

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

877 SCCOMM31 : SPECIAL COMM. FISHERIES (LIMITED ENTRY) 1973

felt that while the concerns I expressed were not particularly valid instances and problems, he felt that the inclusion of the word "only" would at least tie it down a little tighter. So, there are not all sorts of people saying, "Hey, I've got this reason for transfer or this reason for having more than one entry permit issued and while it's not on that list, it doesn't say you can't.

UNIDENTIFIED SPEAKER: Is it our policy that we don't want them to have a whole bunch of permits or that they do want them to?

UNIDENTIFIED SPEAKER: I don't know what your policy is...what you're trying to accomplish. Near as I know, we haven't solved that ...have we?

UNIDENTIFIED SPEAKER: What if I wanted to go down, for example, and buy six permits this year all under a little bit different names that might have had a Jay Hammond fish that he's experienced--he's landed fish. J. S. Hammond has (indisc.) ...Do I get permits for all of these as a (indisc.) basis?

UNIDENTIFIED SPEAKER: Do you go on to Bristol Bay and you want to go crabbing off of

UNIDENTIFIED SPEAKER: No, but I wouldn't qualify for that one....I'm all for the same area.

UNIDENTIFIED SPEAKER: and the same gear? (indisc.)

UNIDENTIFIED SPEAKER: Well, but I can't fish more than one gear ... I'm just talking about getting additional entry permits for speculation; surely I can't fish more than one unit of gear but and I only do fish when (indisc.). I go to the Commissioner here I want to get an entry permit for this unit of gear. Well, have you ever fished? You bet. And so I get it. And I come in later as J. S. Hammond and I realize this may be reaching pretty far but, wait a minute, sure I'm entitled to an entry permit and here's my unit of gear to go with it.

CHAIRMAN: I don't know. There's a lot of guys who think that they ought to be able to hold permits for different areas for different times of the year only he's not disagreeing with that. He's saying "same kind of gear, same area, more than one permit at the same time", so maybe we could take care of that problem by a simple statement. Though a person may hold more than one entry permit for the same type of gear or the area at any one time so that makes it an obvious statement. That the problem you're trying to get to?

UNIDENTIFIED SPEAKER: Yeah.

UNIDENTIFIED SPEAKER: Well, then you could hold one for set netting and also one for drifting with different kinds of gear for the same area.

UNIDENTIFIED SPEAKER: Well, that's gill nets. That's still gill nets. You could hold one for gill net and one for seining.

UNIDENTIFIED SPEAKER: No, You shouldn't even do that in the same area.

UNIDENTIFIED SPEAKER: Well, look, all right I drifted two years ago. I'm eligible for a drift unit of gear and a drift entry permit for Bristol Bay, and I'm eligible for a set unit of gear and entry permit. Now, I don't know what the Encounter Committee is. Is that what you want to accomodate? That is, of course, a nice windfall for me and you bet your boots I'll go out and get myself another.

UNIDENTIFIED SPEAKER: You talked about the same thing people down here that have done a little trolling with a little rig and then they want to move into a bigger rig and then they'd like to go into some other expensive rig, you know, in the same area. Well, are you going to be able to trade up like that or will they only be limited to the kind of gear they come in with? And so is the guy perpetually frozen into that type of gear? If he sells his gear, if it's really saleable, can you take a little

two-bit trolling license for a southeastern area and turn it into a fish (indisc.) in Juneau?

UNIDENTIFIED SPEAKER: We're just talking about the things we've been wrestling with.

CHAIRMAN: Well, I think what we're talking about here and it doesn't have to be this way but no person may hold more than one permit or any (indisc.) at any one time.

UNIDENTIFIED SPEAKER: Right now we're only talking about salmon, but if you specify that into the bill then you've also included all other fishery resources.

CHAIRMAN: Well, all right, so we'd have to bring that in (indisc.) more than one permit for any one species.

UNIDENTIFIED SPEAKER: What about this--a person that has several (indisc.), how many are they going to be able to fish?

CHAIRMAN: Whatever the law allows as far as

UNIDENTIFIED SPEAKER: As o.e....350, well, I suppose it varies from area to area..

UNIDENTIFIED SPEAKER: Hey, wait a minute, Bill. I think you want to accomodate this guy who drifted in (indisc.) -- let's say they have a situation--man, you could really have a devastating situation in a place by the bay because setting nets many times over the past few years they have maybe closed down an area to set netting .. or drifting...

CHAIRMAN: The worst thing at any one time if they close down setting nets, then a guy can shift it and go on drifting simultaneously.

UNIDENTIFIED SPEAKER: No, he can't--not if he doesn't have an entry permit for set netting or drifting.

CHAIRMAN: He could at any one time.

UNIDENTIFIED SPEAKER: Well, you have to have the entry permit..(indisc.) in your hot little hand. You can't suddenly go running to the commission in the middle of July and say I want to shif to drifting and I need an entry permit to accomodate me.

CHAIRMAN: Well, now let's go back. (Indisc.) the entry permit even tied to a type of gear.

UNIDENTIFIED SPEAKER: Sure, it is. You bet it is.

UNIDENTIFIED SPEAKER: An individual could have more than one type of gear (indisc.) for an (indisc.) area.

UNIDENTIFIED SPEAKER: I don't think you'd better pool that..really I am...but my major concern was that here you've got three things that say you can have more than one type of one entry permit on the basis of these three things, but I'm saying, is it limited then only to those three factors? It's (indisc.) implied that its limits only that, but would it be wise to make certain it's limited by putting an "only" after (indisc.).

CHAIRMAN: Okay.

UNIDENTIFIED SPEAKER: The next page we've got these five -- the regulations to establish specific qualifications (indisc.) in similar situated potential applicants in the following priority classifications.

UNIDENTIFIED SPEAKER: Are we back to page 8?

UNIDENTIFIED SPEAKER: It's on page 8, the top of it there, lines (indisc.) through 5.. Those classifications I would suggest then classification one: consideration of a little different language -- first place, one and three seem to me to be almost the same and I don't know what substantial income source really means by definition--maybe not intending to define it -- maybe that's to be done by the regulations that the

commission makes, but if you are going to give a certain category -- if you said on one hand we're going to create categories one, two, three, four, five--categories one and two shall be issued permits. Now, I suspect that categories one and two, in a place like Bristol Bay, may well exceed the total number of permits available. And, yet, you've locked into law the obligation that they shall be issued permits and I'm wondering if it might not be smarter to tie down to maybe just one category--something that you know will not exceed the number of permits available and I'd like to suggest some language which might accomplish that and that is simply to say that Page 8, Line 5, Category 1, would say "fish fishermen where participated consistently and exclusively in the singly fishery for which their entry permit has been granted", and then I've got another "deelybob" in there that may cause some problems -- "and for the major portion of such particiaption, have either derived more than 50% of their earned income from said fishery or have been domiciled in an area in which the cost of living index is tied up at least twice the national average" -- which may not be the figure to use, but would just indidentally take care of (indisc.) everybody lives in the bay or a guy who is, infact, primarily dependent upon fishing. Now these are Bristol Bay fishermen who have really a very modest impact on that fishery insofar as gear is concerned. We're talking about -- I may have mentioned to you before -- do you know what the - for example in the Bristol Bay Borough, the amount of fishery participation on the part of the Borough residents compared to the outsider? Three percent only insofar as pay days are concerned. So 97% of it is elsewhere. Outside of the Bay, it's about 80% so really if you accomodated everybody in Bristol Bay, it would incidentally accomodate your people who fish in Bristol Bay because of the cost of living differential or anybody else who happens to be

UNIDENTIFIED SPEAKER: Give me that percentage of gasoline...the cost of

gasoline that goes out of the bay. Is that part of the pay day you mean to slow down the bay. Pump the gas and stop the supplies and all that sort of thing?

UNIDENTIFIED SPEAKER: The amount of money that's paid from processors to fishermen for fish -- three percent of it goes to the resident, 97% goes to the forewinds which opens up some very interesting areas for perhaps utilizing our taxing potential.

UNIDENTIFIED SPEAKER: We're going to freeze those people into the fishery, huh?

UNIDENTIFIED SPEAKER: Well, I'd say you ought to at least freeze that 3\$ into it because....

UNIDENTIFIED SPEAKER: We are freezing both into it.

UNIDENTIFIED SPEAKER: The 97%?

UNIDENTIFIED SPEAKER: Sure, we are.

UNIDENTIFIED SPEAKER: No, you're not. No, you wouldn't get the 97%. What you do -- actually, we're talking about 60% are outsiders by outside of Alaska -- 40% are Alaskans, but only 20% are Bristol Bayites -- only 3% are Bristol Bay Boroughites. Now, I'm saying we ought to accomodate at least that 20% which includes the 3% within the Bristol Bayites, preferably to accomodate the 40% Alaskans but you can't do that through a cost of living differential type of thing but we can accomodate all our villagers very easily.

UNIDENTIFIED SPEAKER: You're taling about bodies there, you're not talking about percentage of the catch.

UNIDENTIFIED SPEAKER: Yeah, I'm talking about percentage of the catch.

UNIDENTIFIED SPEAKER: How about in terms of bodies?

UNIDENTIFIED SPEAKER: In terms of bodies, you have a different situation.

You have more bodies, you have something like Alaskan bodies are about 60%, no about 55%, and non-resident bodies are about 45%, but non-resident bodies catch many more fish than (indisc.). Roughly 45% Alaskans, I mean non-residents, 55% Alaskans.

UNIDENTIFIED SPEAKER: And the 45% non-residents catch 80% of the fish?

UNIDENTIFIED SPEAKER: Right. No, No, I beg your pardon...45% of the non-residents catch 60% of the fish.

UNIDENTIFIED SPEAKER: 40% of the non-residents catch 60% of the fish.

UNIDENTIFIED SPEAKER: Yeah.

UNIDENTIFIED SPEAKER: And the other thing was that 3% of the fishing payday is retained in the confines of Bristol Bay Borough made by persons who are residents of Bristol Bay Borough. 97% goes to the forewinds, but, of course, part of that goes to Alaskans as well.

UNIDENTIFIED SPEAKER: 40% of it is Alaskans, you say, so 37% goes to other Alaskans outside the bay.

UNIDENTIFIED SPEAKER: Right.

UNIDENTIFIED SPEAKER: 3% of the money, the payday, stays in the Borough.

And then 20% is another thing you say...20% goes...

UNIDENTIFIED SPEAKER: 20% goes in the bay in general (indisc.)

UNIDENTIFIED SPEAKER: And then 40% ...

UNIDENTIFIED SPEAKER: Another 20% goes elsewhere in Alaska. 3% is part of that 20% that's in the bay, of course.

UNIDENTIFIED SPEAKER: Okay.

UNIDENTIFIED SPEAKER: Then 20% goes to other places in Alaska?

UNIDENTIFIED SPEAKER: Yeah. Like it seems to me that you could...here's the

thing that's got a lot of people down there concerned...we really have incidental fishing..we don't have professional fishermen...and we're not going to have professional fishermen.

UNIDENTIFIED SPEAKER: That's quite a substantial part of your income (indisc.)

UNIDENTIFIED SPEAKER: Well..I had a meeting a while back and all these guys worked for limited entry and yet the way the Governor's bill originally was conceived, the premise was we were going to establish essentially a professional fishery from which persons could make their livelihood primarily from fishing..well, that guy-for-guy...nobody in that room had the desire to become...sure I'd love to make all my living from professional fishing but then they are not gonna follow the king crab to Kodiak and the halibut someplace else and come back to Bristol Bay... you're not going to create a professional fishery in a one stock species in Bristol Bay in a short term...nobody's going to tolerate you making your living - 20,000-30,000 a year every year off of three weeks out of the year. It isn't the intent of desire for those people who become professional fishermen so if you're not very careful, you establish a situation where you haven't done anything really to cut very much gear.. all you've done is screen out all the non-professionals in the area and supplanted them with a professional fleet that moves in, harvests a run and away they go, and I really don't think that's what we are aspiring to. Do we really want to get that school teacher or that pilot - that guy who's doing something else - out of it completely and he's going to stand on the beach and watch it all go by. Man, you're going to have a shooting war if that happens. And I say we better try to accomodate first those guys who are more or less traditionally dependent (indisc.)

John, the thing that I'm bringing into this which is a new concept insofar as discrimination is concerned. We've made our pick on residency and

non-residency, but isn't there a factor for potential discrimination that we haven't touched. It's not illogical because let's consider it the national level and that's that cost of living differential. We have a tremendously high cost of living differential in Bristol Bay--almost double Anchorage, which (indisc.) one point up above Seattle. Isn't it perhaps a possibility that we could say (indisc.) tremendously high cost of living differential and I suspect that you could do all sorts of things and get special dispensation in regard to that cost of living differential and its impact obviously to the financial detriment of the guy that lives in that area as compared to the guy who doesn't. You're going to (indisc.) find a guy for what I'm talking about. You set up all these qualifications related to historical experience, percentage of income. I'm all invested in gear--here I am two guys--one of them lives in Seattle and one of them lives in Eek--we both earn \$10,000 a year fishing--we both have \$10,000 invested in gear--we both have fished for 10 years. Now, there's no relationship at all insofar as their dependence on fishing for a livelihood--the guy who lives in Seattle compared to the guy in Eek and yet on paper under almost any type of criteria formally drawn, they are going to appear equal. And I don't know how you're going to work in these other little factors unless you relate it against the cost of living and I would like to see the cost of living consideration somehow or other weighted very heavily in this bill and I again would like to have you bounce that off of your friend, Fletcher.

CHAIRMAN: Why doesn't this simply do it in itself, Jay...persistent participants in that fishery has provided a primary income source substantially during all of the three years prior to January 1, 1973.

UNIDENTIFIED SPEAKER: It does for the guy that doesn't have the pilot's job, so on and so forth, but it doesn't bring in (indisc.)

UNIDENTIFIED SPEAKER: No, it's almost not the primary circuit income for anybody and the guy who is not working for the last few years--the guy on welfare--has a primary source of income that far exceeds his fishing pay day. When you're making 3-4 hundred bucks, if that, fishing, and on welfare giving you maybe a couple grand a year, you can hardly figure (indisc.) But I would like to have you bounce that cost of living concept off of Fletcher and say "see how far you can go". If you could do this, you'd really accomodate everybody that fishes in Bristol Bay who resides in the bush, without question. Now, you'd accomodate the professional fishermen who resides elsewhere and makes the bulk of his livelihood from Bristol Bay which I don't think there is such a thing in existence. There's nobody that's making 50%--well, there might be.. 50% of his earned income, if he's really dependent on it and he's only making peanuts.

UNIDENTIFIED SPEAKER: To many of these welfare people, there is no alternative available.

UNIDENTIFIED SPEAKER: It's just like your friend, Bill Baldwin, he's living in Anchorage and working there in the winter so (indisc.).

UNIDENTIFIED SPEAKER: Well, yeah, but what do you say about his village? (indisc.)

UNIDENTIFIED SPEAKER: Where is he from? (indisc.)

UNIDENTIFIED SPEAKER: (Indisc.) Bay.

UNIDENTIFIED SPEAKER: But, I'm concerned about these rural areas. Really, there's less and less reason for living in them. To begin with--now, we ought to establish do we really want them to dry up--we are artificially sustaining them. I think it's ridiculous...I think we ought to provide what assistance we can to allow them to sustain themselves from whatever

can be done in the area and I think this type of concept leads to it. You go this professional fishermen route--guys coming in--let's say we in Bristol Bay, a few of us, do want to become professional fishermen, we know we can't do it only on Bristol Bay Reds--we go into other fisheries--that guy ain't going to be living in (indisc.) or Bethel or EEK, he's going to be living in Seattle and I think you're going to depress these communities even further if you (indisc.) very carefully assure the guy who's living there now even if he's an incidental fisherman. He's gotta be allowed to participate. But if there's a legal way of giving the guy who chooses living that country some sort of (indisc.) I think you ought to do it. And I say the cost of living differential is a means that should be explored as a possibility, but the legal problems on the ...

UNIDENTIFIED SPEAKER: (Indisc.) see if you can get Fletcher on the phone now.

UNIDENTIFIED SPEAKER: I tell you, it's all so jumbled up in my head I couldn't...

CHAIRMAN: Well, didn't you have a good (indisc.)?

UNIDENTIFIED SPEAKER: I just wanted to give it to you for consideration and let you think about it.

CHAIRMAN: Let's go ahead, then, and not get all....

UNIDENTIFIED SPEAKER: Well, then, it seems to me that #3 on that page is the same as 2--you've changed the term from career fishermen to alternate occupation but unless you - alternative single fisherman -- are you going to define or again, how are you going to determine what's substantial income supplement? Are you going to set percentages?

CHAIRMAN: Fletcher really didn't think that we asked him that if this language is too vague and his response was "no". And I see this stuff that we're just looking at could be more refined than what we had.

UNIDENTIFIED SPEAKER: I don't even know what policy we want to follow on this.

UNIDENTIFIED SPEAKER: Well, that's one of the big problems we (indisc.) I don't even know what I want it to say. I don't know what I am trying to say here. Well, this is what you may be saying if I knew what I wanted to say, but I get into this thing...do you want to penalize a guy now that he's been forced out of that fishery and he's got substantial income some place else...if that's what he'd like to do. You know?

UNIDENTIFIED SPEAKER: I thought our policy was he didn't want to. We didn't want to force him out.

UNIDENTIFIED SPEAKER: Well, then you can't rely upon substantial income then or whatever hell...

UNIDENTIFIED SPEAKER: What are we really trying to do? We all know what we'd like to do. We'd like to say, you damn non-residents can't come fish. But, you can't do that. Now, is there any way to approximate that though? And I think there is. But, you're not going to do it by establishing the type of thing which tends toward the professional fishery in Alaska.

UNIDENTIFIED SPEAKER: If we do it on the basis of experience, it isn't going to work; if we do it on the basis of capability, it isn't going to work; if we do it on the basis of ability to harvest fish which means equipment (indisc.) it isn't going to work. If you're going to go on the basis of who caught the most the year before, it ain't going to work.

UNIDENTIFIED SPEAKER: That's right.

CHAIRMAN: Well, that's the reason we need to get back to the idea of..... cost of living.....

UNIDENTIFIED SPEAKER: I'm trying to think of how we tie that in..that's new, I'll admit that and it's something that would work the further away you got from the bay it would work evenly right on back to Seattle. If you

tend to give it all an advantage, you tend to give the Anchorage guy an advantage over Seattle (indisc.), but less than the bay (indisc.) which is exactly what we wanted.

CHAIRMAN: Would it work? (indisc.) What is it--a matter of 200% or nothing?

If you (indisc.) 200%, you're eligible--if it's less, you're not.

UNIDENTIFIED SPEAKER: I would think you'd have to stagger it dependent a guy one and a half times the national average was not quite in the high prior y category, but I took twice the national average here because I think that clearly establishes only the bush (indisc.). I don't think Anchorage is placed in national average (indisc.).

UNIDENTIFIED SPEAKER: Fletcher gave us a pretty good lecture about the difference between the qualifications to enter fishery and then after you once get that established in the first instance who gets the license I start with? Who gets the second generation of licenses? And he said you could do a lot because of the grandfather situation on giving the original licenses that you won't be able to do on a second go-around. For instance, the cost of living is such a personal thing you could say "blue-eyed guys" or you could say a lot of different things. What's that got to do with the fishery? What's that got to do with conservation resource-if the guy's cost of living if he comes from Seattle, that's one thing; if he comes from California, it's another thing; and if he comes from Kodiak, it's another thing. That has nothing to do with conservation of the fish. It has nothing to do...

UNIDENTIFIED SPEAKER: Financial dependence does (indisc.)--historical participation doesn't either...

UNIDENTIFIED SPEAKER: Well, but he says you can do that on the basis of

hardship--the first go-around.

UNIDENTIFIED SPEAKER: Well, I'm just talking about first go-around here.

CHAIRMAN: (Indisc.) separating between two people that has the same grounds for the rights otherwise.

UNIDENTIFIED SPEAKER: Yeah, that's right. And one of those lives in the highest price place and one of them in a low cost place. How do you justify that? Unless one of them caught more fish, you're going to have to consider how much they cost you.

UNIDENTIFIED SPEAKER: I thought you said you could do any of this initially.

CHAIRMAN: When you're treating all of these guys who are (indisc.) in compared to all of them out then you can do many things from the Grandfather's Clause which, if you do not allow them to stay in, creates a hardship on them. (Indisc.) so now you're taking those who have been in and all are together as far as the grandfather's right in distinguishing between fishermen...

UNIDENTIFIED SPEAKER: Obviously, the harder impact is on the..harsher impact.. is on the guy who lives in the less costly area. I don't know. I'm just throwing it out for you to chew over with Fletcher. I'm not prepared to say whether it has any.....

UNIDENTIFIED SPEAKER: If we can figure out a way to work it in there you see that has the shading that we want because you'd take....

UNIDENTIFIED SPEAKER: I don't care if you live in Timbuctu or Madagascar--if you happen to be in this -- I think it should relate again to domiciliation-- it don't say anything about residency. But, if you were in fact domiciled during the major portion of participation and really hit because of these expenses, you obviously have a greater dependency on that fishing income

than the guy who is not similar. Now, again, can you possibly have a chop-off? I doubt it. We've got a 49% above not eligible and a guy 50% above eligible. I think it opens some interesting vistas for (indisc.)

UNIDENTIFIED SPEAKER: It may take a combination of a lot of these things to eventually do it.

UNIDENTIFIED SPEAKER: Or, if you could take into consideration the guy's dependence upon the fishery, economically, then it seems like you've taken this consideration how far that money as a matter of dependence took him that he got from the fishery.

UNIDENTIFIED SPEAKER: It's not too big a step there.

UNIDENTIFIED SPEAKER: Well, you know, John, I've pretty well concluded while I have always been more an ardent advocate of (indisc.) limited entry, I tell you after looking at these 3%, 97% differentials, to me, clearly the way for us to go in the Bay is utilizing our tax authority. Shoot, I don't care if it comes...I'll be delighted if they hit me between the eyes with a tax if I know for every three bucks I pay, we're getting 97 from outside, and we can funnel it back in services and all manner of goodies that...perfectly legal, right?

UNIDENTIFIED SPEAKER: Yup.

UNIDENTIFIED SPEAKER: And that to me.....

UNIDENTIFIED SPEAKER: (Indisc.) you have your own burough welfare program.

UNIDENTIFIED SPEAKER: You bet. And we could end up conceivably with a situation the non-resident fishermen fishing for the Bristol Bay Development Corporation for example or as I've said many times, this guy instead of concerning ourselves maybe with who fishes, fellows come on in, we could care less you're going to pay the price of admission and it stays behind...maybe that's our problem.

CHAIRMAN: That increases your tax base.

UNIDENTIFIED SPEAKER: That's right.

UNIDENTIFIED SPEAKER: Your (indisc.) property because you've had more boats in there.

UNIDENTIFIED SPEAKER: That's right. Not only on a local level but I think there's a lot in this at the State level and incidentally we're trying to do something on this at the local level...I think we'll dramatize it, but that's something else again cause we're still looking at limited entry but I was kind of cooled a lot on limited entry because of this.

UNIDENTIFIED SPEAKER: We just screwed ourselves because we haven't utilized the tools available to us...sitting there whining the depressed economy in Bristol Bay with a five million dollar pay day right off the (indisc.) it's ridiculous.

UNIDENTIFIED SPEAKER: Ok. Let me ask you something here, we've been wrestling with this matter here of transferability on that part. Have you discussed that with anybody?

UNIDENTIFIED SPEAKER: Yes, I have. I sure have.

UNIDENTIFIED SPEAKER: What do you think of that?

UNIDENTIFIED SPEAKER: Well, OK. Let's work on in to that.

UNIDENTIFIED SPEAKER: The trouble with what we are talking about here is---if I knew the policy questions, I would be interested in what you are saying.

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: But, I'll be Goddamned if I'm interested in worrying about language when I haven't even figured out a policy.

UNIDENTIFIED SPEAKER: I know what you mean there.

UNIDENTIFIED SPEAKER: I just--you're talking into detail...a lot of these things

that have...if you have a policy.

UNIDENTIFIED SPEAKER: Well, let me tell you what my policy is--that I'm talking on--that I'm working on. My policy is to exclude the non-resident fishermen.

UNIDENTIFIED SPEAKER: OK, I got the same policy. But, I don't know how we are going to do that.

UNIDENTIFIED SPEAKER: Well, this is why I'm talking about ...things like.. area domiciliation, costs of living differential...I think it could be used to do it.

UNIDENTIFIED SPEAKER: That would be in the first instance of giving, granting the first bunch of permits.

UNIDENTIFIED SPEAKER: Right, right...No, No, the first bunch. But, okay, let's...you've got it and I've probably overdone it and I'm sorry, but you know...and you've got it in the back of your mind..

UNIDENTIFIED SPEAKER: Let me ask you a question--what's the difference legally between the domicile and the resident fishermen?

UNIDENTIFIED SPEAKER: Oh, sometime resident fishermen is where your boat is, where you pay taxes, or something...where the domicile is where you eat your bread, put your shoes, or where you sleep.

UNIDENTIFIED SPEAKER: A domicile is usually your residence, but you might strictly say that a guy on a military base--to keep the residence there--where they render their services and pay their taxes back there, and vote on an empty ballot. It's inevitable..Fort Rich..to pay him a domicile.. if he lives off base.

UNIDENTIFIED SPEAKER: We seem to have a difference here. We are saying that residence and domicile is the same thing. But it doesn't have to be. Because residence means more of legal things, legal situations, domicile means where you sleep.

UNIDENTIFIED SPEAKER: Here I guess so. Just show me fact.

UNIDENTIFIED SPEAKER: Are you really going into the real estate business..
in Bristol Bay?

UNIDENTIFIED SPEAKER: That is a little domicile. (Laughter) Ya.

UNIDENTIFIED SPEAKER: We may be looking for a (indisc.) of attorneys.

UNIDENTIFIED SPEAKER: Would you like to buy a domicile?

UNIDENTIFIED SPEAKER: What you do is to get a boat job and..(Laughter)(indisc.)

UNIDENTIFIED SPEAKER: Well, let's see. Yes, about transferability...I don't
really have much more in your bill. I did a lot more on the House bill
in the amendments that would fit into and relate to that.

UNIDENTIFIED SPEAKER: I don't care what the (indisc.) I just want to know
what the idea is.

UNIDENTIFIED SPEAKER: OK. I'll tell you.

UNIDENTIFIED SPEAKER: ...transferability...

UNIDENTIFIED SPEAKER: I don't want to talk about words..I want to talk about
ideas.

UNIDENTIFIED SPEAKER: The big problem there..the big concern..is that guys
are fearful that particularly these villagers which we know we got to
try and accomodate somehow or other ..and should be worked into the
fishery are going to be the first to sell their licenses...under pressure.
Pressured out of the fishery under one means or another. They are hit with
a fifty dollar a year assessment fee and the 7% of the catch assesment
on top of that whether they fish or not which could amount to a sub-
stantial amount of money. That guy (indisc.) with two kids in the (indisc.)
with his wife and himself, maybe as much as 12 years...500 thousand dollars
a year. The pressure is on him. Assuming the fisheries are good, and will
make that up is fine, but it is going to be a long time before that. He

is going to be the first to be looking around..and will be vulnerable to selling his license, but where is that license gonna go? It goes to where the cash is most available for purchasing...and that isn't going to be in New Halen..it's not going to be in Naknek, and it's not going to be in Anchorage...ultimately maybe in Seattle, or what have you...or the processors will most easily come up with the funds to bid for these licenses. And there is a fear that ultimately they will control a very substantial portion of them. I think--one, you could diminish that pressure on the gut at the local level to get rid of his license by putting a destitution clause in it. Rather than hitting that little guy with fifty bucks a year and a 7% assessment, why don't we say...provided how ever if you made less than "X" you pay 10, 5 dollars, what have you. I think it would diffuse that to a financial extent. Now, I don't know.

CHAIRMAN: I think that just the \$50 permit fee for each year itself is going to be quite effective in getting rid of some of these licenses.

UNIDENTIFIED SPEAKER: And it's not going to be the sophisticated white man. He ain't gonna part with his, but that little guy in the bush is gonna say, "Holy Cow--a 500 buck bill? For Me??" I think that the first guy that comes down the plank with a check for that license, he's gonna be hard-pressed to want to hang on to this Albatross around his neck.

UNIDENTIFIED SPEAKER: Incidentally, you know (indisc) Naughton went home last weekend and we had a meeting with fishermen, and there was only one guy out of the whole bunch that wanted to see free transferability.

UNIDENTIFIED SPEAKER: Is that right?

UNIDENTIFIED SPEAKER: How do they want to have you handle it? What was their alternative?

UNIDENTIFIED SPEAKER: As I understood it, through the commission.

UNIDENTIFIED SPEAKER: How? How do they decide (indisc.) effect the generation?

UNIDENTIFIED SPEAKER: Well, we haven't got that far.

UNIDENTIFIED SPEAKER: That's the guff...ya, that's the problem.

UNIDENTIFIED SPEAKER: But, they didn't want to see them sold.

UNIDENTIFIED SPEAKER: That surprised me because they are a much more sophisticated group than the Bristol Bay bunch.

UNIDENTIFIED SPEAKER: It doesn't mean anything what they say until if you know they are following through.

UNIDENTIFIED SPEAKER: Because they will change their mind when they (indisc.) during the second half of this thing. When they see what the alternative is..they will say, "Look I voted for those sons-of-bitches--I voted because I was one of them...Hell, we didn't know you would put them (votes) in a hat. Must be guys from Anchorage drawing them". You know?

UNIDENTIFIED SPEAKER: You've got to thin these people out...

UNIDENTIFIED SPEAKER: That's why I don't want to see us go into this thing.. until we get it pinned down. Because I think that if it should turn out the way we don't want it, and I don't know that anybody is going to figure this thing out any better than we are. And if we can't figure it out, we have really got to look at our whole card and delve into it.

UNIDENTIFIED SPEAKER: I was much more apprehensive frankly before I came down here than I have become--maybe I've been lulled into thinking these things can be handled with a great deal more input at the local level to the commission to take care of some of these things, than you guys can possibly consider at this date and time.

UNIDENTIFIED SPEAKER: We can always turn this over to God and eventually...

UNIDENTIFIED SPEAKER: Oh, but John.. you tell me that the literal framework that that commission is going to formulate regulations...that's going to be fair, and is going to accomplish something.

UNIDENTIFIED SPEAKER: Well, that's it, John. I think you'll find out in many instances they'll go into these areas and attempt to do this and they'll be totally incapable coming up with regulations and know why. I don't think that they will be able to do it. What I think they can be.. I think in other instances they will be relatively simple. But I don't think we should cast aside limited entry on the simple fear that you tell me what you are gonna do with transferability.

UNIDENTIFIED SPEAKER: All right now. Transferability is...you got the two alternatives and nothing is any good unless the alternative works.

UNIDENTIFIED SPEAKER: Can you tell me what you think of this?

UNIDENTIFIED SPEAKER: Now, the one that's a concern as I say is people fearful that processors will end up with all...I don't carry that to the extent that some people do. It's a little paternalistic to concern yourself with protecting people against themselves and is that fellow, in fact, who does peddle it to the highest bidder worse off than the guy who chooses to get out of it for the same reasons whatever they may be... and it simply goes back to the State. He, on one hand, you have given him something of value, on the second stance, you have given him something that really has no value. Other than...once he gets rid of it.

UNIDENTIFIED SPEAKER: (Indisc.) totally using it. If he has nothing to sell in other words.

UNIDENTIFIED SPEAKER: So, I...if you don't give free transferability, what if you gave a restrictive transferability?

UNIDENTIFIED SPEAKER: This has been proposed and not my idea. It may have some merit--have you seen that proposal? Simply says for the first ten years you may opt to either have a freely transferable or a non-transferable permit. You're not familiar with that?

UNIDENTIFIED SPEAKER: In other words here is what happens. Some would have it free and some would have normal transfer. Well, here is the difference. If I want one freely transferable, I have to pay the assessment. The \$50 and I'm not too sure about the 7%. But the \$50 I have to pay. I want it freely transferable.

CHAIRMAN: And the buy-back assessment?

UNIDENTIFIED SPEAKER: Yes, If I want one that is not freely transferable, I am not charged the \$50 and I'm not charged the buy-backing.

UNIDENTIFIED SPEAKER: What about the transferable one...?

UNIDENTIFIED SPEAKER: The guy died, what would happen?

UNIDENTIFIED SPEAKER: Well, it would go to the State, I suppose.

UNIDENTIFIED SPEAKER: Okay. If he gets sick, and if he can't fish? Tough. If he decided that he wanted to sell....

UNIDENTIFIED SPEAKER: That's right. That's the consideration a guy is gonna have to bear in mind. Is it worth \$50 a year?

UNIDENTIFIED SPEAKER: Now, I was talking to Jackman about the possibility-- he was interested in the possibility of melting the destitution clause with transferability. Just exactly how he was gonna do that I don't know but would it be any merit to do certain things if you're really concerned about that guy who's got a very low income. Either he is sick and can't fish at all, or the dependents that he has got. He should be allowed to transfer.

UNIDENTIFIED SPEAKER: That's the only time the other guy is gonna want to transfer his too. When he gets through and it's used...(indisc.)..that's when it's most convenient..he's sick or dies or wants to move on.

UNIDENTIFIED SPEAKER: Well, the nice thing is--if you can put it in the (indisc.) but you can't do that. That's getting into unconstitutional (indisc.) But, I mean, let's say, limited transferability-you can't sell it outside the

family - that type of permit if you opt for it. The second type - if you want a freely transferrable one (indisc.) - limited transferability would be perhaps something else. I don't know. I have mixed feeling about transferability. On one hand, I think I don't like the idea of (indisc.) property right (indisc.). On the other hand, what really is injection to it? The idea of it being unfair - that certain persons who are qualified so that they have a eindfall that's going to advantage them financially.. relly doesn't turn me off because it isn't anything out of my pocket in the process. So what if we can benefit a group of persons and give them something that's totally valuable without taking it from somebody else.

UNIDENTIFIED SPEAKER: (Indisc.)...take it from the second generation of fishermen..... you're gonna have to pay the first generation..

UNIDENTIFIED SPEAKER: ...to secure the (indisc.) rights...

UNIDENTIFIED SPEAKER: Which means that they're the resource then..the billion dollar resource. You're giving it to the first generation, they'll sell it to the second generation and if it's gonna be sold and the second generation has to pay to get in...they ought to be paying the State. Not the first generation who had it given to them. See the problem?

UNIDENTIFIED SPEAKER: Yeah. Well, you're saying that the only transferability should be back to the State is the alternative.

UNIDENTIFIED SPEAKER: I was trying to read this through the other day and I am absolutely convinced that this thing has to be simple and understandable (indisc.). Every time that we begin to make a special provision to handle the problem that we've got, we develop an internal revenue code..is what we are doing.

UNIDENTIFIED SPEAKER: I really think, if we do it, we are gonna get down to a lottery deal -- where a guy holds it -- he holds it as long as he wants to -- and when he gets through using it, he doesn't use it for, say, four

years or five years or a cycle and it automatically goes back or he leaves the fishery or (indisc.) and then they reissue those on a lottery and they issue maybe two out of three, you know. And so they keep squeezing it down you know. So, the next guy gets it for nothing. Everybody's got an equal chance on it.

UNIDENTIFIED SPEAKER: I want my first proposal (indisc.). Let me just (indisc.)

The first proposal I had begun on Limited Entry this year was simply this - All right, create a moratorium, which is I understand a bad word around here, but if you can't go back and say, Okay, we're gonna issue no more licenses than were issued in each area for each type of gear that were issued last year. If you can't do that and I understand that there's some question whether you could...say, instead we're gonna issue anybody who wants a license this year in that particular area for that type of gear. Con on in. Everybody that wants one can get one. Then, we are gonna lock it up. That's the end of it. You're gonna revalidate that license each year and until such time as you no longer revalidate that license by paying your fee...it shall be yours. (Indisc.) to pay, what have you, that license is no longer in the fishery. Now, each year you are gonna have some unclaimed licenses. Let's say we initially start out with 2700 licenses issued in Bristol Bay. Through death, attrition, failure to pay -- we are down to 2500 the next year. We've got 200 unclaimed. Well, to provide for some slow attrition to the amount of gear you simply issue again by lottery, 50% of them. Now, that's the simplest way you can handle this thing and I think it's the fairest. But...

UNIDENTIFIED SPEAKER: Everybody would understand it...

UNIDENTIFIED SPEAKER: Everybody would understand it, you haven't excluded anybody. The only guy you're offending is the person not yet born...because I can get my kids -- a little baby that big is entitled to get a gear license.

And you're tremendously increasing the amount of gear licenses issued, certainly. You're gonna tremendously increase the State revenue. Now, are we gonna increase the effort, the participation in the fishery... I don't think so. You're not gonna diminish it to any extent notably, to begin with certainly. You know..you have 4000 licenses issued for Bristol Bay. You'll have as many people as ever fishing there except for one thing. And again, in the bay, and this is a funny thing because you know for years I've tried to do certain things through regulations to dissuade people from coming. We finally got it through. And that's that sliding gear scale. We said, come on fellows, if you want to. But, brother you're gonna get cut accordingly if you've got 5 or 6 times too many fishermen...you get cut down to 1/6 the normal amount of gear. But a t errible year coming up; hopefully, that would dissuade all sorts of people from coming. But if they do come then, I say utilize your taxing potential to make them pay for the privilege. And you'd automatically dissuade person after person from coming. And I know it would work in the bay and it's the simplest way possible. But it isn't applicable perhaps to ot her areas. But, nevertheless, I think at the, if you could go back one year, Al, you're an attorney, do you think you could do this.... Do you think you could go back one year and say - "we had 2700 licenses in Bristol Bay last year, that's all we are gonna issue and we're gonna do it on this basis; we're gonna issue to those who had maybe a history of fishing two years out of ten or something...?"

UNIDENTIFIED SPEAKER: Well, Fletcher says you can do it maybe for a year or so while you are getting organized..but it would only have to be enough to freeze it - just to get a handle on it, but then you're gonna have to have it processed to where there'd be some entry and some departure and there;s be some (Indisc.). You can't freeze it for the benefit of the

class that used it before as an ongoing proposition.

UNIDENTIFIED SPEAKER: But we start out--we say the first priority goes to those initially, that met certain criteria, about 2700. And we got--maybe we'll have 3000 that meet that criteria.

UNIDENTIFIED SPEAKER: You know what you could do? Take the number of people in the first (indisc.) year, put them in a hat and issue licenses for two out of three of them.

UNIDENTIFIED SPEAKER: Yes, but politically, it kills ya. Forget it.

UNIDENTIFIED SPEAKER: But, I'm saying accomodate everybody who fished last year. If you want (indisc.) But if that's vulnerable...go into this coming year and say anybody can get a license. And, I'd like this because it gives you such a tremendous (indisc.).

CHAIRMAN: (Indisc.) anybody that shows participation over the last 3 years we could still do that ...(indisc.)...the manpower clause...(indisc.)

UNIDENTIFIED SPEAKER: Well, the, say, Okay, no more licenses than were issued last year or just those persons who met this, that number shall be it initially. And as long as you revalidate your license. Now this is the thing that has occurred to me in Kodiak and I tried to do something interesting on it and fell flat on my face. But, we've always thought about, gee, year in and year out, you've gotta get a new license. One of our concerns, and I know it's yours, particularly as it is mine--so many of these guys are fearful of somewhere down the line a grandfather thing being established like we're looking at now or some sort of a Limited Entry... that he gets his license every year and he goes and participates even though he knows he's gonna fall flat on his face...for fear that he is gonna get screened out of the fishery. Now, somewhere down the pipe, you say, hey, you didn't fish in 19__, and therefore you now want to qualify. So he goes into the area, falling on his face even to keep his brownie

points up. Now if we did what I'm talking about, you eliminate that (indisc.) in this manner. Forget the idea of issuing licenses year in and year out. Let a guy who is qualified get his license. And that's it, brother. He has nothing more to worry about. He can fish it or not as the case may be...Make him pay for it every year. The minute he quits paying for it--that's the end of it. That one comes out. Then couldn't you, when you have the gear down to the point where you can afford more new entries, then you can provide by lottery or whatever system you want. But you get this attrition--you've applied for limited entry along the way by half - 50% - of the unavailable licenses.

UNIDENTIFIED SPEAKER: We can do that. Our problem though, again, is how do you transfer this thing and how do you distribute the new ones, you see? You're just exactly right, that's one way to do it. That would work.

UNIDENTIFIED SPEAKER: To me, that seems the simplest way and then you're not getting bogged down in all the details and expenses. What are we trying to do with this thing? What we're really trying to do...

CHAIRMAN: Now, wait a minute. Aren't you saying just exactly what we've been saying all the time (indisc.)? In essence, you put the lid on where we are now (indisc.) participation in the past two years, okay, and then by attrition, you slowly work your way down to these standards we're setting up, whatever it takes to harvest the Bristol Bay--a four year average or something like that--and then you have to provide for the long run then, as far as new entry. Either by lottery, transferability, or something else. Is that where we are? Is that where you are right now?

UNIDENTIFIED SPEAKER: Well, yes, but it's such a simpler way to accomplish the same objective. You can do it on a one-page bill.

CHAIRMAN: I know.

UNIDENTIFIED SPEAKER: Here, I've got it for you. I never pursued it any further...I bounced it off of the...I'll give you copies of it. This is very crudely drawn and it's just a work copy that I made up for the Borough Assembly and I bounced it off of those guys and they said, Hey, that's exactly what we want.

UNIDENTIFIED SPEAKER: (Indisc.) just tell me what it does. It just merely says (indisc.)

UNIDENTIFIED SPEAKER: Here we go. The Department of Revenue may not issue a greater number of salmon gill net gear--I'm relating strictly salmon gill netter here--than the greatest number of such gear licenses issued during the previous year for given fishing area. Licenses shall be issued first upon application first to those licensed for the given area or district during the previous year. Now, you can bring that around to whatever you want..3 blah, blah, blah. If, by the registration date deadline, there remains some unclaimed gear licenses, the Department of Revenue shall determine by drawing those new applicants who shall be issued one-half the number of licenses unclaimed. (Indisc.) established a small (indisc.)

CHAIRMAN: Yes, but now wait. What you're saying though is that the guy who came in last year and fished for the first time is more deserving to come into that fishery than the guy who has fished for twenty-five years up to last year and for some reason didn't fish last year.

UNIDENTIFIED SPEAKER: No, I gave you a variable. I said, do what you want. (indisc.) I'm just establishing (indisc.) You don't have to be last year's number. You establish an amount of gear that you want. Then you make it first available to (indisc.)

CHAIRMAN: Well, why don't we accomplish the same thing? Instead of saying a number (indisc.) why don't we (indisc.) have been able to that (indisc) have participated over a period of years here dependent on this for their

primary, substantial income. That category. We're right back where
(indisc.)

UNIDENTIFIED SPEAKER: I don't care. Then when you get these applicants down, you'll get a number. You'll find out how many are qualified. Maybe it will be 3000 in Bristol Bay. You give those guys licenses--then you say, Hey, you've got your license forever more. Until you no longer pay for it and then it's dead. It's as simple as that. It's dead.

UNIDENTIFIED SPEAKER: If you want to enter another fishery, you're gonna have to stand in line and if there's any spare ones, half of them will get one by lot -- if you're lucky to get one, if you don't, you don't.

UNIDENTIFIED SPEAKER: Now frankly, the simplicity of it would make the (indisc.) work.

UNIDENTIFIED SPEAKER: But, John, if you're scared about going back a year.. now Fletcher says you can do all sorts of things first time around.. but let's think of it even more clearly legal, to say, and that is to go into this year. Say, Hey, look, we're gonna issue the number of licenses for a given area in an amount equal to the number of gear registrants for this particular year. Now what's gonna happen in Bristol Bay--you'll have a vast increase. You'll have 4000 licenses or maybe more issued to Bristol Bay. You haven't got any gear now but then you go into this bit of establishing the idea of buying a lifetime license as long as you validate it each year. The idea--we've always been locked into the idea--you go down and you make application for a license each year. The outside fisherman who now goes to the Bay and fishes and gets his license each year and fishes it, fearful of the Grandfather Right thing, will have it in his hot little hand. He's not gonna worry about whether he comes or not. He's got it for as long as he pays for it.

UNIDENTIFIED SPEAKER: Or we could just say licenses will be issued first to the person who held it the year previously and second to the lottery-- so 50% of the ones that are unclaimed to those who have applied for them.

UNIDENTIFIED SPEAKER: Now, the worry of what I'm talking about doing and you know I, on the basis of how many apply for this year, and not even fool around with their qualifications at all. You're gonna have a tremendous increase in the paper register, admittedly. You're probably not gonna make much difference in participation really. I don't know--although you might when a guy pays--what does he pay for a seiner? One hundred and seventy five bucks. I don't think it's gonna be introduced for a guy from Seattle paying fifteen bucks for getting that license to come to the Bay simply because he paid fifteen bucks.

UNIDENTIFIED SPEAKER: You know, I really think that maybe you could make the thing fly.

UNIDENTIFIED SPEAKER: A one-page bill and (Indisc.)

UNIDENTIFIED SPEAKER: Let me read the whole thing. This is anticipating a freezing of licenses at the level of last year. Now, that, of course, is variable. You can freeze it next year. The Department of Revenue may not issue a greater number of licenses than the greatest number issued during the previous year for a given fishing area. Licenses shall first be issued upon application of those licensed for the given area or district the previous year. Now, Bob, you're gonna have to change that. But, let's start out with it. If by the registration date deadline there remains some unclaimed gear licenses, the Department of Revenue shall determine by drawing those new applicants who should be issued only 50% of those unclaimed licenses. We had 2700 licenses issued last year. We say this is what we're issuing in Bristol Bay this year. 2500 are claimed.

UNIDENTIFIED SPEAKER: First come, first serve?

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: We might do that, too. Just have a lottery..you just say..shall be registered. Well, but how are you gonna sign the (indisc.)? It's like on an oil lease. You know, if you have--if a guy stands in line for four days so he's there on Monday morning when they open up, then they get him on the list or what?

UNIDENTIFIED SPEAKER: The only guy we're offending under this is the person not yet born. Anybody that wants to get in on it..you don't have to worry about lottery. If you've got kids down the line, you buy them all licenses right now. And, of course, what happens. What would this do? One, you would vastly increase the State revenue for fishery, initially...a tremendous increase which would be sustained for a long period of time. Two, you have accomodated everybody now in the fishery. Three, you have provided for slow attrition of gear.

UNIDENTIFIED SPEAKER: Now, wait a minute. How you gonna get the attrition?

UNIDENTIFIED SPEAKER: How would you get the attrition? Because you only issue half the unclaimed licenses each year.

CHAIRMAN: All right, now what do you mean by unclaimed? I thought you did not have to renew the permit. Just buy the fishing license each year and that keeps it going.

UNIDENTIFIED SPEAKER: You have to buy it each year. You have to buy it each year. I die somewhere along the line--that's no longer claimed. That is one (indisc.) back to them. Ultimately, you're gonna get down to the point where, Hey, suddenly you're down to where you've got a manageable amount of gear. Now, admittedly, it doesn't do anything dramatic but I think it's

UNIDENTIFIED SPEAKER: This is really the second year after the first (indisc.)

First we open it up and say anybody can come in the first year. And there may be 4000 issued...

UNIDENTIFIED SPEAKER: Just like it is right now. Anybody who wants to can come in.

UNIDENTIFIED SPEAKER: But really, I'm talking about the second year. So then you can't issue any more (indisc.) issued this year (indisc.) Bristol Bay and that's it.

UNIDENTIFIED SPEAKER: And there's gonna be some of the unclaimed. They are not gonna pay that "X" dollars.

UNIDENTIFIED SPEAKER: According to the study there, they have a turnover rate of about 20% a year - something like that.

UNIDENTIFIED SPEAKER: Then, we say, well I have done other things here.

UNIDENTIFIED SPEAKER: But really that's all there is to it.

UNIDENTIFIED SPEAKER: I tell you what. (indisc.) an awful lot to come into. Everybody would know exactly where they stood. Everybody was in it now and you could say that - what am I gonna do about my kid? And you're gonna say, well, he's just like everybody else's kid. He's gonna have to stand in line.

UNIDENTIFIED SPEAKER: Well, but John, you know, I don't mind standing in line, the original concept I like real well. But I don't like that lottery because you can draw year after year (indisc.)

UNIDENTIFIED SPEAKER: I know it (indisc.) but maybe we can provide some other apprenticeship (indisc.)

UNIDENTIFIED SPEAKER: But the number--when you register to get a gear license when one opens up.

the simplest and in long term as effective as any other route you could go with offending the least number of people--least complicated. You don't have to provide a tremendous, expensive, complex commission which I think every dossier on every applicant will be that thick. By the time these guys get through (indisc.). How do I weight five year's participation against 85% dependency against \$1000 invested in gear. Holy Cow. And you're gonna end up if you draw up broad guidelines to determine criteria and for establishing priority. You'll have it so broad that you have far, far too many people in that (indisc.) plant class of priority than you have to accomodate with licenses. You have to draw lottery anyhow there. It's going to be so tight you're gonna wipe out half of our incidental fishermen, inefficient fishermen who happen to be Alaskans. And to plant them with other persons that...

UNIDENTIFIED SPEAKER: Of course, we don't dare increase the fishing licenses too much after we do that.

UNIDENTIFIED SPEAKER: What do you mean? (indisc.) an increase in what?

CHAIRMAN: In cost, in price.

UNIDENTIFIED SPEAKER: Well, let me tell you about another little "gismo" in there related to cost.

CHAIRMAN: (Indisc.) force people into fishing, I'm afraid.

UNIDENTIFIED SPEAKER: Okay, well here's what I did to that which would force them out of fishing during incidental years. I would suggest that you make a sliding scale license fee. (Indisc.) that license. In other words, the guy that--if I want to buy a license and pay into the State coffers and non-adversely impact the fishery--fine, I should be allowed to do it and the State should desire me to do it. But on the other hand,

I suggest special salmon gear license fee. Should the best available evidence indicate that the anticipated catch for a given salmon fishing area district not be sufficient to provide income equal to or exceeding that (indisc.) national poverty level. Each of as many fishermen as registered in a given area during the previous year, the Board of Fish and Game unless opposed by the local advisory board shall designate such as a distressed fishery. This is something else again. In areas or districts so designated a special salmon gear license fee shall be levied. This fee shall be in addition to regular fee, shall be equal to 1% of the value of the salmon sold by the resident, 3% sold by non-resident. I know you'd never get away with that. Even though we do have a three to one differential in the...but forget that.

UNIDENTIFIED SPEAKER: Now you're cording it up. Your first idea is clean, clear and straight.

UNIDENTIFIED SPEAKER: I'll tell you why this is in here, John. What happened.

These guys took all the bills that have been put in over the years and tried some things like this on for size and they said, Hey, I like this. And I put them all down on a piece of paper and this is what these guys like. The idea of no conflict limited entry thing. Keep it simple. Now...you're not...the guys in the Bay are arguing against, at least in the Naknek Borough (?) are arguing against the limited entry bill. They initially wanted me to come down here and (indisc.) - Hey, we don't want any part of that. The very guys that stood up in '67 and fought me on this sliding gear scale at the local level which I wanted to have as a dissuader against the (indisc.) of entry are now militantly defending it. What are those guys screwing around? We've got something here we

think is gonna keep these guys home (indisc.). Here they come up with a bill that those guys are gonna look at and say, Man I better get in on the action in Bristol Bay this year--even though we're gonna try to preclude that you know that's gonna be the response. We've gotten calls from people that - they are going down there now trying to hire kids. The non-residents are paying \$100 to a kid to get an additional license.

UNIDENTIFIED SPEAKER: I know this would work in Bristol Bay. With our regulatory powers and (indisc.), we've got it whipped in Bristol Bay. We don't need any of this stuff but we are gonna, I know we could do it. Bob, I think is is great,,,you know.

CHAIRMAN: We could use it in our Borough..taxing authority.

UNIDENTIFIED SPEAKER: You know the thing is..it's really clean, it doesn't get involved in all of this stuff that we've all gotten bogged down in.

UNIDENTIFIED SPEAKER: We're talking about any individual then could buy as many of them as he wants to. This takes care of those guys like Phil who wants to get in the seine fishery in Kodiak in addition to where he fished this year.

UNIDENTIFIED SPEAKER: He buys it this year and as long as he keeps it from now on....

UNIDENTIFIED SPEAKER: If he doesn't buy it this year, forget it.

UNIDENTIFIED SPEAKER: If he wants to speculate on it, he can.

UNIDENTIFIED SPEAKER: The only thing you gotta do is provide (indisc) so that if he wants to get (indisc.) sometime in the future...gonna have to pay \$50-\$100 a year.

UNIDENTIFIED SPEAKER: You don't have to worry about transferrability, but the thing you've gotta do is sit down and ..what are our objectives? What are our real objectives? If you can get more money for the State, if you

can provide for an attrition of gear down to the point where suddenly you've got a manageable amount and if you can not offend the resident Alaskan, and it's legal...the only thing you haven't done is provide immediate and dramatic reduction of gear...and you haven't done one other thing...you haven't been able to guarantee that the guy who wants to get into the fishery in the future, can get into it. But you just can't guarantee that at all. You're just gonna have to say that's right, it's a matter of luck if you get in.

UNIDENTIFIED SPEAKER: You could say, John that 50% of the licenses each year shall be made available to individuals who (indisc.) - you don't have to go to a lottery. You can do it by purchase from the State. Sure, (indisc.) special entry, I don't know, but I still say that that's offending only persons now yet unborn.

UNIDENTIFIED SPEAKER: Well, or not in the State.

UNIDENTIFIED SPEAKER: Is that bad?

UNIDENTIFIED SPEAKER: No.

UNIDENTIFIED SPEAKER: What I wanted to do, this will kind of interest you, I think, when this idea of not licensing or given a permanent license and just revalidating year in and year out. First, I thought about--how do we do this? (Indisc.) determine how long he wants his license. Make him pay for it initially--right now. If I want it for 10 years, I gotta come up with a stash for the whole package. And then, an outsider, look what he'd be looking at. (indisc.)

UNIDENTIFIED SPEAKER: This is getting pretty far out. But then I get to thinking, the way we'd do it..Holy Cow. If we could do that, we won't issue any licenses this year. Nobody gets a license this year. We're gonna revalidate last year's licenses and make it good for (indisc.) and that way you wouldn't have any new entry, no new guys getting into it.

UNIDENTIFIED SPEAKER: I've got some other commitments...

UNIDENTIFIED SPEAKER: I frankly think just off the top of my head.. the only thing I've heard of that'll fly is what you're talking about.

UNIDENTIFIED SPEAKER: You know the funny thing, John, at the beginning of the session, this is one of the reasons I should have come down before, I suppose. And I went to legislative council meeting and I made a noise in the paper. You guys didn't read my letter. I said in the paper, essentially, I think, the only thing in the final analysis (indisc.)

UNIDENTIFIED SPEAKER: I don't know, I'm sorry but I should have (indisc.)

UNIDENTIFIED SPEAKER: ...stay around now and help us...

UNIDENTIFIED SPEAKER: Hammond, got any more of those?

UNIDENTIFIED SPEAKER: This is so terribly (indisc.)

UNIDENTIFIED SPEAKER: Could have a moratorium until they get down to a certain point.

UNIDENTIFIED SPEAKER: I'd rather do this. I'd rather say that they'll re-issue one out of every five that's turned back. I think there ought to be some constant entry. You see, I don't think (indisc.) absolutely froze to a certain class. Now, you remember when....(indisc.). It would be so much easier to say that we'll reissue one out of five that's turned back instead of 50% of them, see. One out of three, see, that's much better. You handle that legal problem, it isn't a closed in class, everybody in the damn world has an equal right to it. It would be legal, it would reduce the gear and it can't possibly hurt a guy that's presently in the fishery.

UNIDENTIFIED SPEAKER: What then (indisc.) windfall for the State?

UNIDENTIFIED SPEAKER: You put the damn thing on two sheets of paper.

UNIDENTIFIED SPEAKER: But what are the canneries gonna do?

UNIDENTIFIED SPEAKER: Under this sort of thing?

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: What do you mean?

UNIDENTIFIED SPEAKER: Well, buy in their brother and some cousin and everybody else...(indisc.)

UNIDENTIFIED SPEAKER: I think you could prohibit...

UNIDENTIFIED SPEAKER: But there again, John, the thing is, the irony of all this is this whole thing was engendered as much as anything by the situation in Bristol Bay. Bristol Bay is the only place and they say, Hey, we don't need it. Think about it..I know that this, plus the sliding gear scale, plus (indisc.)...shoot, we can cut that thing down in no time at all.

UNIDENTIFIED SPEAKER: Right again I was.

UNIDENTIFIED SPEAKER: John, come back.

UNIDENTIFIED SPEAKER: I was hesitant about even bringing up that contest because I thought you'd go so far down the pipe (indisc.).

HAMMOND: I think they're dedicated to something much more complex though than this. You'd have a hard time selling it. But I thought that everybody's gonna have to wrestle with all these things and bog down and bang their heads against walls and go up blind alleys and maybe at that time there would be some interest (indisc.)

UNIDENTIFIED SPEAKER: Get desperate enough to accept the "Hammond" idea.

UNIDENTIFIED SPEAKER: You'd be interested in also...

SCOMM

#31:15

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

I-1 3-6-73

Jay Gage

Senator Bob Palmer

Dave Herrnsteen

Mike Whitehead

Senator Lowell Thomas

Senator George Hohman

Senator John Sackett

: This is one of the big advantages of this idea of Jay's.

Herrnstein : I haven't studied this.....

Palmer : It has no value, everybody is in to begin with, but as soon as you don't revalidate one year, your out. Rights for new entry on a rate of 10% or we could make it 20% or 5%. Course the question is, does it do anything quickly enough. When you let everybody in in 73, and you really haven't done anything towards cutting gear? And I don't know whether you have or not. I just can't assess the impact accurately.

: How would you be able to tell how many people are going to lapse? Not re-new their licenses?

Palmer : You wouldn't till after the fact. When they had not at the end of the year.

: There is no history.....

Palmer : Well, there is, this one shows that out of the 20 some thousand a year, we have had around 2,200 a year.

Whitehead : About 20% turnover. 20.7 but I'm not sure that those figures are valid at all because once you put a freeze on, it's just like the entry permits, you don't have the slightest idea,

what attrition or turnover rates are going to be once these pieces of paper are issued. We have actually, in going through the Governor's data, and everything else, there is just no way to assess the impact of any piece of limited entry legislation. Two other considerations in regards to today's comments on transferability; I know that there are members of the industry that are very involved in the banking industry also in Alaska, and I'm not sure that it is a valid assumption that the individuals would be able to get financing from a bank. They may have some sort of policy that cannery fishermen would be financed. And that also if Jay Gages comments are all relative in that there would be any change in the relative placement of processors in regards to the number of fish that they buy, any processor that got cut short on his supply of fish because for some reason there was some bias in the number of entry permits issued on the basis.. those processors, I'm sure would be in a position to, would want to bid entry permits up very high, or would be willing to bid entry permits up very high to insure their supply of fish.

Palmer : Why don't you call Fish and Game and find out if you can what kind of an increase they are seeing right now in purchase of licenses. We have had some indication that there is a very great increase this year involving people wanting to get in under the wire. All I have heard is rumors, I really don't know.

Whitehead : I'll call Katie Conn.

Thomas : A thing like this might have to be tried before you really know.

Palmer : It is a little like Russian Roulette. You gotta be pretty sure of what you try. Otherwise you can really hurt yourself if it is the wrong thing.

Thomas : Like Jay said (unintelligible) and it doesn't seem to me, we've lost very much except time and maybe some of the fish, whereas if you tried this other thing, with the commission and all, it might be a little harder to back out of.

Palmer : That's true.

Herrnsteen : It seems to me that if we got something going, anything, in my mind, anything other than being transferability, something like Jays, then we would in that years time, we would get the data on the applicants. Then we could begin to see how classifications might set up and how, what kind of system we might have later. I tend to think, you know a lot of people say well I'm afraid of a lottery, for I might never make it. That is a very legitimate fear. Of course the more you narrow down your classifications into some sort of point system like, which has its drawbacks too. And of course the more you narrow down your classifications by giving more experience, you know you narrow down your constitutionality. Your getting into weak grounds. That's my interpretation of Fletcher. But we wouldn't have to do that for a couple of years, but maybe when we find, when we actually see the data of the applicants, there will be a way to

look at that data and say, well look, this kind of system and this kind of system might be legal and it might be the best for the Alaskans too. Because we not only want to put a lid on the fishery but we hope to encourage the Alaskans and work for their benefit and with the time of having the data there might be a, the commission might be able to come up with something. I can see free transferability working for instance with trollers because their fish are more closer to the real market value and being a one man operation, they have, you know, a lower gross value per boat.

Palmer : Can I help you?

: We were looking for Senator Thomas.

Thomas : Right here. What can I do for you?

: Do you have a minute?

: We are breaking up the meeting right now.

Thomas : Well let's see,

Palmer : Go ahead. That is alright.

: We can wait.

Palmer : We aren't going to do much more.

Thomas : I'll this along then, Thank you.

Hohmen : Sure hope you settle this one Bob.

Palmer : Yeah, thank's fells. Read the darn thing will you.
(unintelligible)

Whitehead : A dramatic increase? (on phone)

Hohmen : You have to have gear before you apply for a gear
license, right?

: I could just go down.

Palmer : Go down and buy a gear license.

Herrnsteen : One of the interesting problems that came up Saturday,
is the fellow, Chris Christenson, from Petersburg, who is in the
same position as Ernie, he's been crewman for 20 or 30 years, and
they have been fishing halibut, salmon, and seining a lot as crewman,
and now they sort of want to semi-retire and get trollers and gill
license.

Whitehead : Is that right? (on phone)

: (unintelligible)

Herrnsteen : He said my whole life's been into it, why should I

-4- 1-1 3-6-73

have to go buy one off some part timer who gets in under the gun, you know. It's a problem. But one way of possibly changing that would be, the way it presently reads 126, it says all applicants must have previously held a gear license. If you take out that requirement that they must have held a gear license, it would increase your applicants coming in. Maybe then, you say, well maybe a guy who has been in for 30 years but who never held a gear license maybe he should qualify over someone who has held a gear license for 2 years or 1 year, I don't know what the answer to that is.

Palmer : Well you know, we could always change this thing, the very first paragraph, not in anyone, not in 1973 anyone would be eligible, but anyone would be eligible who had previously held a g... a license in a area. Now we substantially reduce getting away from something like evidently what he is coming out with. It wouldn't serve to the interest of some of the guys who want to be able to switch to other areas. But, again, we can't have the best of worlds for every person.

Whitehead : Do you have that in memo form? Could you route a copy to us, please? Thanks very much. Better hang onto your hats gentlemen. Through March of 73 compared to March of 72, there is an aoverall increase of 82.88%. Drift gill net is up 82.47%. Troll is up 163.93%. Long Line is up 291.66%. Vessel Licenses are up 77.88%. Set Gillnetters are down 48.6% because everyone is changing set gill nets to drift. Especially the minors that have been registered as paper licenses for set gill net. Beach Seine, no change. Purse Seine is up 55%. Beam Trawl is up 85.71%. Otter Trawl is up

3.77%. Shell fish is up 55.68%. Clam diggers are up 66.67%. Resident commercial fishermen are up 96.92% and non-resident commercial fishermen are up 83.44%.

Hohman : What was the resident thing again?

Whitehead : Resident commercial fisherman is up 96.96% over through March of last year.

Hohman : Non-resident figure?

Whitehead : Non-resident is 83.44%. This is over, this is as a result of present deliberation.

: (whistle)

: Jeez.

Hohman : The overall percentage increase is, 82.8...?

Whitehead : 82.88. Most of them seem to be much higher than 80. Your Beach Sets are down or what ever you call them?

Palmer : Yes. Down 40.

Whitehead : Down 40 and one other very small change.

Hohman : More beach sets.

Whitehead : Right, they are going from set gill net to drift gill net.

Hohman : Must be a hell of a percentage of the gear license that are beach sets, in order to hold the 160.%.

Whitehead : Yeah, Troll was 163.93%

Palmer : They didn't destinguish between hand troll and power troll.

Whitehead : Probably not. I could call back.

Palmer : I think an awful lot of that must be this local hand troll, fishery, don't you?

Whitehead : Could be.

Hohman : Gotta watch those clam diggers.

Herrsteen : The long line increase could be legitimate reasons.

: (unintelligible)

Palmer : You can see that increase in price of Halibut, why...
Okay, thank you George. Come up with some good ideas. Put that subconscious to work.

Whitehead : I'll get a copy of all these packages to Senator Rader and Senator Poland. And I'll type all of this information up and Katie's gonna write a memo up, I'll make copies for everyone. It would appear that perhaps participation in 72 would be advisable criteria.

Sackett : It would appear so, huh?

Herrnsteen : I wonder how many of that increase, people had, course there is no way of knowing, but I wonder how much experience they have.

: Hard telling.

end tape

3-6-73

I
idea
: This is one of the big advantages of this ~~side~~ of ~~your tapes~~.

Harrold : I haven't studied this.....

Palmer : It has no value, everybody is in to begin with, but as soon as you don't ^{re}validate one year, your out. Rights for new entry on a rate of 10% or we could make it 20% or 5%. Course the question is, does it do anything quickly enough. When you let everybody in in 73, ^{have} ~~and~~ you really haven't done anything ^{to where its gotta} gear, ~~and~~ I don't know whether you have or not. I just can't asses the impact accurately.

: How would you be able to tell how many people are going to lapse? Not re-new there licenses?

: You wouldn't till after the fact. When they had not at the end of the year.

: There is no history.....

12/2/73 : Yeah, there is, this one shows that out of the 80 some thousand a year, we have had around 2,200 a year.

12/2/73 : About 20% turnover. 20.7 but I'm not sure that those figures are valid at all because once you put a freeze on, it's just like the entry ~~permits~~, you don't have the slightest idea, you don't have any idea *note*

what ~~attention~~ ^{or} turnover rates are going to be once these pieces of paper are issued. We have actually in going ^{through} to the Governor's data, and everything else, there is just no way to assess the impact of any ~~piece~~ of limited entry legislation. ^{There} other considerations in regards to ~~today's~~ comments on transferability; I know that there are members of the industry that are very involved in the banking industry also ⁱⁿ Alaska, and I'm not sure that it is a valid assumption that the individuals would be able to get financing from a bank. They may have some sort of policy that ~~United~~ Fishermen would be financed. And that also if Jay Gages ^{are} are all relative in that they ~~are~~ ^{re} would be any change in the relative placement of processors in regards to the number of fish that they buy, any processor that got cut short on his supply of fish because for some reason there was some bias in the ~~kind~~ of entry permits issued on the basis.. (phone ringing) those processors, I'm sure would be ~~in~~ a position to, would want to bid entry permits up very high, to insure their supply of fish.

: Why don't you call Fish and Game and find out if you can what kind of an increase they are seeing right now in purchase of licenses. We have had some indication that there is a great ~~increase~~ this year involving people ~~who~~ want to get in under the wire. All I have heard is rumors, I really don't know.

: A thing like this might have to be tried before you really know.

: It is a little like Russian Roulette. You gotta be pretty sure of what you try. Otherwise you can really hurt yourself if it is the wrong thing.

doesn't seem to me we've lost very much except time
Thomas : Like Jay said, ... and maybe some of the fish,
whereas if you tried this other thing, with the commission and all,
it ~~would~~ ^{might} be a little harder to back out of.

Palmer : That's true.

Hershey : It seems to me that if we got something going, anything,
in my mind, anything other than being transferability, something like
Jays, then we would in that years time, we would get the data on the
applicants. Then ~~wetban~~ ^{not could} begin to see how classifications might set
up and how, ~~or~~ what kind of system we might have later. I tend to
think, ~~I mean~~ ^{you know} a lot of people say well I'm afraid of a lottery, for
I might never make it. That is a very legitimate fear. Of course
the more you narrow down your classifications into some sort of point
system like, which has its drawbacks too. And of course the more
you narrow ~~it~~ down your classifications by giving more experience, you
know you're narrowing down your constitutionality. Your getting into
weakgrounds. That's my interpretation. But we wouldn't have to do that
for a couple of years but maybe when we find, when we ~~ask to~~ ^{ask to} see the
data of the applicants, there will be a way to look at that data and
say, well look, this kind of system and this kind of system might be
legal and it might be the best for the Alaskan too. Because we not
only want to put a lid on the fishery but we hope to encourage the
Alaskans and work for their benefit and with the time of having the
data there might be a way to come up with I can see ~~pre~~-trans-
ferability working for instance with trollers because their fish is
more closer to the real market value and being a one man operation,
they have, you know, a lower gross value per boat.

Palmer : Can I help you?

? : We were looking for Senator Thomas.

Thomas. Right here.

→ What can I do for you?

? : Do you have a minute?

? : We are breaking up the meeting right now.

W Well let's see,

? : Go ahead that is alright.

t We can wait.

? : We aren't going to do much more.

? : I'll take this along then, Thank you.

? : Sure hope you settle this one Bob.

? : Yeah, ~~I do too~~. Read the darn thing will you.

? : You have to have gear before you apply for a gear license, right?

? : I could just go down.

Palmer: go down and buy gear license
Hennrichsen : One of the interesting problems that came up Saturday, is the fellow, Chris Christenson, from Petersburg, who is in the same position as Ernie, he's been crewman for 20 or 30 years, and they have been fishing salmon, halibut, and seining a lot as crewman, and now they sort of want to semi-retire and get trollers and gill ~~netters~~ license.

in between : Is that right? *(longer)*

seems to be right
Hennrichsen : He said my whole life's been into it, why should have to go buy one off ~~some~~ part timer who gets in under the gun, you know. ~~That is the~~ problem. But one way of possibly changing that would be the way it presently reads 126, it says all applicants must have previously held a gear license. If you take out that requirement that they must have held a gear license, it would increase your applicants coming in. Maybe then, you say, well maybe a guy who has been in for 30 years but who never held a gear license may be he should qualify over someone who has held a gear license for 2 years or 1 year, I don't know what the answer to that is.

the first : Well you know, we could always change this thing, with a ~~very brief~~ paragraph, not in anyone ~~other than~~ in 1973, anyone would be eligible, but anyone would be eligible who had ~~previously~~ held a ~~gear~~ license in ~~that~~ area. Now we ~~were~~ substantially reduced, getting away from something like evidently what he is coming out with. It would serve to the interest of some of the guys who want to be able to switch to other areas. *But you* We can't have the best of worlds for all persons.

it's hard to find that in your place, I think that's hard

Whitehead : Better hang onto your hats gentlemen. Through March of 73 compared to March of 72, there is an overall increase of 82.88% per cent. Drift gill net is up 82.47%. Troll is up 163.93%. Long Line is up 291.66%. Vessel Licenses are up 77.88%. Set Gillnetters are down 48.6% because everyone is changing set gill nets to drift. Especially the ^{new}miners that have been registered as paper licenses for set gill nets. Beach Seine, no change. Purse Seine is up 55%. Beam Trawl is up 85.71%. Otter Trawl is up 3.77%. Shell fish is up 55.68%. Clam diggers ^{are} is up 66.67%. Resident commercial fishermen ^{are} are up 96.92%. and non-resident commercial fishermen are up 83.44%.

Whitehead : What was the resident thing a ain?

Whitehead : Resident commercial fisherman is up 96.96% over through March of last year.

Whitehead : Non-resident ^{figure}

Whitehead : Non-resident is 83.44%. This is ~~where~~ (statistic) over, this is as a result of present deliberation.

Whitehead : Jeez.

Whitehead : The overall percentage increase is, ...

Whitehead : 82.8 % 8.

Whitehead : Most of them seem to be much higher than these. If Beach Seine is down or what ever you call them?

Palmer: Yes. Down 40

Whitehead: ~~Down 40~~ → : Down 40 and one other very small change.

Johnson: More beach sets.

Whitehead: ^{Eight} Yes, they are going ~~to~~ ^{from gillnet drift} set ~~netting~~ to gillnetting.

Johnson: Must be a hell of a percentage of the gear license that are beach sets, in order to hold the 160%.

Whitehead: Yeah, Troll was ~~up~~ 163.93%.

Johnson: They didn't distinguish between hand troll and power troll.

: Probably not. ^{if you catch all hand}

Johnson: A lot of that must be this local hand troll, I think don't you?

Whitehead: Could be.

Johnson: Gotta watch those clam diggers.

: The long line increase could be ~~on a~~ definite bases.

: You can see that increase in price of Halibut.

Johnson: Okay, thank you George. ^{come up with some} Good ideas that should work.

W. Mitchell

: I'll get a copy of all these packages to Senator
Raider, ~~or~~ ^{and} Senator Poland. ~~Then~~ ^{And} I'll type all of this information up
and Katie's gonna write a memo up, I'll make copies ~~to answer~~ ^{for} every-
one. It would appear that perhaps participation in 72 would be
*ad*visable criteria.

Sabett?

: It would appear so, *but?*

Hammerton

: I wonder how many of that increase, people had,
course there is no way of knowing, but I wonder how much experience
they have.

: Hard telling.

and type

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

CSSB 39: LIMITED ENTRY WORK SESSION - I/I

March 6, 1973

CHAIRMAN: What do you think ought to be done?

UNIDENTIFIED SPEAKER: Well, Mr. Chairman, I don't think I can really give you an intelligent answer until I spend some time reading....

CHAIRMAN: Okay.

UNIDENTIFIED SPEAKER: And I suspect the way I go on these things, it will take me at least an hour to get through (indisc.) and compare it with the other things....making notes and things.

CHAIRMAN: Yeah, I think probably that would be the best way to go...

UNIDENTIFIED SPEAKER: And I don't know what the House is doing.

(Several unidentified speakers (indisc.))

CHAIRMAN: Do you know or do they...which one of you would rather telephone the House? However, we don't really have to pay that much attention to it because apparently they got a large number of people there each with their own concern and amending a bill of another elaborate fashion to take care of each little problem as it comes up -- this is what I've been told.

UNIDENTIFIED SPEAKER: We have here a summary of what they did in the House (indisc.) committee report and I can read it if you'd like.

CHAIRMAN: All right.

UNIDENTIFIED SPEAKER: Committee Substitute for House Bill 126--to change the basic structure and objective of House Bill 126 which was essentially the Governor's bill--so there's just that one change in five members of the Committee. What would require the Limited Entry Commission to utilize the voluntary buy-back program in order to reach optimum levels

of gear in the various commercial fisheries. The Commission would still proceed area by area and would deal independently with each type of gear; however, instead of making initial reduction to the optimum number of use of gear, the Commission would issue entry permits at the present level of fishing effort and reduce the amount of gear to optimum level through a voluntary buy-back program. In those fisheries where the present level of gear is acceptable, no buy-back program would be required. The only exception to this freeze (?) at the present level, our effort will be three specifically innumeration distressed fisheries when initial reduction is 75% of present gear levels would be permitted. The distressed fisheries innumeration and Committee Substitute for House Bill 126 are the Bristol Bay drift net and set net fishery, the Cook Inlet drift and set net fishery and Prince William Sound drift net fishery. The Buy-Back Program would be self-financing. It would be funded by assessments of the holders of entry permits based on a percentage of the value of their annual catch. Separate buy-back funds would be administered for each area and type of gear as required and assessments will be made only on catch values attributable in the entry permit for the given area and type of gear. The Commission would adopt regulations providing for the purchase of entry permits and vessels and gear as necessary until the number of units of gear was reduced to optimum levels. Once the optimum gear level was reached, the buy-back program would terminate for that area and type of gear. Committee Substitute for House Bill 126 also made special provisions for establishing the initial number of entry permits in the troll fisheries. Rather than issue permits at the present level as with other types of gear,

anyone who is licensed and fished troll gear at least one out of the last three years would receive an entry permit for troll gear at the outset of the program. After entry permits have been issued for the troll fishery, it would come back under the general program and be reduced to optimum level through a voluntary Buy-Back Program. An amendment to the definition also makes it clear that the Commission is to treat power troll gear and hand troll gear separately for the purpose of issuing entry permits. A new section was added providing for the emergency transfer of entry permits which will allow the temporary transfer of a permit when sickness, injury or other unavoidable circumstance temporarily makes it impossible for a holder to fish his gear. During deliberations on House Bill 126, the possible problems resulting from the transfer and sale of entry permits were considered at some length. Concern was expressed that the free transferrability of entry permits might result in a pattern of economic coercion and against fishermen holding permits. Fear was expressed that the general act of adequate financing for fishermen particularly in some areas of the State might make it possible for those providing financing to indirectly control the entry permits to some degree. Certain safeguards against the abuse of transfer provisions were contained in House Bill 126 that had been retained in the Committee Substitute. Entry permits cannot be held by corporations and can be only fished by the holder. Entry permits cannot be pledged as security for loans or taken (indisc.) judgment. To these provisions Committee Substitute for House Bill 126 has added a special provision for low income fishermen. When a fishermen whose family income is below federal poverty guidelines receives an

entry permit, he may avoid the \$50 annual fee for five years by electing to take his entry permit (indisc.) to a five year prohibition on transfer. These special fee provisions should help low income fishermen in two ways. First, it will remove the opportunity for economic coercion into taking their entry permits away from them. Second, it will remove the direct economic burden of the \$50 annual fee. One more major amendment was included in Committee Substitute for House Bill 126. House Bill 126 applied only to the salmon fishery. The Committee Substitute will allow the Commission to designate the specific fishery resources to be subject to limited entry. This would enable the Commission to extend limited entry to other fisheries such as crab and shrimp fisheries without additional legislation. In addition to the regular changes discussed here, Committee Substitute for House Bill 126 contains several clarifying and consolidating amendments that shall improve the basic approach and procedures set forth in the initial bill.

_____, Chairman, House Resources Bill.

CHAIRMAN: What do they do about establishing initial entry?

UNIDENTIFIED SPEAKER: Pretty much at the present levels.

CHAIRMAN: But, who gets in--how does that depend?

UNIDENTIFIED SPEAKER: Okay. Back to the Governor's let me find it here..

Entry permit qualifications for the following establishment of maximum number of units (indisc.) such and such the Commission shall adopt Regulation 34, the qualification for entry permits for each (indisc.) and for each type of gear. The regulation shows upon a reasonable priority classification that similar (indisc.) applicants based upon reasonable (indisc.) of the following, there is a preference. One--degree of economic depends upon the fishery including but not (indisc.) to percentage of income derived from the fisheries, derived from alternative

occupations, the availability of alternative occupations and investment in vessels and gear. And, two--extent of past participation in a fishery including, but not limited to, the number of years participation in the fishery and the consistency and character of the participation during this year--pretty much the two we are working with.

UNIDENTIFIED SPEAKER: What do you think about Fletcher's....Have you had a chance to hear his (indisc.)?

CHAIRMAN: Yeah, I think it's pretty good, really. I didn't think so at first. But, the more I read of it the better I like it. It seems very lengthy and all, but maybe this is necessary in order to have it do the job and be legal.

UNIDENTIFIED SPEAKER: I certainly like his approach in his setting up the categories. He gets away from just talking to a specific class and talks, you know, as far as hardship is concerned (indisc.)

UNIDENTIFIED SPEAKER: How can you say about Jackman's constitutional problem....

UNIDENTIFIED SPEAKER: Well, you see, they let in gear...Dave hasn't had the opportunity to

UNIDENTIFIED SPEAKER: But what did he change?

UNIDENTIFIED SPEAKER: He changed all the way through beginning right from the Purposes and Findings..he broadened that whereas the fishing gear (indisc.) the fishermen (indisc.) the economic welfare of the State. And then we worked a majority portion of the Bill.

UNIDENTIFIED SPEAKER: Joel is reviewing it and would be glad to accept him as a committeeman.

UNIDENTIFIED SPEAKER: I got a question -- I don't know about some of Professor Fletcher's language. It seems to be, perhaps--I don't know-- it might be a little too academic in legal language--perhaps more than

requires, but Joel can evaluate that.

UNIDENTIFIED SPEAKER: That sort of thing is pretty easy to 'ron out.

UNIDENTIFIED SPEAKER: It might be...he's got the best document right there.

CHAIRMAN: It certainly....

UNIDENTIFIED SPEAKER: having problems with transferrability.

CHAIRMAN: Why? You mean under the (indisc.)?

UNIDENTIFIED SPEAKER: You didn't have an effective....

CHAIRMAN: Well, it certainly would be wonderful if we could have anything as simple and short as this thing of Jay's.

UNIDENTIFIED SPEAKER: Do we have that?

CHAIRMAN: Yeah. Does everybody have a copy of that? Sure gets away from a lot of problems with this one. (indisc.) I'm sure it would over a period of time, but it doesn't do it quick enough.

UNIDENTIFIED SPEAKER: I just see the position that is somebody fails to re-purchase for any year, then he's out. Is that the way it goes?

CHAIRMAN: Yeah.

UNIDENTIFIED SPEAKER: Just attrition.

UNIDENTIFIED SPEAKER: Bristol Bay licenses are open for sale on the first of April or closed?

CHAIRMAN: All gear licenses are open January 1 and closed April 15.

UNIDENTIFIED SPEAKER: Something to keep people from buying in t hat wouldn't ordinarily be there. There's nothing to keep people from buying into the Bristol Bay fishery anticipating limited entry.

CHAIRMAN: That's correct, however, our stated position was with the sliding gear scale (indisc.) they're going to be able to do as far as taxation over there--why they could take care of the problem.

UNIDENTIFIED SPEAKER: Do we meet tomorrow after we've read these? This material.

CHAIRMAN: Yeah. I think so. What are you planning for tomorrow, John?

UNIDENTIFIED SPEAKER: To continue (indisc.) the fishery tax.

UNIDENTIFIED SPEAKER: Joel, we also have that NCER (?) thing John had.

(SEVERAL UNIDENTIFIED SPEAKERS (INDISC.) (C.B. OR VHF RADIO INTERFERENCE)

UNIDENTIFIED SPEAKER: Then after that (indisc.) were expected, as many of us as possible, to go and join these people. Well, it's on this whole rural school and this is the sort of combination of all that's gone on for the last almost 60 days now.

CHAIRMAN: OK.

(SEVERAL UNIDENTIFIED SPEAKERS (INDISC.) (C.B. or VHF RADIO INTERFERENCE)

CHAIRMAN: Oh, might as well and can we get a copy of this thing from Fletcher to John so that he can have time to look through it and study it carefully.

UNIDENTIFIED SPEAKER: (Indisc.) expect to pass a law having a ninety day limit...we don't even have time to look at (indisc.).

(CB OR VHF RADIO INTERFERENCE)

CHAIRMAN: Dave.

DAVE: If you're getting ready to adjourn, can I take a couple of minutes to explain why I think House Bill 126 wouldn't work.

CHAIRMAN: Yeah.

DAVE: To me, the key of the whole bill is that the market value of the permit (?) will reflect what the fishermen can earn with that permit and (indisc.) (VHF RADIO OR CB INTERFERENCE) which means I can attach my boats (indisc.) (VHF OR CB RADIO INTERFERENCE), but you can't drive a (indisc.) without permits or liquor license permit -- the value would

be placed at what the liquor license could make that permit and, you know, I've had the feeling all along -- though it was intuitive and I wasn't able to say in dollars and cents why it would happen, but I feel that -- well, I started looking at it this way -- if a seine boat, okay, in 1971 there were \$59 worth of salmon purchased and when the salmon left the cannery, they're worth 147 or almost 150 million dollars. So, when you get down in the reality of this situation working, let's say, 10 years from now -- let's say a cannery has a fleet of 25 boats and there's a permit up for sale--the processor is going to be thinking how much would I gain in increased profits if I could secure that that catch would come to me. Now, let's say that purse seiners would have grossed \$50,000 worth of fish--when those fish leave the cannery, they are going to be worth \$150,000 -- the processor is going to say -- is likely to say -- what are going to be my marginal costs in processing those fish? How much additional labor, how much additional cans is processing these fish going to cost? Maybe I don't know what the real figure is--whether it would be ten or twenty--but even, let's say, \$50,000 (CB OR VHF RADIO INTERFERENCE) that means he is going to -- if he could secure that (indisc.) even if he gets that (indisc.) he would have an extra (50,000. In other words, fifty thousand for the fish, \$50,000 marginal expense, plus an extra \$50,000 marginal profit. And so, the value to the fishermen of that permit is how much he can make off of his \$50,000 gross stock over a period of years after he pays off (?) 60¢ to the crew (indisc.) (CB OR VHF RADIO INTERFERENCE).. (indisc.) processors can finance fishermen to bid on the permit. The price of the permit won't be (indisc.) at the level that the fishermen could legitimately earn to pay for that permit--they will be set at the

level that the processor can earn off that fishermen;s catch. If we had (indisc.) price competition like in farming, if the fish were sold on the exchange like grain is sold on the exchange, then it would work but we don't have that--we have repressed prices, because of the lack of competition and because of the present hold and this financial hold is (indisc.) out to the canneries, the strings (?) are through the present financing system, the cannery (indisc.) them necessary and this is why I felt that committee yesterday or Saturday couldn't understand and even Dave Jackman got up and said, "well, look, we are talking about credit", and they were making it look like fishermen just want to go on welfare or something, but Jackman stood up and he said, "Look, if a guy's a good farmer, he can borrow money to buy a farm; if a guy's a good fisherman, he's gonna be able to borrow money to buy a permit, but that's only assuming that the permit's going to be at a price level that the fisherman could legitimately borrow money and pay interest and everything else for that permit--otherwise the way the bill is now coming out, I see it absolutely--will not absolutely, but very, very likely that the processors, particularly some of them--well, this bill doesn't try and cut anybody out, so it's going to be the status quo to begin with and then as people change later then the processors will bend one way or another. Ed Naughton (?) (indisc.) walking the docks a week ago in Kodiak and got the impression that the Kodiak people are-- he said everybody (indisc.) buying and selling the permits was a mistake-- but anyway yesterday I called up some people and will be calling up more and I asked this one skipper, Jim (indisc.) and I fished with him last year and he doesn't hesitate to tell me if he disagrees with me on something, so I said, "What do you think about this buying and selling-- they're beginning now to have enough information to think about it. When

the State first went there, they didn't know anything about it, so it was all starting from scratch. And he said, I don't like the buying and selling. I said, "Well you're almost certainly going to get a crab permit and you're almost certainly going to get a shrimp permit". He's an independent fisherman, he's well-heeled, he's done well with his boat and he's the kind that has worked up through the years and I said, "You're going to get a permit--you probably won't get a salmon permit because it's been so many years since you've fished salmon". I said, "You'll get a crab permit and a shrimp permit and they are likely to be worth a lot of money". He said, "Well, I'm not worried about something when I retire". He said, "I'm worried about how much I can make now while I'm making a living" and he really feels that you have to get your prices. That's only one person, but if you start off with a level of licenses like that and have to cut down to that--to give that license a value--we are going to have to buy every guy out--guys that are going to be hanging on to stay in there and even if they can't make money off the permit, they will pay their money because they are speculating on the value of that permit going up. And, if you just tell a guy--look if you want to fish, you can keep on fishing--when you get tired of fishing, then your permit goes back. If we could set something up about transferrability, you'll get more natural attrition because guys will give up their spot of "Gee, if I just hang in a bit longer then I'm going to get a big windfall someday. So if you can work with the natural attrition....

CHAIRMAN: That's one of the big advantages of citing (?) a date. It has no value....Everybody's in--to begin with--but as soon as you don't revalidate one year, why then you're out. Price for a new entry on a

regular 10% or it could make it 20% or 5%. Of course, the question is: does it do anything quickly enough? When you let everybody in in '73 have you really let it do anything towards cutting gear? I don't know whether you have or not...I don't know whether you have or not... I just can't assess the impact accurately.

UNIDENTIFIED SPEAKER: How would you be able to tell how many people are going to last? Not renew their (indisc.) licenses?

CHAIRMAN: You wouldn't until after the fact. When they had not paid for the year.

UNIDENTIFIED SPEAKER: There's no fishery to pay off?

CHAIRMAN: Well, there is.....(indisc.)

UNIDENTIFIED SPEAKER: It'd be different....(indisc.)

CHAIRMAN: Entry shows what...out of the 20 some thousand a year we've had around 2200 a year...

UNIDENTIFIED SPEAKER: About 20% turnover. 20.7, but I'm not sure that those figures are valid at all because once you've put a freeze on, it's just like with the entry permits you don't have the slightest idea what attrition or turnover rates are going to be once these pieces of paper are issued. We haven't actually, in going through the Governor's data and everything else, there's just no way to assess the impact of (indisc.) of limited entry (indisc.). Two other considerations in regards to Dave's comment on transferrability, I know there are mavericks of the industry that are very involved in the banking industry also in Alaska and I'm not sure it's a valid assumption that individuals would be able to get financing from a bank. They may have some sort of policy that (indisc.) and then that also that if (indisc.) comments are all relative

in that they are being changed in a relative placement of processors in regards to the number of fish that they buy, any processor that got but short on his supply of fish because for some reason there's some bias in the number of entry permits issued on the basis of (indisc.--telephone ringing). But those processors I'm sure would be in a position to (indisc.) with lots of dead entry permits up very high. Or would be willing to get entry permits up very high unless you're there to buy fish.

CHAIRMAN: Why don't you call Fish and Game or find out if you can what kind of increase they are seeing right now (indisc.). We've had some indication that there's a very great increase this year because people wanting to get in under the wire--all I've heard is rumors--I don't really know, and I don't know if it would be pertinent....

UNIDENTIFIED SPEAKER: I'll call Kate Kleinbeck (?) and she'll know.

UNIDENTIFIED SPEAKER: A thing like this, Bob, might have to be tried before you can get it off and running.

UNIDENTIFIED SPEAKER: But, it's a little bit like Russian Roulette...you've got to be pretty sure of what you try. Otherwise, you can really hurt yourself. If it's a known thing...

UNIDENTIFIED SPEAKER: You mean...like Jay's (indisc.) sometime and maybe some of the fish whereas if you try this other thing and it would do it.

CHAIRMAN: Yeah, that's true.

UNIDENTIFIED SPEAKER: It seems to me that if we got something going--well anything other than free transferrability--something like Jay's--then we would, in that year's time, get the data on the applicants--then we could begin to see how classifications might set up and what kind of system we might have later. I tend to think--you know a lot of people say, "Well, I'm afraid of a lottery so I might never make it", and that's a

very legitimate fear and, of course, the more you narrow down your classifications into some sort of point system which has its drawbacks, too, and, of course, the more you narrow down your classifications by getting more experienced--you know you narrow down your constitutionality--if you're getting into weak ground (indisc.) interpretation, but we would not have to do that for a couple of years but maybe when we actually see the data of the applicant, there will be a way to look at the data and say, "look this kind of system might be legal and it might be the best for the Alaskans'. Because we not only want to put a lid on the fisheries but we hope to encourage the Alaskans and work for their benefit in which the times of having the data we might be able to come up with (indisc.).....

UNIDENTIFIED SPEAKER: I can see free transferrability working, for instance, with trollers because their fish are more closer to the real market value and being a one-man operation, they have a lower growth value per boat.

UNIDENTIFIED SPEAKER: (Indisc.) (Laughter) I sure hope you settle it somehow....

UNIDENTIFIED SPEAKER: Okay, you have to have gear before you can (indisc.) proper gear license, right?

UNIDENTIFIED SPEAKER: One of the interesting problems that came up Saturday--a fellow, Chris Christenson from Petersburg, was in the same position as (indisc.)--he's been a crewman for 20-30 years and they've been fishing halibut and salmon and seining a lot as crewmen and now they sort of want to semi-retire and get troller and gill net licenses. Why should I, after 20 or 30 years of my whole life time..why should I, have to go buy one off some part-timer who gets in under the gun, you know---it's an interesting problem. But there is one way of possibly changing

that--the way it presently reads - 126 - it says, "all applicants must have previously held a gear license". Now, if you take off that requirement that they must have held their gear license (indisc.) options coming in (indisc.) say, well, guys who have been in for 30 years but have never held a gear license--maybe he should qualify over some of the fellows who held gear licenses for one or two years. I don't know what the answer to that is.

CHAIRMAN: Well, you know, we could always change this thing--the very first paragraph--not in any one -- not in 1973--in '73 anyone would be eligible, but anyone would be eligible who had previously held a license in the area. Now, we very substantially reduce getting away from something academic he's coming up here with. It would(?) serve some of the interests of some of the guys who want to be able to switch from other areas.

UNIDENTIFIED SPEAKER: Bob, do you have that in memo form? Could you route a copy of that to us, please?

CHAIRMAN: We can't have the best of all the rules for everybody.

UNIDENTIFIED SPEAKER: You'd better hang on to your hats gentlemen.

Through March of 1973 compared to March of 1972 there's an overall increase of 82.88%. Drift gill net is up 82.47%; troll is up 163.93; long line is up 291.66; vessel licenses are up 77.88; set gill net is down 48.6% because everyone is changing from set gill net to drift especially the minors that have been registered in paper licenses for set gill nets; seining, no change; purse seine is up 55%; (indisc.) trawl is up 85.71%; (indisc.) trawl is up 3.77%, shell fish is up 55.68%; clam diggers are up 66.667%; resident commercial fishermen are up 96.92% and non-resident commercial fishermen are up 83.44%.

UNIDENTIFIED SPEAKER: What was the resident figure again?

UNIDENTIFIED SPEAKER: Resident commercial fishermen is up 96.92% through March of last year. Non-resident is 83.44%. This is as a result of present delivery.

UNIDENTIFIED SPEAKER: The overall percentage increase?

UNIDENTIFIED SPEAKER: 84, 80 to 8.

UNIDENTIFIED SPEAKER: Most of them seem to be much higher than 80. Your beach sets are down or whatever you call them.

CHAIRMAN: Down to 40 so that (indisc.)...

UNIDENTIFIED SPEAKER: Down 40 (indisc.)..very small change.

UNIDENTIFIED SPEAKER: More beach sets than...

UNIDENTIFIED SPEAKER: Right. They are going from set to gill net to drift gill net.

UNIDENTIFIED SPEAKER: But there must be a helluva percentage of the gear licenses that are beach sets then (indisc.) the 160 percent...

UNIDENTIFIED SPEAKER: Yeah, troll was up 163.9(?).

CHAIRMAN: You didn't distinguish between hand troll and power troll.

UNIDENTIFIED SPEAKER: Probably not.

CHAIRMAN: An awful lot of that must be those local hand troll fisheries, don't you think?

UNIDENTIFIED SPEAKER: You gotta watch those clam diggers.

UNIDENTIFIED SPEAKER: The long line of (in. sc.)

CHAIRMAN: (Indisc.) you see that increase in price in Halibut, why...

Okay, thank you, George, you've come up with good ideas--put Cox to work.

UNIDENTIFIED SPEAKER: I will get a copy of all this package to Senator (indisc.) and Senator (indisc.) and I'll type this information up or get Kitty to write a memo up. I'll make copies for everyone.

UNIDENTIFIED SPEAKER: It would appear that perhaps participation in '72
would be advisable criteria.

UNIDENTIFIED SPEAKER: It would appear so.

UNIDENTIFIED SPEAKER: I wonder how many of those increased people have --
of course, there is no way of knowing -- but I wonder how much experience
they have.

UNIDENTIFIED SPEAKER: It's hard telling.

End of tape.

SCOMM

#31:16

CSSB 39: LIMITED ENTRY WORK SESSION - I/1

(Fletcher Proposition)

March 9, 1973

UNIDENTIFIED SPEAKER:.....there are a number of years and that would be the beginning of the longevity thing, wouldn't it?.....Unless all applications are thrown out each year.

CHAIRMAN: Why?

UNIDENTIFIED SPEAKER: Well, I mean, when a person who's applied five years ago has preference over one who applied three years ago.

UNIDENTIFIED SPEAKER: I would think so.

UNIDENTIFIED SPEAKER: Fine with me.

UNIDENTIFIED SPEAKER: Wouldn't you feel that way if you were applying and every year you were thrown in the hat with all the new ones and....

UNIDENTIFIED SPEAKER: Yeah. Okay. Is it generally agreed that this is desirable if we can do it this way? Joe, can you look at the constitutionality of that question at this point? I mean, do you have any judgment on it?

JOEL: I think it sounds reasonable to do it the way you're talking about.

CHAIRMAN: Okay. 229

JOEL: I think either way is legal.

UNIDENTIFIED SPEAKER: 229 is a new section which requires that those receiving initial entry permits pay the fair market value determined by the commission.

CHAIRMAN: Not the initial but a new entry permit? It doesn't apply to all those who are going to have initial entry permits from the very beginning.

UNIDENTIFIED SPEAKER: I don't know...that's the way I read it.

CHAIRMAN: Well, let's go on to Section 227...that subsequent issue.

UNIDENTIFIED SPEAKER: (Indisc.) prior to the receipt of the permit as a condition of receiving the permit.

CHAIRMAN: Okay. Shall as a condition of receiving.

UNIDENTIFIED SPEAKER: Right.

CHAIRMAN: The permit, pay the commission to use the State fair market value determined in Section 310.

UNIDENTIFIED SPEAKER: You said you're going to (indisc.) regulations.

UNIDENTIFIED SPEAKER: What does that mean? How much do you think fair market value will be?

CHAIRMAN: That's what I'm having discussions with the people about. I don't know. I think a reasonable price or a prospective price may be anywhere from five to twenty five or thirty thousand dollars for gill net---the seine could be much more than that, I suppose. Maybe it's not going to be over four or five or ten. Now the best information I suppose we really have is the British Columbia experience in supposedly a drift gill net fishery there--it's in the neighborhood of about \$10,000 now after what--four or five years in operation.

UNIDENTIFIED SPEAKER: Now that includes the vessel?

CHAIRMAN: No, I'm told that this is in addition to the vessel.

UNIDENTIFIED SPEAKER: Why do they have to buy it?

CHAIRMAN: Why do they have to buy it?

UNIDENTIFIED SPEAKER: Yes, the original ones don't have to buy theirs.

UNIDENTIFIED SPEAKER: The originals are also being taxed or giving benefits to the State when they sell in a section here that we are coming to.

UNIDENTIFIED SPEAKER: I thought they got new en y permits for the same price they usually gets permits for \$10, \$60.

CHAIRMAN: Well, let's go on and look at the whole thing. Joel?

JOEL: What does that "for the use of the State" really mean there in the last (indisc.) (Several Speakers....indisc.)

UNIDENTIFIED SPEAKER: I was thinking of that too. We've never used that language anywhere that I've seen, have we? "To pay the commission for deposit in the general fund (indisc.) fair market value".

UNIDENTIFIED SPEAKER: Is it superfluous? It probably is.

UNIDENTIFIED SPEAKER: ...to pay the general fund.

UNIDENTIFIED SPEAKER: ...or pay to the commission.

UNIDENTIFIED SPEAKER: (indisc.) pay to the commission.

CHAIRMAN: ...to pay the commission. I don't know any reason we need...

UNIDENTIFIED SPEAKER: When you're (indisc.) the market value and I don't know what they are and I don't know what they pay in Canada, but insofar as this (indisc.) there could be process of financing behind the permit. A gill netter in B.C. might be less than a gill netter in Bristol Bay because there may be more repressed prices in Bristol Bay. That would have to be taken (indisc.).

CHAIRMAN: Well, let's take a look at 230. "Except as herein provided in this sub-section, the holder of a currently renewed entry permit must himself be at all times present and actively engaged in the operation of the unit of gear for which the permit was issued". "The commission shall adopt regulations for alleviation of hardship caused by illness, incapacity or death of the permit holder prior to or during the fishing season whereby another person may be issued a temporary entry permit to operate the gear for the remainder of the season; or in the case of illness or incapacitation for the duration thereof if that be shorter than the remainder of the season". Okay, well that answers one of the earlier

problems that people have had. What happens to the crew in case a captain who has a gear license gets sick.

UNIDENTIFIED SPEAKER: Doesn't he really mean that type of gear up in the third sentence instead of a "unit"? Couldn't somebody have more than one unit of the same type of gear? The permits are being issued for a type of gear, aren't they?

CHAIRMAN: Well, what unit of gear is.....150 thousands of gears of net is a unit of drift net. Must, at all times, be present and actively engaged in the operation of...why don't we just say "the year for which the permit was issued". Take out "a unit of operation of the gear" which could (indisc.).

UNIDENTIFIED SPEAKER: What's the new language? Line 3?

CHAIRMAN: Line 3. So it reads: "engaged in the operation of the gear for which the permit was issued". Okay, now on up to the third/fourth line of the bottom of that paragraph..."the commission may adopt regulations whereby in extra-ordinary circumstances the holder of a currently renewed entry permit may act as crewman or other assistant in the operation of gear by another permit holder in order to alleviate hardship of that other permit holder".

UNIDENTIFIED SPEAKER: I'm wondering if that whole sentence is necessary.

CHAIRMAN: I don't know why it would be. It seems to me that we can do it anyway, can't we? Joel, do you see any reason why that's necessary?

JOEL: Well....

CHAIRMAN: Why don't you check with Fish & Game, Mike?

UNIDENTIFIED SPEAKER: In view of the previous sentences?

UNIDENTIFIED SPEAKER: "(Indisc.) currently renewed entry permits must themselves at all times be present and actively engaged"....then he goes on

in this last sentence and says..."a holder may act as a crewman which he could do anyway.....

CHAIRMAN: Whether he has a license or not.

UNIDENTIFIED SPEAKER: And/or other assistant in the operation by another permit holder..

CHAIRMAN: Actually, what it's saying, as I see it, is that I've got a gear license and I'm fishing gear out here but you've got a gear license, too, and you are fishing gear and if you get sick, then I can come over and act as a crewman for you to alleviate hardship on you because you got sick.

UNIDENTIFIED SPEAKER: I can do that anyway....

UNIDENTIFIED SPEAKER: And then for a lengthy illness, the provide for ...

CHAIRMAN: transferring that permit temporarily to somebody else so that you don't have to be on the boat.

UNIDENTIFIED SPEAKER: Yeah, right, right.

CHAIRMAN: Okay, well, let's just check and see if that last sentence is necessary. Let's check with the (indisc.). "B". Due to the extent that the commissioner of Department of Fish & Game authorizes in individual cases pursuant to 15 of AS 250...that's on down, is it?

UNIDENTIFIED SPEAKER: That's an adendum right at the very back...and it's the wrong Statute number. It should be, I think, 15:05050. Right (indisc.)?

CHAIRMAN: 050 instead of 250....

UNIDENTIFIED SPEAKER: "050" and then it (indisc.) page 11 and that back page should be changed to 15:05050.

CHAIRMAN: Well, are you saying that 15 should be changed to 11?

UNIDENTIFIED SPEAKER: Yeah. Right, and the Statute #12 shall be changed to 15:05050.

CHAIRMAN: "To the extent that the commissioner of the Department of Fish & Game authorizes in individual cases pursuant to 11 of 05050, a holder of an entry permit for any type of gear for any administrative area may on an experimental basis engage in commercial taking from any fishery resource in the State". Well, then 11:05050 is what then?

UNIDENTIFIED SPEAKER: It's a new section--should be the very last page authorizing any holder of a currently renewed entry permit under Chapter 1643 engaged on an experimental basis in commercial taking of fishery resources (indisc.) gear (indisc.) not presently suitable for or qualifying for licensing under any of the licenses specified in this chapter. Same standards therein for the commissioner to follow in determining fish entry permit holders bestowed to be authorized in (indisc.) of the objective to develop a better fishery both biologically and economically and (indisc.) the issuance of such authorizations and such number of duration if there are no more than blank entry permit holders (indisc.) anyone fishing.

CHAIRMAN: Well, all right. Now, I wonder if we don't have a problem though because we've now brought in all fishery resources if we adopt the House version of this thing and, therefore, that would cause some problems here. I think the idea is good that when any resource is not presently being utilized.....

UNIDENTIFIED SPEAKER: Or the resource is presently being utilized but on an experimental basis...

CHAIRMAN: Okay.

UNIDENTIFIED SPEAKER: (Indisc.) by the department and by the commissioner.

CHAIRMAN: Right. Well, will you work on that one?

UNIDENTIFIED SPEAKER: Sure---you're saying it's not necessary then if we don't cover it all (indisc.) ...all fishery resources.

CHAIRMAN: Not necessarily written like this but it may be necessary to have a provision here to allow for the experimental fishery by these people. Okay? We're down to "C" then, right? "The holder of a currently renewed entry permit must have a permit in his possession at all times when engaged in commercial picking from a fishery resource. Each entry permit is issued for from one year to (indisc.) holder (indisc.) and renewable as long as he remains qualified. A permit holder may fail for one year to renew the entry permit, but on renewal the year thereafter shall pay all accrued annual fees. Failure to renew an entry permit for a period of two years from date of last renewal shall result in forfeiture...except as waived by the commission for good cause. May adopt regulations (indisc.).....what good cause is, I guess.

UNIDENTIFIED SPEAKER: Okay, then....

CHAIRMAN: Okay--no prescribing terms of renewal. Okay. Transferability--both voluntary and involuntary of entry permits--is governed by the provisions of Section 250 to 280 of this Chapter, surrender and return of the entry permit as governed by Section 9...forfeiture of entry permits governed by Section.....

UNIDENTIFIED SPEAKER: If it does these things, is it necessary to say it...

CHAIRMAN: Make some question marks and we'll ask that very question. Okay, annual fee is \$50 for the issuance...now, what did the House do to that? Did they change that? Do we still need a \$50 fee on this thing?

UNIDENTIFIED SPEAKER: I believe it has been changed.

CHAIRMAN: I can still see that....

UNIDENTIFIED SPEAKER: At least the House Resources...I'm not sure where House Judiciary is going.

CHAIRMAN: Last year in Bristol Bay the high set net sights, I believe, were approximately 300 fish and they may have had two or three gear licenses they use there. So many of these are a family operation with the man, the wife, two or three of the kids all licensed and if each one of these is required to pay a \$50 permit fee in addition to his commercial license, his gear license, his skiff license...then on a year like that...you get the point?

UNIDENTIFIED SPEAKER: What's the breakdown?

CHAIRMAN: I'm just wondering about the \$50...

UNIDENTIFIED SPEAKER: What about \$50 then with a hardship clause at some poverty level?

CHAIRMAN: Well, okay, we wanted to ask that question so...what do you see the problem with saying, "\$50 except in cases where the gross income is less than \$6,000, it shall be \$10". Any problem with that?

UNIDENTIFIED SPEAKER: No. That's what Fish and Game does with their (indisc.) concept.

CHAIRMAN: I know they do. Well, if we can do that there then let's do it here, too.

UNIDENTIFIED SPEAKER: Again, I'm not sure, but the House (indisc.) \$100 to 300 breakdown on these licenses.

CHAIRMAN: One hundred to three hundred dollar....

UNIDENTIFIED SPEAKER: A one to three breakdown after that...exactly what I'm not sure...seems like I remember when a non-resident was 300....

UNIDENTIFIED SPEAKER: That was just....

UNIDENTIFIED SPEAKER: Oh, was that Jay's?

CHAIRMAN: Yeah, that was the one that we had then.

UNIDENTIFIED SPEAKER: Can't we do that here also?

UNIDENTIFIED SPEAKER: In the prior year...

UNIDENTIFIED SPEAKER: The only basis you have for the elevated fee for non-residents. It would be administrative policy.

UNIDENTIFIED SPEAKER: Well, no, the three-to-one differential for licenses is based on rehabilitation, increased enforcement costs, not paying their fair share of taxes and this sort of thing, and it's not applicable. The same reasoning is applicable.

CHAIRMAN: Let's do that to licenses, not to permits. Well, okay. The commission may adopt regulations with the revising of the amount of this annual fee to reflect the cost of administering this chapter including those incurred under Section 29. These collections shall be paid to the general fund. Is that superfluous? Paid to the general fund?

UNIDENTIFIED SPEAKER: Well, we deliberately didn't say it before, did we? Before it was just paid to the commission, remember? We ought to be consistent.

CHAIRMAN: If we don't say anything here, it has to go to the general fund.

UNIDENTIFIED SPEAKER: That's what my understanding is. I'll check that out.

UNIDENTIFIED SPEAKER: Why not put it in and be safe?

CHAIRMAN: Put it in?

UNIDENTIFIED SPEAKER: God knows. The commission might figure out some way to use it.