits going into the Bristol
9 Bay, Alaska residents' pockets. Yes, I think there's a good chance.

10 Q. What really -- the people here in the Bristol Bay waters (indisc) most of
11 them on the beach, that's where it's really (indisc). And now if, uh,
12 limited entry (indisc)

13 A. Sid, uh, I didn't get the last...

14 Q. ... enough money you can buy limited entry (indisc)

15 A. Okay, that -- that's a good question. It is a question that I posed to the
16 Limited Entry Commission people, and the letter that I wrote to them is that
17 there is a rumor, and at that time it was only a rumor. It was not
18 established that there were such a things -- such a person as a broker for
19 permits but, uh, you know, maybe Allan or John could explain what a broker
20 does and what they're designed to do. Then I'll get into the money part of
21 that after they (indisc)

22 BY: MR. ADASIAK:

23 A. A, a broker is not necessarily the good guy or a bad guy. It depends on who
24 the broker is. And, basically he finds people who want to buy permits and
25 he finds people who want to sell permits, and he puts them together. And he

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1 makes his money by taking a piece of the permit price for putting these
2 people together. That's the -- the general way the broker will work. Now,
3 sometimes, uh, a broker when he knows a permit is for sale will buy it him-
4 self because it's -- he knows it's cheap, uh, hold on to it, and then when
5 a buyer comes along, he'll sell it at a far higher price and take a big
6 chunk out of the middle. Uh, there aren't too many brokers right now. Now,
7 not all brokers are like that, but it does happen. I'm not, ya know, I'm
8 not going to kid around about it. Uh, right now there aren't too many
9 brokers in the state, and one of the things that we are considering is
10 putting together some regulations that will control how a broker can deal so
11 that people don't get ripped off in between. Uh, right now guys who, uh,
12 are in the security businesses, stock markets, selling stocks and bonds,
13 securities dealers, have a lot of regulations that govern what they can do
14 and how they operate. And that's one of the things that we're going to look
15 into to see if maybe we can't set up some form of regulations on brokers..
16 Now, uh, in connection with that and, you know, maybe -- maybe broker is a
17 bad name. Uh, and I can't think of a good name, uh, that explains the same
18 thing. Uh, it occurs to me that what a lot of you people are concerned
19 about permits moving out of the Bay. There's more money in Seattle, there's
20 more money someplace else, and permits will move out, uh... We've looked at
21 some numbers and so far from, I think it's 1976 through August of this year,
22 a total ... Some permits have gone out but other Bay people have bought
23 permits and brought 'em in, and with those changes back and forth, the total
24 of twenty-one drift permits have left the Bay and a total of eighteen setnet
25 permits have left the Bay. So, there's, uh, a little movement out -- it's

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1 not huge, but it's there, and if the people in the Bay were to set up an
2 organization, a nonprofit corporation, that was designed to work for the
3 interests of the watershed residents, and that organization were to put
4 buyers and sellers together, that organization would have some control by
5 who it put together over where permits move. You -- if you knew that a guy
6 in the Bay wanted to buy a permit and you knew that a guy from outside
7 wanted to sell it, you put them together, and another permit comes into the
8 Bay. If you know a guy in the Bay wants to sell his permit, and you know
9 someone else in the Bay wants to buy, you keep it in the Bay by putting those
10 two people together. Now this is not something that we as a state agency
11 could get into, but it is something that the people in the watershed could
12 set up. And, I think, from what we've heard in other areas, that it could
13 put you in a position of, to deal with another problem which we know exists
14 not only here but everywhere else. It gets to be February, it's cold, you're
15 low on money, a guy who's got a permit goes out and has a few drinks --
16 maybe more than a few, and he decides I'll sell my permit. That's probably
17 a bad decision, but if that guy knew that there was a place to go to if he
18 wanted to sell his permit where they'd tell him where there were buyers, uh,
19 an organization that was working for the people of the watershed could take
20 that guy and say, Charlie, how about a cup or two of coffee? Ya know. And
21 straighten him out and talk to him a little bit. Now, ya know, you can't
22 break his arm and force him not to sell, but at least you might get a chance
23 to talk to him, and handle some of the problems that happen along those lines.
24 So, there are advantages if you set the organization up right, uh, for some
25 sort of an organization that would put buyers and sellers together and benefit

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1 the people of the watershed.

2 BY: MR. ANDERSON:

3 Q. Thank you, Allan. Okay, that's basically what a broker does. He --
4 somebody's got a permit here, there's a buyer over here, the broker's in the
5 middle and he brings them together. Okay, now the question of where the
6 money comes from and how are our people who don't have very much money, who
7 don't have a credit history with the bank, how are they going to be eligible
8 for a loan for that -- for a high-priced permit? Okay. That is a question
9 that I asked, too, and uh, we all know, and as I told you just a few minutes
10 ago, that there is a permit and boat for sale for \$100,000. How do you get
11 that? Can you -- can you get it? Anybody here, can you afford to buy a
12 \$100,000 permit? How would you do it? Okay, so that's a question that we're
13 faced with, too, in the legislature. How are we going to do it? Okay, we
14 have a boat loan program in the State of Alaska that allows people to go out
15 and buy boats. We also recently passed legislation that where a permit can
16 be used as collateral for a loan. In other words, if there was a permit
17 available, the bank can use that, uh, permit as collateral for a loan, however,
18 the problem that our people in the bush have and the rural areas have, of course,
19 is that they don't have a credit history with the bank. All their lives,
20 they've been working with cash. If you had money, if you needed something,
21 you go and pay for it in cash, and there's no record of, uh, payment history
22 like you have in the cities like in Anchorage or Fairbanks, so how are we
23 going to get around that? So what we've been thinking about in the legisla-
24 ture, anyway, is to liberalize or to make the loan program fit the needs of
25 rural Alaska a little bit more. In other words, knock down the, uh, the

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1 down payment figure and spread out the payments a little bit more so that you
2 can afford to make the -- make those payments or gear the loan program to
3 your -- to your fishing income. If it's a real bad year, just pay the
4 interest. If it's a good year, then you can go ahead and make your normal
5 payment plus your interest payments. So that's what we have to look at and
6 that's what we have to try to, ya know, try to work out. But I do know it's
7 a problem, and uh, there are things I think that we can do to make the loan
8 program more beneficial to you so that you can get your hands on the money
9 when the permit becomes available and -- and actually purchase.

10 BY: UNIDENTIFIED MALE:

11 Q. One thing, Nels. Uh, there is -- there is a program that's funded by BIA
12 which -- which is an outright grant of money for people who are interested
13 in buying their own boats. Uh, and I know last year some people, uh, some
14 people that I knew were able to get some grants from BIA. However, the
15 money dried up about last December or last January, over a year ago. And
16 I just talked to BIA last week in Anchorage, uh ... I know a couple of
17 people, uh, have come to me about asking me about, uh, boat loans, and
18 there's no money in the program right now. It's a federally funded thing
19 and that's not really in your, uh, in your power to get more money into, uh,
20 the BIA, but that's something that, uh, should be brought up with Ted Stevens,
21 and uh, Don Young, and uh, Senator Gravel because it's -- it's -- it's on
22 the books right now but they just -- they haven't appropriated the money for
23 it. And what this does is, uh, the state loan program says they'll only pay
24 up to 75% of the boat. And so you got to come up with 25% of it, and in the
25

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1 past, half of that 25% you could get from BIA, and then the other half
2 you'd have to borrow or have the cash on hand. But I think that's -- that's
3 another thing that should be mentioned in terms of -- of getting the, uh,
4 the Congress in Washington to put more money into, uh, into that program.
5 Uh, but you still have the down payment and I think you still gonna -- you're
6 gonna have that problem. The other problem is -- is young fishermen who
7 want to -- who want to, uh, get into, uh, fishing and they don't have a
8 credit history and they also may not have a, uh, a good solid fishing
9 history. They've been -- they've been working as a puller for their father
10 and they haven't shown how they've, ya know, made a lot of money each year
11 because they've been -- they'll only been getting a puller's share, so I
12 guess that's -- that's one thing that... And I don't know whether you can
13 do that by -- by loosening up the requirements, uh, uh, for the state loan
14 people to consider, but, uh, that's a problem. I know I've -- I've talked
15 to a number of different people, a couple of people in Nondalton, a couple
16 of people in Newhalen, and that's -- that's on, uh, some of the young people's
17 minds. I know, I think, Tom Olympic is one person, Melvin (indisc) from, uh,
18 Nondalton. They're not here today and, uh, they talked to me about it when
19 I visited them. There's -- there's a lot of people out there who have the
20 same problem. Uh...

21 BY: MR. ANDERSON:

22 A. Well, on the, uh -- on the BIA portion of it, though, I think, uh, you know,
23 I could -- I could write a letter to those, our Congressional delegation,
24 and point out the problem and ask them what they can do to fund that program
25 that referred to. I think that would be helpful. Uh, but -- but I think

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1 the legislature can, uh, loosen up the -- the, uh, the requirements to get
2 a loan. I -- I think that, uh, at least ... When Terry Gardiner was
3 at the meetings in Dillingham and in Naknek, and he's from Ketchikan, uh,
4 he felt that, uh, that's a reasonable way to go and one method of bringing
5 the money to people that need to get a permit that don't have one now. I
6 think that's, uh, a reasonable -- a reasonable proposal and something that
7 we can work on definitely. Yes?

8 MR. ADASIAK: Uh, Dave, as far as credit
9 history goes, uh, I -- I understand the
10 problem. As far as the state loan program
11 for permits goes or vessels, the way the
12 law reads now, a guy has to have been a
13 resident for five years and for one of those
14 five years fished either as a crew member --
15 well, he had to fish as crew member, so
16 there is no requirement of skipper'ship or
17 anything else. A puller -- a puller's
18 experience for one year, uh, the way I read
19 this is sufficient to meet one of the
20 conditions of eligibility.

21 Q. Sure, but one of things they're gonna look at is how much money has been
22 made...

23 MR. ADASIAK: No, as I said, I can't - I
24 can't get into the credit history part of
25 it, but in terms of, uh, fishing experience

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one year as a puller (indisc) to meet that part of the standards.

BY: UNIDENTIFIED FEMALE:

Q. Is there any possibility of establishing a lid for these permit prices? Ya know, this is the thing that I think, uh, is basic in making it possible for any of our young people to get permits. Is that -- uh, they not be able -- allowed to go just sky high and out of sight. You're gonna get all that you possibly can for 'em. That's, ya know -- that just follows, unless there is some kind of lid put on it.

BY: MR. ANDERSON:

A. Okay, that proposal was made by several people in, uh, at our previous meetings, and, uh, there are some, uh... Well first of all, the beneficial thing, of course, would be that people then would have to be able to go and get a loan at a reasonable rate and not have to pay such a tremendously high price. That's the -- that's the positive thing. If we put a lid on, it depends on how much of a lid you put on it. It could have some other consequences, and it's kind of a touchy one, and I'm not quite sure how to get into it. But, there would be -- there are some people who think that there would be a tendency regardless of what the lid was, that there would be money flowing, uh, as you say, under the table, and, uh, we have no idea of how we could regulate that, uh, that particular type of activity except that you put a -- ya know, if you put enough of a, of a negative sanction or say, ya know, five or ten thousand dollar fine and a year in jail, or revoke your permit for life, or, ya know, whatever. Uh, something like that could work. But as I said, there are some pros and cons. Uh, as a matter of

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1 fact, one of the proposals that I drafted was designed to put a \$5,000 lid on
2 the, uh, on the permit. And the very person who came up, and it became
3 obvious to me, too, that this kind of abuse could occur. And, uh, the other
4 side of it, of course, that we could create a regulatory system that, uh, that
5 if we did hear about an under-the-table type deal that we could prosecute and,
6 uh, do something about it. But that is a possibility that we have to look at.
7 We have to investigate that thoroughly, because the prices of the permits
8 are just going out of sight -- they're just unreasonable. Yes?

9 BY: UNIDENTIFIED MALE:

10 Q. I would like to comment along the same line. I -- I feel the commission has
11 power to enforce these permit transfers and to restrict them. We have a
12 resident law that gives residents preference and, uh, I can't see how our
13 state government can permit these, uh, the majority of the permits that are
14 being transferred to go outside. I cannot -- that's what these -- that's
15 what's riding the price out of sight. That's where the money is. Naturally
16 the price is gonna be above what local people can handle. If we can't some-
17 how restrict these transfers going out to cannery owners, to bankers,
18 businessmen. I've had businessmen approach me with the idea of purchasing
19 permits that they could operate as a business, you know. They weren't going
20 to be fishing, they were just gonna run a business. And, of course, that
21 doesn't work. But they ask for any loophole they can, and uh, and if they
22 have money they'll find a hole. And the state is gonna have to set on top of it.

23 UNIDENTIFIED MALE: It's not only bankers,
24 it's cannery operators, too, that are trying
25 to get their hands on as many as they can.

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One of the things, too...

BY: MR. ANDERSON:

A. Yeh. Well, first of all, you're right. Uh, there is -- the resident laws read as we have it, uh, does, uh, tend to, uh, lean toward resident preference. However, the reason why the law stood the court test of constitutionality is because it was written so carefully that every citizen of the United States would be protected under this law, and that's why you have a slippage of permits going to people who have the money. There's very, very strict federal constitutional requirements that have to be met as well that we cannot interfere with the, ya know, free enterprise and so forth, and I think it's pretty clear, and that's why the law has stood up. However, we are learning -- okay, we've actually in essence, we have had two years of operating the limited entry law. The problems that have been developing and have becoming very forceful problems that we have to deal with are now right on the table. They're on the table now, and we have to deal with them. And the way we intend to deal with them, at least as I intend to deal with them as a legislator, is to formulate rules and regulations that will give preferential treatment to residents so that the slippage will not occur, and hopefully reverse the trend that is now in, uh, in process. And I think the commissioners will have very little to do about how the legislature decides its policy. There will be -- uh, they will be required to follow the law as amended by the state legislature, so I expect some ... (end of tape) ... I will be able to be used more effectively and move in that direction.

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1 BY: UNIDENTIFIED MALE:

2 Q. Along the same line, I -- I just wonder if we could -- take a look at limited
3 entry, ya know. I mean, why was limited entry initiated. It was to restrict
4 the size of the fishing fleet and protect the fishery -- protect the fish
5 themselves from being overfished. And we have to -- we have to say, now, is
6 it working or isn't it working? If we have a system set up that is working,
7 we have to be careful what we're doing to that system, ya know, to change it.
8 Now, if, uh, if... And, and I remember the commission was set up to reduce
9 the size of the fishing fleet, not increase it. When a permit comes up for
10 sale, the commission should have the prerogative of purchasing that permit
11 and putting it out of business. That's what limited entry is all about. Uh,
12 I'm not in favor of selling permits. Everybody I've ever heard that wanted
13 to sell their permit, I discouraged them from it. It's -- it's (indisc -
14 someone clearing throat) to keep that permit here in their family. I -- I
15 didn't come from a fishing community when I was a youngster. I came from a
16 very poor community, and I had ambitions to be a commercial fisherman from
17 the time I was a little tyke. And I really worked toward that end all my
18 life, and I raised my children to be commercial fishermen. And everybody in
19 this area should be raising their family to have goals that their, ya know,
20 can see. Uh, I think that -- that we need to educate local people, toward a
21 lifetime goal and, uh... My boy -- he's a setnetter -- he's been a setnetter
22 all his life. He wants to be a drift fisherman now. He's got problems. How
23 does he switch from setnet to drift? He sells his setnet permit, he buys a
24 driftnet. Boy, we're talking about a lot of money, but he's working hard
25 toward that goal. He's saving his money to invest what he can, ya know, to

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1 accumulate what it takes to switch his, uh, means of livelihood. And, uh,
2 I think everybody has the same opportunity, ya know. We're talking -- you're
3 talking about no discrimination. And, I came from outside because I wanted
4 to be an Alaskan. I like the country, I loved the stories that I read about
5 Alaska, and I just felt drawn here. I've -- I've spent my whole life here.
6 And, uh, my wife didn't want me telling a lot of stories. Anyway, it is a
7 wonderful land and it's people that (indisc - cough) to realize they're pass-
8 ing up tremendous opportunities when they don't even put in an application
9 for an entry permit. Uh, their children are suffering as a result of their
10 lack of foresight and they need to be educated.

11 BY: MR. ANDERSON:

12 A. Well, there -- there's a problem, ya know, that, uh... I think -- I think
13 that I agree with everything that you say. I -- just say, leave it at that.
14 The State of Alaska, and this is only my opinion, had the responsibility of
15 notifying every resident of how this law would affect each and every resident
16 in the State of Alaska because it is a Alaska law. Okay. In my opinion,
17 and in my opinion only, the state did not do a very good job. Okay? Now,
18 talk about poor side of the people. How were the people going to know how
19 this law would affect them if they knew nothing about it? And what the
20 ramifications of not filing would be, or not even knowing about the
21 opportunity to file. Okay, these are things that we're trying to correct
22 now. The courts are trying to correct them as well because Alaska Legal
23 Services is working on cases where people were left out simply because they
24 did not have, or they were not aware, of the opportunity to file. We've got
25 to solve these problems. People were left out unnecessarily and, uh, due to

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1 the failure of the state to properly educate people. And now I think the
2 state has further obligation to educate people to what this law means. Going
3 back to your earlier statement, uh, the, uh, the commission does have the
4 power, and although it has not exercised it, uh, exercised it yet, this to
5 buy back limited entry permits. A buy-back program is being contemplated
6 for the future. Okay, they do have the power and they are working on a
7 program where they will be doing this. Uh, looking at the limited entry law,
8 I found some very -- I noticed and observed some very interesting things
9 going on in the public in Dillingham and Naknek, that all the arguments that
10 were taking place were not in -- the arguments were in favor of the system
11 but improving the system so that we could take out those provisions that
12 tend to push the limited entry permits away from Bay residents and away from
13 Alaska. And so what they're wrestling with, and what their minds are working
14 on, were how in the world can we make this a better system. We better not
15 kick it out because it seems to be working, because the average income is
16 increasing, and because the fish are coming back regardless of what reason --
17 the 200-mile limit or whatever. Uh, people are making more money than they
18 ever have -- have in the past. People are wanting permits now like they've
19 never wanted them before. That's another indication of, uh, of the success
20 of the program. So I don't think there's any -- I don't think there's any
21 legislator in the State of Alaska that wants to do away with the limited
22 entry program if they really understand the economic impact that its had on
23 the Bristol Bay -- uh, the Bristol Bay fishermen. So, I think, uh -- I think
24 we're in agreement in all the statements that, uh, that you've made thus far,
25 but the state still has to go a step further. It has to explain a little

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1 bit more carefully the program and why it's so important not to sell it
2 because it's the only one you've got. You're -- the only way you're gonna
3 get one again is if you buy one. And that we have an obligation in state
4 government to make sure that if there is one for sale that there is some
5 kind of a loan program so that people in the rural areas with limited funds
6 can have an opportunity to purchase one. And I think we're moving in that
7 direction and I do appreciate your comments. There's a gentleman in the
8 back who's been wanting to (indisc).

9 BY: MR. ADOLPH (indisc last name):

10 Q. My name is Adolph (indisc) and I live in Nondalton. Was the, uh, limited
11 entry actually originally based on Canadian limited entry?

12 BY: MR. ADASIAK:

13 A. No, not at all. Or if not at all... We looked at the Canadian limited
14 entry program. I went out there personally and spent several days in
15 Vancouver in addition to having read all the stuff I could on the program,
16 and, uh, I think we benefited from the Canadian limited entry program by
17 seeing a lot of the things that they did that went wrong on them. Uh, but,
18 uh, our system is quite different. Our -- our whole set of laws are quite
19 different from Canadian law. Uh, and as a result we came up with a different
20 system that was far more complicated. Basically, they put their licenses
21 on boats, not the people, and they said if you caught over -- I may have the
22 number wrong, but I think it was over 12,000 pounds of fish in either 1967
23 or '68, you're boat gets a permit. And it's an "A" permit, you can fish
24 any type of gear from it, that you want for any kind of salmon. If you
25 caught under 12,000 pounds, you get a "B" permit and it's good for ten years

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1 After that, you're out of business. And they put in a system like that.
2 Uh, the fishermen's union in Canada was violently opposed to giving the
3 permits to the vessels because they felt that it gave the processors even
4 more control over who had the licenses. They wanted the permits to go to
5 the people rather than the boats. Uh, the Canadians set up a buy-back
6 program and they funded it out of the money that they got from the annual
7 relicensing fees from the people who had permits. Uh, but their system in
8 many ways is far different from ours. We put the permits on the individual
9 because -- well, there are a lot of reasons, and one of them is that we
10 wanted to reduce the amount of cannery control that there was over the
11 fishermen. And if the fishermen has got the permit, and you can't mortgage
12 it, you can't get it repossessed or anything else, and it's yours. The
13 cannery needs you in order to fish. We wanted to do something that was
14 going to strengthen the individual fisherman's position. Uh, there -- there
15 are a lot of differences in the way we build our system from what the
16 Canadians do.

17 BY: UNIDENTIFIED MALE:

18 Q. The cannery has the boats; the canneries have the money. Okay, now, in
19 Canada, can a non-Canadian own a permit?

20 BY: MR. ADASIAK:

21 A. I really can't answer that question.

22 Q. What I was wondering is -- is it possible somehow for the only person who
23 could own a permits would be an Alaskan resident?

24 A. No, that's possible under our laws. No.

25 Q. What happens -- what happens to permits that are turned back? Say, people

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1 die and leave no inheritors or, uh, people don't use it for two years.

2 What happens to those?

3 A. I don't know if we've had a case like that yet, John. We haven't been
4 faced with the problem yet. The, uh -- I think the answer would go
5 something like this. The law says that at the offset when you limit entry,
6 you're supposed to issue the number of permits that's approximately equal
7 to the highest number of units of gear that were engaged in the fishery
8 in any one year from '69 to '72, from 1969 to 1972. Then after you've
9 issued those permits you're supposed to, in turn, determine an optimum level
10 of effort for each individual fishery. And that optimum level of effort is
11 supposed to be based on a combination of management considerations, that is,
12 how manageable is the fleet of a given size, and economic considerations.
13 That is, is there a reasonable rate of return that's going to the fishermen
14 given particular effort levels (indisc) numbers of permits that are out.
15 We haven't yet made the optimum number determinations for the Bristol Bay
16 fisheries or for any of the other salmon fisheries in the state. If there
17 were permits that were retired in some way, probably because they were not
18 renewed for a two-year period or something else happened, we would probably
19 hold those permits until we determined whether or not the optimum number
20 was less than the number of outstanding permits. If it was less, then I
21 think we would simply retire them. If the optimum number was, in fact,
22 uh, such that that permit could be issued (indisc), we would have to develop
23 a program for doing that. We're a ways ...

24 Q. It's my feeling that, uh, the limited entry program is working except it
25 seems to be working for the wrong people. And if a person was a rich person,

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1 say, like if Howard Hughes were, if he were living, wanted to come into
2 control of Alaskan fisheries, all he'd have to do is say, I want to buy
3 those permits for \$500,000 apiece -- he'd have all the permits. We wouldn't
4 be able to fish -- the way the law is set up now. Is that true?

5 A. Well, the only thing that would complicate it for a person like that is
6 that he, him personally, could hold only one permit of each type. (indisc)
7 That's right. It's a complicated factor, not necessarily a bar.

8 Q. I wouldn't say Howard Hughes would want it, but maybe the Japanese would.

9 UNIDENTIFIED VOICE: Right.

10 BY: MR. ADASIAK:

11 A. Nels, could I -- could I say a little bit about, uh, this question of
12 discriminating in favor of Alaskans and against outsiders. Uh, John was
13 born here, I've lived here fifteen years. I like it, I plan to continue
14 living here. Personally, I would like to see Alaskans have all the permits,
15 but legally what we can do as a commission and still have a program that's
16 not going to blow up on us so we got nothing restricts us quite severely.
17 We have to be very even-handed about having the same rules of the game for
18 all citizens in the United States, regardless of whether they're from
19 Washington or whether they're from Alaska. So in order to have a program
20 that's going to stay, we -- we have certain limitations. Now there are a
21 couple of ways that things can be tilted in favor of the Alaskans. Uh, one
22 of them we mentioned already, only we didn't quite characterize it that way,
23 there is the lona program that allows you to use your permit as collateral
24 to borrow money from the state to buy a permit. Now the state can
25 discriminate and decide that it can loan money only to its own residents, so

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1 that's a backdoor way, if you like, but it's a way that we can do something
2 that helps out the Alaskans that doesn't help out the outsiders. Uh, I
3 mentioned earlier this possibility of the people in the watersheds setting up
4 some sort of a nonprofit organization to put buyers and sellers together.
5 You have some degree of control over who you put together when you know who
6 the players are on both sides. It seems to me that that is a perfectly
7 legitimate way that you can begin to tip things in favor of the people in
8 this area, but we have to be very careful about how we jigger around with
9 the system or else, boom, it's all gone. And, we don't want that to happen.

10 BY: UNIDENTIFIED MALE:

11 Q. Well, isn't that the same (indisc) as having, uh, (indisc) ... Say, ya give
12 a guy a chance to buy it first with an option.

13 MR. ADASIAK: Uh-huh.

14 Uh, to me, we've been talking a lot this hour or so (indisc) that we, like
15 (indisc) limited entry, if we were really going to wind up with all of them
16 (indisc), it's always that you talk like brokers. Most Alaskans (indisc)
17 won't have the kind of money where city slickers and peoples from, uh, other
18 states won't let the doctors and lawyers not come in (indisc), then why have
19 the limited entry? Where we should have been -- been the one that really
20 benefit (indisc). (indisc) statement to you. Me as a resident have lived
21 here on the watershed, I'm living on the (indisc) here, I want to raise my
22 family here, I've fished in Bristol Bay for twenty years and (indisc) my
23 livelihood. I mean this is where -- where my argument comes in.

24 MR. ADASIAK: Okay.

25 If I should lose it, there should be some other alternative for me to make

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1 my living -- make it some other way. Uh, something else that is too bad,
2 uh, other peoples have never been informed correctly or make some corrections
3 on how badly this is going to affect you if it gets in full swing, you know.
4 Or have it so that they could have, say, maybe five or ten years, uh, uh,
5 amendments to get all the bugs out of 'em and that it's best interests to
6 all the citizens (indisc) the people that live in that state. The state
7 that people listen, that region that (indisc) fishery (indisc) you should
8 have priority. Whether (indisc) stay on that limited entry for the country
9 giving up ... Or if the guy -- I wonder if I died and had no kids, no --
10 nobody to give to the Limited Entry Commission (indisc). Limited entry here
11 doesn't know what to do with it or maybe, say, well, there's a limited entry
12 permit for sale from an Alaskan that was born and raised in that area where
13 he was taking fish from. You should give priority to those guys that
14 (indisc) option that these should ... The law should put it that way.
15 (indisc - cough) Even at this (indisc - cough) Now let's hit the Bristol
16 Bay for an example. The he's the one who should have, uh, an option or
17 priority to that limited entry. If you regain so much, you regain that as
18 a citizen.

19 BY: MR. ADASIAK:

20 A. I feel the same way you do. Uh, how far we can go toward doing that and
21 still stay legal is the question I can't answer. I mean, we're willing
22 to try and push, uh, to see how much we can accomplish that way, but as I
23 said before, we don't want to take wild chances and blow the whole thing up.

24 Q. Ya, I know what you mean.

25 A. I -- I feel the way you do. We're - we're willing to try and see just how

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1 far we can edge in that direction.

2 BY: MR. ANDERSON:

3 A. Allan, you know this was brought up before as well. We ... Just for a little
4 bit of history. The first two years I went down in Juneau, I was Resources
5 Committee chairman and there were efforts by various people throughout the
6 state who had an awful lot of power to repeal the limited entry law. And,
7 uh, I turned out to be the bad guy because I stood up against that fight
8 and, uh, it was brought up just about every day for two years during the
9 session. Uh, a friend of ours from Kodiak would always get up on the floor,
10 a guy from Sitka would get up, and say, I move that House bill so and so
11 be moved to the floor for a vote. And, of course, I'd always get up and
12 argue against it, and I had the necessary votes to beat them. Uh, because
13 I felt that the system had not yet been adequately tested and that's four
14 years ago. All right, it had not been tested and so to shoot it down before
15 it was given the chance to work would not have been fair to anybody
16 including ourselves because it could have been more effective possibly, or
17 maybe it could have even been worse. But you have to remember -- you go
18 out there without a limited entry program into the Quijak River and into the
19 Ishgak River or any river, without a limited entry program, what are you
20 going to have? And with the good years coming up, what -- what do you think
21 is going to be out there? What do you -- what do you see? Wall to wall
22 carpets of nets out there, and how are you going to make a living? You know,
23 that's what I saw four years ago. All right, now, the other thing that I
24 saw was what you see -- the doctors, the lawyers, the people that have
25 money, are going to have the greatest opportunity because they have the

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1 capital. They have the cash and they can buy those permits that become
2 available.

3 UNIDENTIFIED MALE: (indisc) collateral
4 and the banks, too...

5 Q. They've got the collateral, they've got everything, you know, so it -- it
6 would work automatically in their favor but at the same time it was working
7 disfavorably. It was also reducing the amount of gear. And so that those
8 people who did live in the area, who did rely on the fishery, that were
9 fishing, their income began to increase. So those people were helped. It
10 didn't help the people that weren't eligible to apply because they didn't
11 know about the application period. It didn't help those people that, for
12 some reason, were left out. That's what we're trying to get at now. We're
13 trying to correct that. The option idea is an excellent idea because it
14 doesn't cut anybody out. It doesn't slam the door just for Alaska residents.
15 It gives the Alaskan residents the first chance, the first right of
16 refusal. It can say -- the state can say, I've got this permit. Is there
17 an Alaskan resident who meets the following requirements, who lives in the
18 area, who has the money to buy the permit? If there is no taker, then it
19 goes out on the block and the highest bidder gets it, or the person who has
20 the money gets it. I think that has possibilities.

21 BY: UNIDENTIFIED MALE:

22 Q. Is it the same difference, like when they announced that, uh, uh, the
23 pipeline deal? They had to hire so many Alaska residents, you know. Other-
24 wise they were in violation.

25 A. Uh-huh.

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1 Q. (indisc) this fishing would -- would it have the same effect if it can be
2 done?

3 A. Of course.

4 UNIDENTIFIED MALE: I never worked on the
5 pipeline.

6 UNIDENTIFIED MALE: No, then you'd be in a
7 lot of trouble.

8 BY: MR. ANDERSON:

9 A. You were trying to get the floor?

10 BY: UNIDENTIFIED MALE:

11 Q. Yeh, I was just wondering. Years ago that, before you could be a setnetter,
12 you had to be a resident of the watershed.

13 MR. ANDERSON: Could we have your name...

14 Q. ... of the area.

15 MR. ANDERSON: Your name, please?

16 Q. Dan Roehl.

17 MR. ANDERSON: Okay.

18 Q. Years ago, there you had to be a resident of the watershed before you could
19 setnet. Now what happened to that law?

20 MR. ANDERSON: You want to tell him, Allan?

21 BY: MR. ADASIAK:

22 A. Yes, I -- I know that he's a lawyer. And, uh... All right, he's a lawyer
23 (indisc)... (indisc) so the state law -- I think it was 1962 (indisc)...
24 There were a couple of attempts. I think there was one in territorial
25 days...

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1 UNIDENTIFIED MALE: Yeh.

2 A. ... which sort of worked and then ... Bob Simon is the one who told me
3 this. There was another one in 19 -- about 1962 that they put up that ran
4 the way you said -- watershed residents for permits, and I think it worked
5 for about one year in the Bay. And then somebody decided it was so good
6 that they ought to try it in Kodiak, too. And they tried it in Kodiak
7 and some of the fishermen there who got cut out by it decided they didn't
8 like it, took it into court, and it got wiped out. It wasn't legal.

9 Q. And you're talking about, uh, people only owning one permit. How about when
10 they buy another one, and hold one?

11 A. A person under the law is supposed to be able to buy only one permit of any
12 kind. You can get one setnet permit for the Bay, one drift permit for the
13 Bay, a drift permit for Cook Inlet, a setnet permit for Cook Inlet --
14 those would be different permits. You could get one of each.

15 Q. How about just the two permits for, uh, drifting?

16 A. In the Bay?

17 Q. One got his own permit and he bought another one.

18 MR. ANDERSON: I'd like to have the name
19 because under the law...

20 A. Let me -- let me know who this guy is. Uh...

21 UNIDENTIFIED MALE: This is why your prices
22 go up.

23 A. Give me -- no, give me the name afterwards because uh, that -- that is not
24 supposed to happen.

25 Q. And there's another thing I'd like to know. How can a guy sell his permit

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1 and get another permit?
2 A. Say again.
3 Q. One man sells his permit, turned around and get another permit issued to him.
4 A. Get another one issued to him?
5 Q. Right.
6 MR. ANDERSON: He already had one issued to
7 him before?
8 Q. He had one issued to him before ...
9 MR. ANDERSON: He sold that one...
10 Q. He sold it and got another one.
11 MR. ANDERSON: And another issued?
12 Q. Right. And I can't even get one.
13 UNIDENTIFIED MALE: I can't get mine either.
14 MR. ANDERSON: If you -- if you can -- if
15 you can give me the facts, I would sure like
16 to check it. I -- we want to know -- I --
17 I certainly want ...
18 A. Okay, wait, wait ...
19 UNIDENTIFIED MALE: ... help me get my
20 permit out ...
21 A. I -- I think I may have an explanation for what happened. There are guys,
22 uh, at a certain point level who don't know whether or not they're gonna
23 get a permit or not yet, so we give them an interim use permit and say, you
24 can fish off that. Because we just don't know whether he's going to go down
25 to that point level in issuing permits. Now some of those guys, rather than

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1 fish that interim use permit, if they have a chance to buy a permit, will
2 buy one. And then later on, it turned out that we do issue them a permit
3 that they were entitled to, so they unload the one they bought and keep the
4 one that they got through the system.

5 Q. No ...

6 A. That -- that sort of thing has happened.

7 Q. This isn't the case. I know that this isn't the case.

8 A. Well, if privately you want to provide us with some information, we would be
9 very happy to look into that because what you've described is illegal, at
10 least the way I understand it. I'd like to see it straightened out.

11 Q. No, he had a permit and he turned around and bought another one.

12 MR. ANDERSON: Okay, what is -- what was
13 the earlier one? You said a person was
14 issued one and then went and bought another
15 one?

16 Q. Drift, uh ...

17 MR. ANDERSON: Two drift permits?

18 Q. One guy he had a permit issued to him.

19 MR. ANDERSON: Yeh.

20 Q. He turned around and sold it.

21 MR. ANDERSON: Yeh.

22 Q. And he had another permit issued to him again.

23 MR. ANDERSON: Okay.

24 Q. That makes two permits.

25 MR. ANDERSON: That's one case. Now you had

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1 mentioned another one earlier.

2 Q. Another one, there, uh -- he had his permit issued to him.

3 MR. ANDERSON: Yeh.

4 Q. Then he turned around and bought another one. He was holding two permits at
5 the same time.

6 MR. ANDERSON: Okay. We'd like to know a
7 little more ...

8 A. I'm -- I'm quite serious. If afterwards you want to provide us with some
9 information, uh, we'll see (indisc) but, uh, we want to find out 'cause
10 that shouldn't be happening.

11 MR. ANDERSON: That's not -- that isn't
12 fair to people who don't have one.

13 Q. Well, this is right. I mean, this is why I was wondering for. And I
14 understand that there's people that come up and fish for one year and get a
15 permit.

16 MR. ANDERSON: That's true. I think we
17 ought to answer that. Allan?

18 Q. Okay. If a person came up and say, in the year 1972, and fished that year
19 only. They were eligible.

20 MR. ANDERSON: Right. Okay now, Allan,
21 you've got it.

22 A. The -- the way we set up the system, we figured that a guy who fished back
23 in, say 1960 and '61 and then quit, shouldn't be given as much consideration
24 toward getting a permit and needing one as the guy who is fishing right up
25 against the 1972 cutoff year that the legislature gave us. You -- you can

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1 see that, you know. This guy in '62 dropped out for ten years, he doesn't
2 need a permit as much as the guy who's fishing somewhere around 1970, '71,
3 '72. So, in our meetings with the fishermen, we asked them, do you think
4 there should be more weight put on a guy who fished recently than a guy who
5 fished in the past, and they said yes. So we built a system which, if the
6 wall is here at the end of '72 has more points and more weight there, all
7 the way on down like this. And we figured that if a guy started fishing as
8 a gear license holder for the first time in '72, and he owned his boat, so
9 he's got money sunk in a boat, and he earned -- I forget, what is it, 80 or
10 90 percent of all of his income out of fishing in that fishery, and he
11 fished not just a couple of days but for a good span of time - five, six,
12 seven weeks - and he lived in an area which was not a big city, that if he
13 was cut out, this guy would be hurt. You know. Maybe he only fished one
14 year, but he -- he sunk in. He really is committed to being a professional
15 fisherman. So we figured that it would hurt that guy very much to cut him
16 out. And the system was built so that in those cases -- there are some
17 people who only fished '72 -- but if they met all of the conditions, they'd
18 get enough points to get a permit.

19 Q. Now I understand this guy fished out for several weeks. This is what I'm
20 guessing (indisc). I mean ... They made these deadlines, and still if I
21 turned in my entry permit about two or three times now, I was turned down.
22 But I understand that there's a guy that fished in the last couple of years
23 and he's got a permit, and this is what I can't figure out. How can they
24 get one and we can't get one?

25 MR. ANDERSON: You mean they started ...

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1 Q. And another thing you got to talk about boat owners and stuff like this. How
2 about a poor guy that couldn't get a boat, had to rent a boat from the
3 company, and then all of a sudden get cut off for some reason or another?
4 You don't have no more boat. So how are you gonna fish when you don't get
5 a boat from the company?

6 MR. ANDERSON: Right.

7 Q. And -- and there's a lot of these things that you've got to talk about
8 (indisc) and everything that a lot of people don't. The poor people who
9 can't and never did own a boat ...

10 A. Uh-huh.

11 Q. ... and they were always used to leasing from the company or had a boat
12 issued to them, and then they all of a sudden get cut off. Well, what
13 happens to that guy? How can he go back fishing again and fish those years
14 that he should have been fishing?

15 A. Uh-huh. I understand ...

16 Q. It's just like my boy, now. He's fighting for his limited entry. And he's
17 been fishing with his mother down there ever since he was a young feller.
18 Now he's ready to become on his own. And how is he gonna get his?

19 MR. ANDERSON: Dan, uh, going back to that
20 comment you made. You said people you
21 know -- you know of people that have fished
22 just for the last few years and have a
23 permit now. Is that the first time they
24 ever fished -- the last couple of years
25 that you know of, or ...

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1 Q. Uh ...

2 MR. ANDERSON: Who are they? Are they
3 outsiders or are they residents, or what?

4 Q. ... in Dillingham. I know he's an outsider.

5 MR. ANDERSON: Uh-huh.

6 Q. The guy fished over in Dillingham. I don't know what his name was offhand
7 (indisc)

8 A. Did he get a permit from the commission or did he buy one?

9 Q. I understand he had one issued to him. I mean this is why (indisc - cough)
10 I could see if they are buying 'em. Sure. I mean, that stands to reason,
11 but when they get them issued to them and I can't get one issued to me,
12 I mean, this makes me wonder.

13 A. Again, we'd -- we'd like to look into that. Without having specific facts
14 about a guy's situation in front of us, it's really hard for me to try to
15 explain. Let me -- let me suggest ...

16 Q. (indisc)

17 A. ... one possibility.

18 Q. What I'm doing is bringing up what I hear and stuff.

19 A. Uh-huh. Sure.

20 Q. But the two facts I told you about this guy buying one when he already had
21 one, and this guy getting issued to him twice, I know that for a fact.

22 MR. ANDERSON: Allan will check those out.

23 A. What might have happened was this other guy that you're talking about -- we
24 have a provision in our regulations, uh, for what we call unavoidable
25 circumstances. If you were going to go fishing but you got hit by a truck,

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1 you're in the hospital and you can't fish. But it was clear that you had a
2 specific intent to go fishing and that you made all reasonable efforts to
3 go fishing up until the time you got hit by the truck. And that your
4 unavoidable circumstance, you know, came along. We will give a guy credit
5 as if he fished for that year. Because through no fault of his own, uh,
6 something took him out of the action so he couldn't fish. Now, it might
7 be that this type of guy that you're talking about was somebody who came
8 to us and as a part of his application showed that he did have some
9 unavoidable circumstance that kept him from fishing in that year, plus he
10 also proved that if whatever it was hadn't happened - he hadn't got hit by
11 the truck - he would have been out there fishing. Now we do credit guys
12 with points under -- under cases like that. It seems like the only fair
13 thing to do. So, you know that -- that might explain it. Again, I can't
14 tell without specific facts of the individual in front of me. But as a --
15 that is one of the gentleman things we do because accidents happen.

16 BY: UNIDENTIFIED MALE:

17 Q. Well, this is what I can't figure out though. My (indisc) was fishing all
18 the time, too, and I couldn't get a boat out to go fishing. That's just
19 like being hit with a truck. Same thing. Now I can't get the money (indisc)

20 BY: UNIDENTIFIED MALE:

21 Q. What it does on the way you handle the boat ...

22 A. Yeh.

23 Q. ... the fish ...

24 A. Yeh.

25 MR. ANDERSON: Wassie?

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1 BY: MR. WASSIE W. BALLUTA:

2 Q. Yeh. Well, I'm gonna bring up this thing like being hit with a truck. Does
3 this apply also to, uh, military? (indisc) if you were in the military
4 service and couldn't fish for so many years? (indisc)

5 MR. ANDERSON: The legislature -- the
6 legislature when it passed the law, uh,
7 included a letter of instructions to the
8 commission. And in that letter they said
9 that the commission should credit individ-
10 uals whose participated in the fishery
11 was interrupted because of military service
12 as if they had kept on fishing. Uh, the
13 commission then said for those people who,
14 uh, submitted applications they will credit
15 them with points as if they were fishing
16 for their first tour of duty in the military,
17 uh, in the same way that they fished before
18 they entered the service. Uh, so if a guy
19 was a puller before he went into the service
20 he would receive points for -- for -- as if
21 he was a puller while he was in the service
22 (indisc - end of tape signal, static) ...
23 was in the transition, if -- if he was a
24 puller but was just in the process of
25 becoming a gear license holder, it would

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show that he would have been uh, an operator of a boat during that time that he spent in the military, then we can treat him as if he would have been an operator of a boat. So -- so that capability is in the regulations and points were awarded under those circumstances as well.

Q. Okay, another question I have is, during the critical years of the point system, '69, '70, '71, and '72, right? Okay, in those years the resident people up here (indisc) prediction poor in the Bristol Bay areas, and they didn't want to go down and fish, and a lot of them didn't fish in the critical years. That's the reason a lot of them get permit problems. They stayed home to fight the (indisc) construction work. And it's kind of a shame that that was for these years.

MR. ANDERSON: Yeh -- yeh, we understand that, uh... That's a clear fact that even the Department of Fish and Game was discouraging people from going out fishing. That's clear and that's -- that's evident. Uh, we do know that there are legal suits challenging, ya know, the problems that, uh, occurred because of the state of the fishery. And we just couldn't afford to have more people going down and taking a limited number of fish. So people were

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1 discouraged from going out fishing. So
2 because of that and those were the critical
3 years for being evaluated for points, you
4 got left out. It's totally unfair and, uh,
5 something that I know is beyond the control
6 of the law that -- as it was passed and did
7 not take that -- or the legislature did
8 not take that into consideration. It was
9 something that these guys can't do any-
10 thing about. The law was passed. They're
11 required to follow the law that was passed
12 by the legislature, and it's something that
13 was not taken into consideration. We know
14 that. Uh, we do know, again going back
15 to court cases, that this is being discussed
16 in the courts now and that there probably is
17 going to be some kind of, uh, uh, answer to
18 that particular problem because it certainly
19 wasn't your fault, ya know, people's fault.
20 Clear ... Uh, Mr. Vantrease? Oh, excuse
21 me ...

22 BY: MR. VANTREASE:

23 Q. Well, I just would like to pass my opinion on to the commission and I -- you
24 know I'm not sure how much control they have legis -- legislatively, but I
25 feel that it should definitely exercise, uh, or be permitted to exercise

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1 control over the transfer of these permits. Every trade - and fishing is a
2 trade - every trade requires an apprenticeship. And I think that every
3 person who is serving an apprenticeship as a puller or a helper on the beach
4 or wherever should be building up preference rights and, uh, you know ...
5 He's making a history of what he has for a life goal, and, uh, should be
6 permitted to pursue his goal and not let someone with a pile of money outside
7 suddenly decides he wants to be a commercial fisherman, plunks down this
8 pile of money and buy a permit. It's -- it's just not right to cut the, uh,
9 apprentices out and give it to someone else just because he has the money.
10 Okay, the other thing I want to say about this, uh, control that the
11 commission should have. I don't know whether they have it or not, but I'm
12 against brokers. It's not right to permit a broker to buy a permit and turn
13 around and sell it at a tremendous profit. That's absolutely wrong. There's
14 no way that should ever be permitted.

15 UNIDENTIFIED MALE: Then how do you have any
16 control over ... You don't know that some-
17 body walks up to somebody and says, hey,
18 I'll buy ...

19 Q. If he isn't an apprentice fisherman, he has no right to buy a permit. Okay.
20 If he doesn't intend to exercise the use of that permit, he has no right to
21 that permit.

22 BY: MR. ADASIAK:

23 A. Uh, Mr. Vantrease, in response to the -- the last part of your -- your
24 statement, the commission doesn't have presently any authority to deal with
25 uh, some of the abuses that are beginning to show (indisc - background noise)

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1 It will take, uh, legislative action to enable us to control brokers in one
2 way or another. Uh, but it is a problem that we are aware of that is, uh,
3 beginning to, we think, artificially inflate the prices of permits and, uh,
4 we will be watching it very closely.

5 BY: MR. ANDERSON:

6 A. Now, the -- again going back, I'd like to respond as a -- as a representative
7 of the legislature side of it. The broker problem, of course, whatever it
8 is, I -- I shouldn't call it a problem. It's just that I do know it exists
9 or at least I heard rumors that it exists and, uh, I happen to know, I think
10 I know, who one of the gentlemen is now. And I -- I know of no law that
11 makes it illegal at this point in time. I do know there are no regulations
12 that govern their activities as well. I think Mr. Adasiak did point out
13 that, uh, there could be regulations that would severely curtail or
14 regulate their activities so that the kind of things that you mentioned
15 could be prohibited in the future. I don't know to what extent that you're --
16 I -- I want to move in that direction because I'm not exactly sure what kind
17 of fees or abuses may be occurring. I -- I want to know what the facts
18 are and there have been none placed on my table yet. I won't, as I said,
19 I'm only operating on rumor, and until I hear facts and until I see them,
20 will I know how to deal with, uh, with the situation. So if it looks like
21 it's an abuse, if it looks like something that should be corrected, then by
22 all means it will be. And, uh, you can depend on that. Uh, Mr. Delkittie,
23 first amendment ...

24 BY: MR. DELKITTIE:

25 Q. Yeh, I'm just gonna back up to, uh, Wassie's statement there, uh ... During

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1 the limited entry when they had its full effect, uh, (indisc) I guess the
2 commissioners like you guys (indisc) papers out for people who had to fill
3 out these papers. (indisc) talking about '71 or '72 which was a poorly
4 (indisc) year in the Bristol Bay area. Uh, what Wassie's saying is the --
5 that a lot of guys went fire fighting. Okay, in order to make a few dollars
6 just to make it, uh ... Okay, I think these people that held back and not
7 participated in fishing in the Bristol Bay, really what they did, they just
8 sacrificed. In other words, give the fish a chance to get up to the
9 spawning ground, and I think these peoples did a lot of good, but it is the
10 opposite way where the commissioners said, okay, if you fished in that year
11 you gain points. (indisc) the ones that didn't fish that year, didn't
12 show no interest, so they didn't get ... Okay, to me, the guys (indisc -
13 end of tape signal) stayed home because the fish, uh, season was so poorly ...
14 (end of tape) ... has to be set up like that. When people make mistake by
15 holding back, we should have been (indisc), too. We weren't bound in (indisc)
16 'Cause the few people that fished down in Bristol Bay made (indisc) I guess
17 it (indisc) for one time anyway. But those people (indisc - cough)
18 because they -- they said they showed interest.

19 BY: MR. ANDERSON:

20 A. What -- what, uh, specific years did the Department of Fish and Game dis-
21 courage Iliamna residents from fishing? Was it, uh, 1972 only or was it
22 1971 and '72?

23 Q. The bad years, I think, was '70 ... (indisc)

24 UNIDENTIFIED MALE: '74.

25 A. '74 was the ...

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1 A. Well -- there, uh -- I -- well, there, I think in some of the forecasts
2 that they gave, they said that there was a likelihood that Bristol Bay
3 would be closed. Remember?

4 UNIDENTIFIED MALE: That was 1974. Yeh.

5 A. Yeh, that was '74, but before that time, before that time they did predict
6 that there were going to be some very poor years and that it wouldn't --
7 it wouldn't pay for people to go out and fish. I don't -- there is a record,
8 there is a history of what they said. I know there is, and I do know that,
9 they were directing their statements at Bristol Bay fishermen. But, uh,
10 that -- that's a real good point that you bring up because it had the
11 reverse effect. Instead of you being seen as people doing a favor for the
12 fish, you were seen as having no interest...

13 UNIDENTIFIED MALE: Yeh, right.

14 A. ... in the fishery; thereby, you were...

15 UNIDENTIFIED MALE: ... penalized ...

16 A. You were penalized for taking this action to help the fish.

17 UNIDENTIFIED MALE: Right.

18 A. And we know that you should have been given more credit for (indisc)
19 Okay, well, the Bristol Bay fishery have a history of doing that, though.
20 They -- they have been on the beach for quite a few years where other people
21 were fishing our fish to give the fish a break. Uh, the False Pass fisher-
22 men, I think, took a good chunk of our fish, the international fishery
23 we know took a good chunk of our fish, uh, and we were sitting on the beach
24 letting them go by so that they could come back in greater numbers year
25 after year. And, uh, we have been penalized with ... In this case, uh, the

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1 reverse effect is -- is really unfair. It just gives a whole new twist in
2 my thinking. I -- I never really -- I never really thought of it before.

3 BY: UNIDENTIFIED MALE:

4 Q. In those years people really didn't want to go north; they'd go in the hole
5 anyway. And you don't hardly make more fire fighting and you get paid by
6 the hour then. And every time -- before you put your boat in the water, it
7 costs a couple thousand dollars for a big power boat. A skiff will cost
8 maybe a thousand or more.

9 UNIDENTIFIED MALE: Plus we're (indisc) the
10 fishery (indisc)

11 BY: UNIDENTIFIED MALE:

12 Q. Listening to a lot of the comments, a lot of problems to me is in -- because
13 of lack of information in our communities. Now, if there is -- whatever type
14 of legislation is enacted, whether it be good or bad, is there some way
15 that we can get it out here? My personal feeling is I've learned more about
16 limited entry in this meeting here than I have in the last three or four
17 years that its been in existence. And is there some way that we can get
18 someone out here to explain what's going on in Juneau?

19 BY: MR. ADASIAK:

20 A. I know, Nels, that you want to respond to that, but I -- as a commissioner,
21 uh, I think that one thing that we should indicate to all of you is that we
22 have begun to recognize that -- that we are failing in our efforts to, uh,
23 put out information and to help educate the people that were affected by
24 this law as to what specifically had happened, what opportunities were
25 available to the residents under the law. And we're going to go back, I think,

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1 with the message that -- that, uh, there's much more that we can do in those
2 areas than we have in the past. Uh, as I -- I think it's appropriate to
3 state that, and Nels, go ahead and ...

4 BY: MR. ANDERSON:

5 A. Well, the purpose of this meeting is just to do -- accomplish what -- attack
6 the problem that -- that we recognize or at least, uh... I have to give
7 credit to (indisc), I think, because she felt very strongly about this, and uh,
8 really insisted that there should be meetings, uh, in Dillingham, Naknek,
9 and of course, here. And, uh, it's an understanding and recognition of the
10 problem. Okay, I intend to do the (indisc) about doing this more often
11 about programs that directly affect the life of these -- you know, the life
12 the people. I think it's really helpful not only from the legislator's point
13 of view and your point of view as people who are affected by this law, but
14 it also helps these guys to understand the frustrations that you people have
15 so that they know how to deal with the problems that -- that -- that they
16 read about on a piece of paper. I -- I have a piece of paper here that, uh,
17 if I had received it, it would have been a real cold type of relationship
18 because of -- they have about 15,000 files. Okay? And then after a while
19 you get a tendency to just look at that piece of paper and it doesn't
20 represent a face or a name any longer. It's just -- here's a case. Now they
21 are coming out here and they're putting faces and files together now, and
22 it's gonna be a -- a little bit easier for everyone to look at these guys
23 a little bit more and say, hey, they're -- they're a lively breed. They have
24 feelings and, uh, they're not a bunch of klutzes that -- that, uh, they
25 think they are. And, uh, sometimes and, uh ... Yeh, I think -- I think

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1 we have to do a little bit more. I have honestly made an attempt to let
2 people know what's going on, but I'm only as effective as I can get money
3 from the legislature, to appropriate money to these people to get out here.
4 And as I said earlier, we did -- I was successful in getting some money
5 from the legislature to -- that I give to these people to contract with the
6 Bristol Bay Native Association and other native associations throughout the
7 state who had similar problems. Because we're not -- we're not the only
8 fishery in the state that's affected by this law, so the money had to be
9 distributed and it wasn't as much as I would have liked it to have been. I
10 think these people are going to go back and they're going to -- and they do see
11 now the need for this kind of activity, where they have to get out and
12 explain a little bit more clearly the kind of program that they're operating
13 and also to give you an understanding the kind of problems that they have.
14 Because first of all, they don't have all that kind of money in their budget
15 to do this kind of travelling. I think they will begin now to do a little
16 bit more planning so that they can get out more than they have in the past.
17 The other thing that happened, too, as far as travel is concerned, to begin
18 implementing this program took an awful lot of time. It took staff time,
19 in-house time, where there really wasn't that much time to travel. They
20 really don't have much time to travel now because they're involved in about
21 sixty court cases where they're required to be in court to answer questions
22 that the judge asks them. And all their information that they have in their
23 files is supposed to be available and they're supposed to be there to
24 testify on their own behalf. So, their taking their time to be here is
25 really great for us, I think. And -- and I think we're -- I'm learning an

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1 awful lot about the system as well. And, uh, I think that, uh, again going
2 back to Terry Gardiner. He understands this and I think I'll get more
3 support from the legislature to do more of these things. We also have -- I
4 don't know how many people received KDLG, but perhaps there could be more
5 of a, uh, an effort to use that media that wasn't there before 1971, 1972,
6 where, you know, more of this information could have gotten out. We have
7 more media, uh, available to us that we can use more effectively, and I think
8 these people probably will be able to use that and so will I.

9 BY: UNIDENTIFIED MALE:

10 Q. Another one of our problems is that the people don't understand what you in
11 Juneau are saying. We get a lot of bulletins. We've probably read all of
12 this that's gone on but it doesn't mean anything to us. Some of the people
13 cannot read. Other of the people that can read can't explain it fully or
14 they can explain it wrong. And even if you -- your -- the commission itself
15 cannot come out here, maybe a representative of the commission can come out
16 or some interested party - the Bristol Bay Native Association or maybe
17 Legal Services - someone that could explain it.

18 BY: MR. ANDERSON:

19 A. I -- I think you're right and I think there'll be more efforts in that
20 direction. Very definitely (indisc)

21 BY: UNIDENTIFIED MALE:

22 Q. (indisc) while they're still in session?

23 A. Pardon?

24 Q. Is this still in session?

25 A. Yes sir.

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1 Q. (Indisc)
2 A. This, uh -- I'm not quite sure -- do you mean the bill that, uh, I drafted?
3 Q. Right.
4 A. The work draft? That -- that's just a work draft copy. It's a -- it's a
5 proposal that I made.
6 Q. Oh, just a proposal?
7 A. Yeh. just a proposal. It hasn't even been, uh ...
8 Q. Passed yet?
9 A. No, no (indisc) I'll talk to him. But let me explain ... I really hate
10 to admit this. I really thought I had a great idea but I have to be the
11 first to admit that that -- that thing got shot full of holes very shortly
12 after it was, uh, made available to the public.
13 BY: UNIDENTIFIED MALE:
14 Q. (indisc) some of the lines through it that, uh, somebody mentioned reissuing
15 the permits (indisc) transferred and reissue the entry permit to the
16 transfer?
17 A. No, I really -- no, that -- that thing will probably never see the light of
18 day in the legislature. It's a -- don't worry about it too much. Don't
19 lose any sleep over it. I'm not going to.
20 UNIDENTIFIED MALE: Nels, there's some
21 coffee back there if you guys want coffee.
22 BY: MR. ANDERSON:
23 Q. Yeh, I think we'll take about a five minute break now. I -- there was on
24 the agenda a break for lunch but I think there's going to be a transportation
25 problem if we do that. So what I'd like to do is take -- take a short break

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1 for coffee and then go right through the whole agenda and -- and wrap it up
2 without having to break up and then not knowing when we'll all get together
3 again. Why don't we have just a five minute break?

4 (COFFEE BREAK)

5 BY: MR. ANDERSON:

6 A. Are there any other questions or comments that, uh, people want to get into
7 at this time? If not, uh ... Oh, go ahead.

8 BY: SKIP AVRIL:

9 Q. I have two questions that I would like to ask. The first one is ...
10 My name is Skip Avril of (indisc). Uh, what about these people that transfer
11 these permits for a year? Like if I want to go and fish, say, assign a
12 permit over to me for a year and I go and fish this. Is there any way to
13 really regulate that?

14 BY: MR. ADASIAK:

15 A. Skip, uh, two years ago the legislature amended the law to explicitly pro-
16 hibit the leasing of permits. Uh, leasing is really not defined in the
17 legislation. The commission now is in the process of developing regulations
18 that would try to implement that section of the law. Uh, it -- but it is
19 a very complex question. Uh, and a few examples might illustrate that. Well
20 we take on the surface that the lease would require an exchange of money for
21 the use of the permit. Uh, and so the mere fact that a permanent transfer
22 to an individual and then transfer back a year later may not be a lease if
23 no money exchanged hands for that permit. Uh, it's complicated because if
24 the boat was also leased along with the transfer of the permit, then there's
25 the question as to whether or not money has exchanged hands (indisc - cough)

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1 permit as well. The commission is developing regulations within house right
2 at this point that will attempt to implement the staff by essentially
3 creating a presumption that a transfer back of the permit (indisc) would in
4 a given period of time, probably two years, presume to be a lease and there-
5 fore, would not be allowed. Uh, a person would have the opportunity to
6 rebut that presumption. Uh, for instance, in -- in setnet operations, it's
7 quite common for setnet permits to be transferred inter-family for, uh,
8 various reasons, uh, uh, upon a yearly basis. Uh, a total bar, an absolute
9 bar on the transfers made wrongfully prevent that kind of inter-family
10 transfer. So we're only creating presumption, and the presumption could be
11 rebutted by showing that it wasn't leased, (indisc) exchange of money for
12 purposes of using the permit.

13 Q. Could they, on that, can they say, all right, it could be transferred inter-
14 family and not give different names or other, you know ... Like we talk
15 about people that are in, like Seattle or some other place, or even in
16 Alaska. You know, they say well I want to fish this year, you know. And
17 they just transfer the permit, you know, the name -- you put it in somebody
18 else's name. That person fishes it, and then next year they give it back
19 (indisc).

20 A. Yeh, that kind -- kind of practice will be presumed to be a lease (indisc)
21 to the regulations and the policies.

22 Q. Okay, another question is, I know people that have had, ya know, that have
23 had permits and that haven't fished in, like, the last two or three years.
24 Now, for these young people who want to get in, here's a permit that's sitting
25 idle, that isn't even being used. Is there anyway to regulate that?

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1 A. The -- the legislature was faced with a, what I think was a very difficult
2 choice to make with that kind of problem. Uh, they wanted permits to go
3 to fishermen. They didn't want them to be in the hands of speculators and
4 non-fishermen, and so there was, uh, part of the legislature that said we
5 ought to require the use of that permit. If they don't use it, then they're
6 going to forfeit it in some way. Uh, it was called the "use it or lose it"
7 provision; you use it, if you don't use it, you lose it. The other part of
8 the legislature, the part that prevailed, said, look, if we force people to
9 use permits, we're simply going to be compounding the problems that we've
10 already got. We've got a problem of too much gear in the water. In 1973
11 when the law was passed, they were faced with really some very low runs on
12 the watersheds, particularly Bristol Bay. It was expected that '73 and '74
13 would be very poor years, and in fact, it turned out to be that way. Uh,
14 and consequently they said, well, at least for the time being, we shouldn't
15 require the use of that permit because that would be harmful to the resource.
16 Uh, that's the way that the law is presently written. Uh, and it was written
17 that way because of that reason. They didn't want to require the over-
18 intensive (indisc - static) of the permits because of the damage that it may
19 have on the resource (indisc - static)

20 UNIDENTIFIED MALE: I know fishermen who
21 truly did want to fish ...

22 BY: MR. ANDERSON:

23 A. We're under, in the legislature, though -- you know, we're under a lot of
24 pressure now because we do know that there are something like 350 or 400
25 possibly -- about 400 permits that were not used this year and we do know

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1 that there are an awful lot of people who are waiting to get in. And, uh,
2 this -- at this point in time now, we're being told that this isn't fair,
3 so we're -- we're going to be forced to face that. What are we going to do
4 with, uh, uh, these 400 permits that are not in use. Shall they be retired
5 and reissued to other fishermen? But we get in then -- we step into another
6 problem then. I think people ought to be aware of, and we haven't talked
7 about it. When you get into the buy-back program which is on the horizon,
8 it's in the future, it's not contemplated for 1979 but you ... The Depart-
9 ment of Fish and Game is coming out with what numbers that they call the
10 optimum numbers of gear or units of gear that can be, uh, used in the Bristol
11 Bay fishery. That number as we anticipate it might be is going to be
12 substantially lower than the number of permits that are now in -- that --
13 that have been issued. That optimum number is going to be a little -- quite
14 a bit lower than what are already out, uh, and issued to -- to, uh, people
15 who now have permits. So that's going to have -- we're going to have another
16 problem. The other thing that's going to happen is that if these lawsuits
17 that are now before the courts are successful, there are going to be more
18 permits issued. Okay? So that's going to be another -- another thing. So,
19 how seriously we can look at the use -- use it or lose it type concept for
20 retiring those permits that haven't been used or not going to be used in the
21 future. We're not quite sure how to deal with that at this point in time.
22 However, we do know it's a problem. People are telling us now that it's
23 unfair. That if they're trying so hard to get a permit, why can't we get
24 one of those permits that's sitting in somebody's pocket. Because, for the
25 most part, those people are speculating. They're sitting there knowing that

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1 all they have to do is refile, they'll still retain control of that permit,
2 and when the market becomes to the point where they feel that they can sell
3 that permit for a substantial profit, that's all they're going to do. And
4 it will more than likely move out of the state because the honest dealers
5 are the ones that appear to have more access to ready capital. So we do have
6 to look at it, but then again, I don't -- I'm not sure that I want to do
7 anything at this point in time until more of these things that I've mentioned
8 before come into play. Yes?

9 BY: UNIDENTIFIED FEMALE:

10 Q. (indisc - very low volume) ... a woman can get it transferred to her
11 children that has, you know, that have helped them (indisc)

12 BY: MR. ANDERSON:

13 A. Okay, the question was asked, uh, in Dillingham, I believe, to pool the
14 points and ... That's what you're basically talking about is pooling the
15 extra points that a family has and giving them to somebody else so that it
16 could bring their points up and they'd be eligible for a permit.

17 Q. (indisc - very low volume)

18 A. Yeh.

19 Q. (indisc) to get these points ...

20 A. Okay, we -- we have been given that proposal and we are going to be looking
21 at it. Right now there are no provisions to do that. However, the question
22 has been asked already whether or not that would be permitted, and I -- I
23 don't know how the commission wants to deal with that. But its -- the
24 legislature's going to look at it and see whether or not this idea should be
25 implemented and put into effect. I think it's a good suggestion that I want

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1 to look at for sure. Any other questions? Now there are ... Yes?

2 BY: UNIDENTIFIED FEMALE:

3 Q. Yes. How are these kids in the families, some of the families, have never
4 fished before and get their permits. And how do they do that? And my kids --
5 my George, he's twenty -- he will be twenty-two in January. He's been
6 fishing since 1963 with his dad and he can't get his permit. And John G., Jr.,
7 he is -- he will be seventeen. He's been fishing since he was nine years
8 old and he can't get his permit. I bought him license ever since that
9 he's (indisc) in the boat with (indisc) I have the license on, uh, all of
10 them on each -- each of these years except for '74. We all didn't go down
11 because they said the Bay was going to be closed. Which is -- I can't under-
12 stand some of these people ... These kids that never been in a boat before
13 or in a year or two, they got their permits. In fact, it's a drift permits,
14 too. And which I can't -- and I've been fishing since 1949, except for one
15 year I didn't go down, '74.

16 BY: MR. ADASIAK:

17 A. The -- I ...

18 Q. This is what I (indisc) I can't understand. He never been in a boat or
19 fished before. He got their permits. And how does -- how does he get their
20 points and permits? And (indisc) that's supposed to be getting our permits
21 is from Juneau. And how are these other people get theirs points? That's
22 really incredible.

23 A. I'm not sure there's an adequate answer for you on that one, but let me try
24 to explain what the law says the commission must look at and -- and how we've
25 implemented that law to give you a better understanding of -- of what has

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1 happened. The -- the -- the legislature was concerned about getting permits
2 to people who were actually fishermen. Uh, and so, they wanted to know --
3 they wanted to make sure that the people had their licenses and they wanted
4 to make sure that they were participating. So there were kind of two kinds
5 of proof that were necessary to receive points, uh, that would qualify you
6 for, uh, for a permit. One side of the proof dealt with your proper licensing.
7 The other proof dealt with, uh, showing that you were participating in the
8 fishery. Uh, it was very difficult to decide what kind of proof would be
9 adequate for showing that a person was fishing. Uh, the commission couldn't
10 require just a fish ticket because there are lots of cases where people
11 really are fishing but they pool their fish together, sell them under one
12 license, and only one person shows on the fish ticket as fishing, when in
13 fact there were a lot more. So we -- we had to -- to accept evidence of
14 participation other than fish tickets themselves.

15 Q. I'm talking about the license. We bought licenses since 1963 for George
16 He's -- he has his own boat and buys his gears -- gear license. And George
17 has his own set of license, that's how he wanted it. I went to King
18 Salmon for this ... How will he -- could he -- (indisc) going in his
19 boat with his (indisc) when he's nine years old? And, uh, the commissioner
20 told me that he has to have license (indisc) I have to buy him license, and
21 since then I've been buying him a license, and then he can't get his permit.
22 And some of these kids that never have been in a boat before and never have
23 license, how are those people get their license and entry permits?

24 A. Yeh.

25 Q. That's what I wanted to know.

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1 A. It is possible that -- that -- that people have ...
2 Q. (indisc) fish ticket or anything. He gets their permits. How would -- how
3 does he get it?
4 A. It is possible that people have given us evidence that it's essentially
5 wrong, that -- that -- that, uh, was false. That can ...
6 Q. That's the reason why ...
7 A. Yeh.
8 Q. Sometimes the people in Juneau have to come up for sure what they, uh, are
9 working for, to find out.
10 UNIDENTIFIED FEMALE: How do you deal with ...
11 Q. (indisc) the people go on the blind, you know.
12 UNIDENTIFIED FEMALE: How do you deal with
13 false information?
14 A. When we've discovered it. We've -- we've -- there are two steps that are
15 taken. One is revocation of the permit that was issued, and two, is
16 prosecution of the individuals who were involved in submitting false informa-
17 tion. It is very difficult, though, to -- to prove that false information
18 has -- has been submitted. Uh, the commission, uh, for instance in terms of
19 showing that a person has been fishing, we knew the fish tickets were not the
20 only source of proof, we knew that settlement sheets wouldn't be the only
21 source of proof. And so at times we've even had to rely on affidavits from
22 the people who were fishing with them. Like in the setnet fishery, it's very
23 common that, uh, uh, that uh, the fish are pooled under one gear license and
24 sold, and affidavits would be accepted from people who were fishing on the
25 site to show who was fishing there. Uh, and it is possible that we have

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1 issued permits on the basis of false affidavits. The problem is -- is
2 determining which ones are false. Uh, we need information from people who
3 are aware of what circumstances before we can actually do anything about it.

4 BY: MR. ANDERSON:

5 A. Allan, let me say something here. You know, going back to your concern in
6 saying that, you know, it's really important to get the people up here so
7 that they know what's going on. When they -- when they were sitting in
8 Juneau, I think they heard some of these things, you know, they heard about
9 them but they didn't know. So now that they've heard things in Dillingham
10 and Naknek, now they're hearing things here, I think they're going to want to
11 know a little bit more about what you're talking about so that they can look
12 into it and make sure that if people are not telling the truth about getting
13 their permits, they're going to try to stop it. Okay. Because a lot of our
14 people need their permits and they're not getting them. Okay. Why -- you
15 know, you have a good question. Why are these other people getting them when
16 our people that live here are being left out? And we have to try to change
17 that. That's why they're here, they want to hear these things and they're
18 going to -- I know they'll try to do something about it. Uh, Allan?

19 BY: MR. ADASIAK:

20 A. Yeh ... If -- if I understand your question right, uh, you've got at least
21 one son, maybe two ...

22 Q. I have two, three ...

23 A. ... who worked as helpers, as pullers, uh, for a number of years, and they
24 can't get their permits.

25 Q. (indisc) they can ...

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1 A. Right. Okay, I wanted to make sure I understood what -- what was really --
2 really bothering you. Now when the legislature, and Nels was not in the
3 legislature at the time, but I was -- I was around so I know some of what
4 the legislature looked at. When the legislature looked at the limited entry
5 law, uh, they -- one of the sets of numbers that they looked at was how many
6 people would we let in if we gave permits not just to gear license holders,
7 skippers, but to crewmen, too. (end of tape) That in order for a person
8 even to apply for a permit, not necessarily get one, but just come in the
9 door and apply for one, that they would limit that to people who at sometime
10 had fished as a skipper, operated gear, because they felt that we were talk-
11 ing about the number of boats that were out there, the number of setnets
12 that were being operated, the -- the gear that was out there. So that the
13 person who is licensed to operate that gear was one of the things they were
14 concerned about. And if your sons worked just as pullers, just as helpers,
15 then the way the law is written right now, the legislature says to us, you
16 can only even take an application from somebody who has gear license and
17 fished. The way the law is set up, we can't look at their applications
18 because to look at all the pullers, all the helpers, all the crew members,
19 we just let in way, way too many people. That was the -- the kind of
20 decision that the legislature made when this law ... Okay, Nels ...

21 BY: MR. ANDERSON:

22 A. For -- for those of you that, uh, came in late, uh ... I don't know if
23 everybody knows everybody up here but, uh, on my far left over here is Allan
24 Adasiak. He's the chairman of the Limited Entry Commission and is a
25 commissioner as well. So is John Garner; he's an attorney and a commissioner

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1 for the Limited Entry Commission. And, of course, you all know Adelaide
2 Herman. She's my -- my administrative assistant from Juneau. And I'm
3 Nels Anderson. And I think we, probably most of us already know that, uh,
4 the purpose of these meetings. Uh, if there are any questions, further
5 ~~anderson~~ or, uh, suggestions or ideas that you want us to consider, uh,
6 you know, we -- we sure want to hear from you now. If you don't feel like
7 saying anything at this time, you really haven't -- haven't really developed
8 what you want to say, uh, write us a letter. Uh, you could write to me in
9 Dillingham or you could write directly to the Limited Entry Commission in
10 Juneau, and, uh, with any thoughts or ideas that you feel can improve the
11 program that would make it easier for the Bristol Bay resident to get a
12 permit or to, uh, to make the program better for Alaskan residents. So, if
13 you've got any ideas like that we want to hear from you now, of course, and
14 but if then if you don't feel like saying anything today, go ahead and write
15 us a letter and we'd be really happy to entertain the proposals that you
16 might make. Yes?

17 BY: UNIDENTIFIED MALE:

18 Q. You know like -- like, uh, like they said earlier. They're not using their
19 permits and we lose them. And then if they transfer to their kids and want
20 to take it back, and then what? Or just could take it back and say, even if
21 they never used it in the season? Like if they're not using the permit, and
22 transfer to their kids or the family for one year, and if they may want to
23 take it back. Like part of the -- they just let it, uh, let the -- let the
24 child or whoever you transferred to, go ahead and let it -- use it for maybe
25 couple of years, three years or so, and they want to take it back later.

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1 Would you be able to get it back then?

2 BY: MR. ADASIAK:

3 A. If you do it for free, you can get it back. If you charge your son money
4 when you give him the permit, then that's leasing and that's against the law.
5 But if you just want to transfer it him and give it to him - do it for free -
6 and then get it back after a year or two, that's all right.

7 MR. ANDERSON: Is -- is the question to
8 (indisc) Let's say that the one you did
9 that for didn't want to give it back. Then
10 what do you do? Is that the question, too?

11 Q. Yes.

12 MR. ANDERSON: Okay. What do you do in that
13 case?

14 A. Okay. There -- there -- there you have a problem. Uh, you better know your
15 son. Uh ... The -- the way the law is, when you transfer a permit to some-
16 body else, it's then his. And unless he wants to transfer it back, you can't
17 force him to transfer it back. Now if -- if there's an emergency, if your
18 husband is on the boat and he gets hurt, and you need somebody to fish it,
19 you can make an emergency transfer to your son, which is good just as long
20 as your husband is getting well. Then the permit will come back to your
21 husband. And in an emergency, it's just a temporary switch until the
22 emergency is over. But if you do a permanent transfer and you want it back
23 later, you better know who you're transferring it to.

24 MR. ANDERSON: That was a good question. I
25 can see some -- a lot of people thinking

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about that.

A. For -- for the people who have just come in, I, uh, again as a reminder as well, Jim Larson of our staff is in the back and has microfilmed copies of most of the applications of the people in this area, so if you have questions about the specific status of your application, uh, please feel free to take some time and go back into the room and talk to him. He'd be glad to review your application, uh, with you.

BY: MR. ANDERSON:

A. Are there any other questions? Yes.

BY: UNIDENTIFIED MALE:

Q. I'd like to -- address the comment that was made before lunch. It concerned, uh, a lot of inactive permits that, uh, that aren't being used. And I think it's obvious that the poor seasons we've experienced has, uh, influenced their thinking or their inactivity. But now that we have the big years coming back, we're going to see those permits popping out of the ground all over the place and, uh, and well ... We who've been actively involved in the fishing the last few years have sensed a real brotherhood spirit in the fleet, you know. It's -- it's a small fleet and, uh, there's room on the beaches where we didn't have before. And there was lots of problems on the beaches, people shooting at each other, climbing all over each other. I mean really tromping each other down. And we -- we see a tendency to that this year. People saying I'm going to come back and take my site. And, uh, you can -- you can look for a lot of trouble even for the permits that are in existence today. And if -- if everyone were honest that they would not be in favor of a wide open door like we had before because there was a lot of

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1 trouble. And a person who has a legitimate claim in his application for a
2 permit would abhor that possibility, you know. He would like to see his
3 permit honored but not everybody else, because that would create a situation
4 that is dangerous. It's -- I mean I'm sure you realize that the lid was put
5 on for that purpose. Okay, with these big years coming back, we -- we just
6 take the big harvest. And while these people may not be here today to
7 consider, uh, a need for additional processing, I'm sure you realize that
8 we can swamp those canneries with the size of the fleet that there is in, uh,
9 motion right now. And they can't begin to take the fish that we do catch.
10 So we, uh, we're encouraging some foreign fishery, uh, participation that
11 would permit these canneries to move that fish and maybe that -- maybe that's
12 already on -- on the board, so to speak, but ...

13 BY: MR. ANDERSON:

14 A. Okay, this is something I can respond to. Uh, we did get into, uh, into
15 the discussion of, uh, of the marketability of the salmon because of the big
16 years coming up. And, uh, we do know that there were several canneries that
17 ceased operation or put their fishermen on a limit, uh, during the summer
18 where the -- where the processors did, uh, tell the Department of Fish and
19 Game in a survey that was conducted -- that is conducted annually, that they
20 had the capability to handle the forecasted run. Of course, the forecasted
21 run came in at -- at a larger or, you know, larger numbers than what they had
22 anticipated. So therefore, they were faced with some problems. However, even
23 with that in mind, uh, they still stated that they were able to process those
24 fish. It turned out not to be the case. Now we -- I have asked the Depart-
25 ment of Fish and Game to give me a copy of their survey, uh, that they have

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1 sent out to the processors, and I want to see the results and the responses.
2 Uh, in addition to that, if they indicate that they can, I want to see what
3 the processors are doing about increasing their capability to process. Uh,
4 in addition, I am going to be -- I have already talked to the Alaska Federation
5 of Natives and, uh, Community Enterprise Development Corp -- Cooperative
6 to see what they could do about helping us alleviate the -- the large
7 numbers of fish that I know are not going to be able to be processed by the --
8 by the industry. The final thing that we're doing is that there is a special
9 committee on transportation that was formed last year that is going to be
10 meeting with the processors and the, uh, the, uh, AIFMA, I think it is -
11 Independent Fishermen's Marketing Association - Western Alaska Cooperative
12 Marketing Association to determine to what extent additional airfields are
13 going to be needed -- extended airfields to fly fish out directly from the
14 fishing grounds so that people who can't fish for the canneries because they
15 know they can't handle more fishermen, can go directly to a fish buyer.
16 In addition to that, uh, uh, we will be working to see what we can do to
17 encourage the foreign, uh, foreign processors to come into the grounds to
18 take the, uh, surplus off of our hands because we do know that next year and
19 the following year even to a greater degree, uh, is going to be a tremendous
20 problem for us. So we do have to protect our -- our fishermen to -- to what --
21 to what degree we can to make sure they have a market, so we are working on
22 it, and very much aware of the problem that, uh, could develop. I also
23 found out last year that there were some fish that, uh, large numbers of
24 fish that were dumped and wasted and, uh, we don't want to see that happen,
25 because we've had too many lean years and -- and to see waste like that is

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1 just, uh, almost -- it's intolerable.

2 BY: UNIDENTIFIED MALE:

3 Q. We're not only protecting our fishery, but we protect the resource. If we
4 permit an overescapement, it'll create a situation where they'll die off
5 and the cycle's gone.

6 A. Well, it'll also create problems with us in the international arena as well
7 that if we don't have a -- a method by which we can process our own fish
8 then the, uh, foreign fishery will be able to, uh, make a claim on those --
9 that unused surplus, so we have to do what we can to maintain a high market-
10 ability rate. Are there any other ... Yes, Jimmy?

11 BY: UNIDENTIFIED MALE:

12 Q. Nels, is -- is -- were you aware of that meeting last spring they had in
13 different hotels where the Japs come in and wanted to bring three Japanese
14 freezer ships into Bristol Bay (indisc)?

15 A. No, I -- I wasn't personally not aware of it.

16 Q. (indisc) the state department (indisc)

17 A. Yeh, I -- I do recall a meeting ...

18 Q. We sat in a meeting, all through the meeting with a Jap (indisc) pay approxi-
19 mately ninety-five cents for fish last year (indisc). We sat there till
20 nine o'clock the night the state department and the high seas fishery which
21 is Japanese (indisc) and they're trying to get these ships into Bristol Bay.
22 We went into caucus at nine-thirty that night. They said they wouldn't bring
23 the meeting back to order till nine-thirty the next morning, so everybody
24 went back and went to bed, and came there at nine o'clock in the morning -
25 the next morning - and come to find out they turned the three Japanese ships

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1 down and gave it to American (indisc -static) the fish don't even buy it,
2 which were there this summer but couldn't handle nothing. Their limit was
3 maybe five or six thousand fish and that was it, and I guess you're aware of
4 that. And I hate to see that again this year. Half of it comes into ...
5 A. Right.
6 Q. Well I'll be there for a meeting again.
7 A. Okay, good. Well, uh, I wasn't at that meeting nor was I aware of the fact
8 that there was a meeting.
9 Q. Well, you were -- you -- you -- you did understand what I was talking about.
10 A. Yes.
11 Q. And a meeting was held and you understand that. They were turned down.
12 A. Yes. After the fact, yes, I did learn about it.
13 Q. Well, I ...
14 A. You are correct.
15 Q. ... just, uh -- I was there to the meeting and, uh, they told us they wouldn't
16 meet till nine-thirty the next morning and they came back at twelve o'clock
17 and met secretly with the American buyers out of Kodiak, and, uh, that was it.
18 A. Well ...
19 UNIDENTIFIED MALE: Were they offering
20 ninety-five cents a pound or ninety-five
21 cents a fish?
22 Q. Ninety-five cents a pound.
23 UNIDENTIFIED MALE: Oh.
24 Q. He was aware of that, though. Uh, you've heard about it anyway.
25 A. I have heard about it, yes, after the meeting took place.

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UNIDENTIFIED MALE: (indisc - static)

Q. And another thing well, on the subject of limited entries. When they were back on the drawn deal, back to three years. Every year you sit in a bucket, they, uh, if you, uh, put your application in and they take four or five hundred applications and they draw one hundred twenty-nine or one hundred and thirty every year. Were you ever aware that (indisc) Alaskan got their limited entries when they were doing this for the past two years, up until last year before?

A. No, I can't understand ... I'm not even sure I understand the question.

Q. Well, what I'm asking is every year, you know for three years -- every year if you was turned down the first year, you fill out an application for limited entry. Then if you was qualified or if you had so many points, every year they'd -- they'd put, uh, your name in a basket, they would draw -- the state would draw so many names and give so many limited entries for three years. Am I right or wrong?

MR. ADASIAK: It doesn't work that way.

Q. Well, that's what ... I had my two kids on that for three years in a row and their names were never drawn for setnet permits, but that's -- that's neither here or there. I finally got them through fighting other ways. But how many setnet permits were given and how many drift permits were given in them three years?

BY: MR. ADASIAK:

A. We haven't somehow taken applications and then drawn people's names.

Q. That's what I'm asking.

A. We -- we -- we just don't work that way. The law does not allow us to work

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