

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
1785 SCOMM 74: SEN. SPEC. COMM. ON DOMESTIC & INTL. FISH., 1991-92. 2

SENATOR STURGULEWSKI commended the report, and focused in on the pink salmon she knew as a child, saying it had to be a different quality. She wondered about using the Kodiak Institute and the Alaska Science Foundation to develop new products to expand market opportunities.

MR. ECKHOLM assured her the current canned salmon had improved in quality since that time, but he agreed that there needed to be new products. He said that in many parts of the world, canned salmon sells fine, but it takes a significant effort to develop new products and markets.

SENATOR COTTEN praised the report and asked how important market indicators were. MS GORSUCH said they were significant and was concerned that there was more canned salmon in the warehouses today than was taken altogether statewide in 1987. She said it is carry over stock added to record years, and it will reach crisis proportion at this rate. She answered SENATOR STURGULEWSKI'S question by explaining that ASMI tries to identify places in the world where canned salmon is eaten, and she reported that many of the United States export dollars go to the United Kingdom and Ireland. MS GORSUCH said this year they plan to investigate markets in Australia for canned salmon, and they are trying to match markets with fish in the world.

SENATOR MENARD quizzed MR. OSTERBACK about his request for funding and asked if ASMI had come up with a marketing plan. MS GORSUCH said the report just came off the press yesterday, but they have known for a couple of weeks about the situation. She said they were in the process of identifying what can be done. She said the Board of Directors would be meeting on 4/10/91, and she hoped the meeting would bring some direction.

REPRESENTATIVE LINCOLN recalled a meeting in the early 1980's with the Tanana Chiefs where fish farming was discussed, and ASMI was there. She discussed that period as a time of disposing of hundreds of pounds of salmon roe by feeding it to the bears, but trying to find ways to utilize the unused salmon parts. REPRESENTATIVE LINCOLN asked how the salmon could be marketed besides canning.

MR. ECKHOLM said the Science and Technology Center and the Alaska Fisheries Development Foundation had been working on ways to use all of the parts of the salmon with some success. He said the seafood industry has to sell everything they catch in one season, in order to get into the next season, and he described the marketing strategies of seafood companies.

SENATOR STURGULEWSKI thinks people are afraid of salmon, because they don't know how to cook it, and she suggested using the preparation approach in marketing salmon.

MR. ECKHOLM agreed and explained their discussions of increasing the repertoire of recipes in the cookbook to include a larger number of preparation ideas, to increase the number of times people use salmon during the year.

TAPE ONE, SIDE B

REPRESENTATIVE DAVIDSON asked for any good news on expanding consumer consciousness in the American market and how the success has been measured. Secondly, he queried with whom ASMI works to develop new products for salmon.

MR. ECKHOLM said the good news in the United States was that consumption was going up with research showing 45% of the people eating salmon, 45% of the people eating seafood, but not salmon, and 10% of the people being a lost cause. The 45% who eat salmon are not as concerned about price as they are about getting a good piece of fish, and the other 45% perceive salmon as a premium product, but don't buy either because they don't know how to cook it, or because some family members don't like it. In terms of measuring the success of ASMI, tracking studies have been done over the years using ASMI's mission of marketing seafood, with only some emphasis on salmon. The awareness of Alaskan seafood has more than doubled since ASMI started and has been slowly moving up. MR. ECKHOLM reiterated that ASMI does not get involved in new product development, which has been left to other development groups.

REPRESENTATIVE DAVIDSON asked how we become aware of new products made from Alaska seafood. MR. ECKHOLM explained his part in searching for new products, visiting super markets, reading trade journals, and collecting samples wherever possible, and he gave "skinless, boneless salmon," as an example of a product initiated outside the industry.

Number 039

SENATOR COTTEN asked how much salmon there is to be sold. MS GORSUCH said she could give him a copy of a regular newsletter that is written by industry for industry on the status of the pack. SENATOR COTTEN inquired about other markets. MS GORSUCH said some of the processors are licensed by the federal government to provide products to the military service, and this has continued. SENATOR COTTEN requested to see a historical chart on the availability of these markets. MR. ECKHOLM said he didn't know if it would be available, but he would try to get it. He did know that in the last few years, the military sales have been pollack not salmon, and that has dried up as the price of pollack has increased.

SENATOR COTTEN asked if these markets have been pursued, and MS GORSUCH said these markets have been addressed the last few months, but she just returned from a trip to Washington, D.C., where she

spent time with the U.S. State Department and the U.S. Department of Agriculture discussing United States food programs to other countries, even to Russia. She said they were looking at all available markets.

Number 065

SENATOR ELIASON questioned the plans for marketing, and MS GORSUCH answered that she was going to meet with the Board of Directors of ASMI next week, review their information, and ask for advice on programs that would take care of the problems facing us. She said there should be careful review by all involved persons, and she offered videos for legislators to use in showing the problems. SENATOR ELIASON described the gravity of the situation and the need for proper handling. He asked, "How are we going to fix it?"

MS GORSUCH said there might be an answer within ten days. SENATOR ELIASON asked for a summary on the budgeting information on the amount of money from industry, the federal government, and the state.

MS GORSUCH noted that the request from the governor's office was \$2.1 million for state funding, which included \$750,000 cash match to bring in federal dollars. This year, ASMI received \$8.78 million from the U.S. Department of Agriculture for the export marketing efforts, and the estimate for industry contributions was \$3.2 million for this year. She said the industry share has continued to grow over the years, but the state participation has declined significantly over the years. The federal dollars started in 1987 with \$1 million, and now are up to almost \$9 million.

Number 098

SENATOR JONES asked how the price could be insured, and how we could deal with an expanded production from the Soviets.

MR. ECKHOLM said that predicting prices is a futile effort, and the only method for use by ASMI is increasing and creating a diversity of markets, so there is no reliance on a single market. As an example, he said we face a near total reliance on the Japanese market for frozen sockeye and are subject to the vagaries of the yen/dollar ratio or interest rates. He explained the methods used by our democracy is supply and demand, with ASMI trying to build demand. He explained that salmon in Japan is eaten like hamburger, but in the United States people only eat a few ounces of salmon per person per year. Just encouraging people to eat two meals of salmon per year would make a big difference in the market.

MR. ECKHOLM said the U.S. market is really the target, and we could work in the U.S. market for the next five years and solve many of our problems.

Number 133

SENATOR MENARD asked how many of the board members, who are processors, are geared toward canned salmon. MS GORSUCH said they were diversified. SENATOR MENARD thought there needed to be some aggressive venturing into the other markets.

MR. ECKHOLM explained the way ASMI allocated its promotion dollars. Half of the money is budgeted for promoting Alaska seafood, and the other half is broken into the species market, and canned salmon is about 25% to 30% of the total seafood package. Fresh frozen salmon is equal to canned salmon in value, and MR. ECKHOLM said nearly every major processor does both, with small processors doing mostly fresh frozen.

Number 165

SENATOR ZHAROFF described the critical runs of some species such as silvers and king salmon, in his district, but the forecast across the state is for a bumper crop of pink salmon. He explained that the pink salmon regulates the price on nearly all the other species in terms of being able to sell the fish and control the markets. SENATOR ZHAROFF talked about ASMI as being able to see where we've been, where we are, and to give some projections on what will happen tomorrow. He also expressed concern that the state's participation in marketing has declined, even though the fishing industry is the largest employer in the state, and he asked what ASMI is doing to promote the immediate sale of the surplus fish.

MS GORSUCH said ASMI had not yet developed a plan or funding proposal, because the report was not yet final, but SENATOR ZHAROFF took exception to her reason, saying some of the information must have been available previously. MS GORSUCH recounted the canned salmon marketing problem, and she said the industry committees that operate and give policy to ASMI, met recently to shift money from other species' markets to the canned salmon effort. She said marketing had begun in the nation with radio spots, consumer and trade advertisements, to move the excess salmon setting on the shelves.

Number 220

SENATOR ZHAROFF said, that as a strong supporter of ASMI, he was concerned that no one from the organization had discussed the problem with him, when he could have asked for funding in the supplemental budget. He felt the legislators were being brought in after the fact on the canned salmon problem.

MR. ECKHOLM agreed that SENATOR ZHAROFF has a good argument and ASMI didn't, but they have moved quickly to address the emergency by redirecting the budget to market the salmon pack, with it moving

at a 50% greater volume now. He said the industry had cut their prices, selling at a loss, and trying to get rid of the product before the anticipated large run. MR. ECKHOLM apologized, as a board member, for not helping to direct the Board of Directors to the legislators.

Number 248

SENATOR COTTEN questioned their selling techniques, and asked if they tried to sell to the army. MS GORSUCH said they leave the selling to those who actually own the product, but try to open doors and make marketing information available. She does not actually go can in hand to sell.

MR. OSTERBACK explained that he had been on the board since 1981, and he defended his record of speaking to legislators and participating in ASMI.

SENATOR ZHAROFF said he didn't have any problems with the operation of ASMI, but he thinks a critical stage has been reached with a surplus of salmon. He conveyed his frustration at having lost the chance to provide some funding earlier for marketing the canned salmon. SENATOR ZHAROFF said fishermen are going to be dismayed at the price, and possibly strike, with no way to get an increase because of farmed salmon, hatchery fish, and the excess fish on the shelves. He pleaded for backup information from ASMI, so he could fight for the fishing industry.

Number 309

SENATOR MENARD defined the problem as a lack of communication, concurred with SENATOR ZHAROFF'S rational, and offered some recommendations.

MS GORSUCH agreed and assured the legislators that just as soon as ASMI knows what it will take, they will return with a program request.

There being no further business to come before the committee, the meeting was adjourned at 3:00 p.m.

**SENATE DOMESTIC AND INTERNATIONAL
COMMERCIAL FISHERIES
February 10, 1992
9:40 A.M.**

MEMBERS PRESENT

Senator Dick Eliason, Chairman
Senator Sam Cotten
Senator Lloyd Jones

MEMBERS ABSENT

Senator Fred Zharoff
Senator Lyman Hoffman

COMMITTEE CALENDAR

Draft Report of the Alaska Fisheries Enhancement Program
Review Project.

WITNESS REGISTER

Molly McCammon, Aide
Senator Lyman Hoffman
P.O. Box V
Juneau, Alaska 99811

POSITION STATEMENT: Commented on the Executive Summary.

Mary McDowell, Aide
Senator Dick Eliason
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POSITION STATEMENT: Commented on the Executive Summary.

Ginny Faye, Aide
Senator Sam Cotten
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Juneau, Alaska 99811

POSITION STATEMENT: Commented on the Executive Summary.

Jeff Koenings, Director
FRED
Department of Fish and Game
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Juneau, Alaska 99802-2000

POSITION STATEMENT: Commented on the Executive Summary.

ACTION NARRATIVE

92-1, SIDE A
Number 001

SENATOR ELIASON called the Domestic and International Commercial Fisheries Committee meeting to order at 9:40 a.m.

MOLLY MCCAMMON, Staff for Senator Hoffman and coordinator of the Enhancement Program Review Project, explained that the group of staff which has been working on the research project has completed a draft report. The Report is a compilation of all the elements of the salmon enhancement program that were reviewed over the interim. The report identifies the major issues and conflicts that were brought up by fishermen, aquaculture associations, agency people, other legislators and their staff. At the end of each chapter is a list of possible options to consider. She said the economic section of the review project was not complete. She noted that in addition to the complete draft report, an executive summary of the report had been prepared for distribution.

Number 122

MS. MCCAMMON described the information covered by the report. The first chapter discusses the history and development of the state's fisheries enhancement program. The original impetus for the enhancement program was to create more fish in answer to the low stocks of the 1960s and '70s.

MS. MCCAMMON said chapter three went into production policies and trends in Alaska and world wide. She said they talked to people in the Division of Commercial Fisheries and major fish groups about what they perceived to be the major problems in fisheries management. Managing mixed stocks and the issue of quality were major concerns.

Another problem is efficiency of tagging salmon, having someone collect and use the information, and deciding who is going to pay for it.

The Board of Fisheries said they needed statutory authority and policy dealing with wild stock priority over hatchery stock and management for cost recovery or brood stock for hatcheries.

Number 277

Many people considered the state planning and permitting process to be a model process, **Ms. McCammon** said. It received

intense review and there are several areas that may need to be fine tuned.

At Senator Eliason's request, she read from page 25 that despite the fact seafood consumption had gone up, Alaska has lost a significant share of both the domestic and international salmon markets as a result of the tremendous growth in world farmed-salmon production. This represents the single greatest threat to the Alaska salmon market. U.S. per capita consumption of canned salmon declined 60 percent from 1980 to 1989, at the same time that harvests of pink salmon--the majority of which is canned--increased approximately 50 percent.

Number 404

SENATOR COTTEN asked if Alaska was clearly the leader in the world for hatchery technical abilities, etc. MS. MCCAMMON said that hatcheries play a big role in Japan where there are very few wild stocks left. She explained that pinks are popular for hatcheries because they have a shorter cycle than cohos and kings. We do, however, have the technology to deal with other species.

Number 496

SENATOR COTTEN asked about ocean carrying capacity and if we are putting too many fish into the ocean. MS. MCCAMMON said that scientists do agree that there is an ocean carrying capacity, but it is difficult to prove what it is, because of all the factors involved.

Number 527

SENATOR COTTEN asked why Alaskans had not been given more of a quota of king salmon. MARY MCDOWELL, Aide for Senator Eliason, explained that Alaska is only one member of the American Delegation to the U.S./Canada Treaty and we negotiate with these other states and tribes before we negotiate with Canada. She said it is also difficult to document the hatchery fish since the trollers don't have a long enough opening to document how many hatchery fish are available. SENATOR ELIASON said that it's indisputable that there are more chinooks now than there were before enhancement. SENATOR COTTEN says it seems like we are trying to help with hatchery efforts, but are not getting credit for it.

92-1, SIDE B

Number 001

SENATOR ELIASON noted that chinook salmon are used for trade

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offs in the Frazier River area and there is little that Alaskans can do about it.

SENATOR COTTEN said it was suggested on page 22 that a gear group could opt out of an aquaculture association. MS. MCCAMMON said that they acknowledge there are gear groups out there who do not believe they are seeing benefits from the enhancement taxes they are paying and would like a mechanism to opt out of the program if a majority of participants want that. They would continue to pay their portion of the debt service on things they agreed to in the past, but not commit to anything in the future. SENATOR COTTEN said Legislative Research Agency did a paper addressing that issue.

Number 43

SENATOR COTTEN asked if any aquaculture association were in financial trouble. MS. MCCAMMON replied the actual loan program was probably in the best condition of any of the revolving loan funds in the state for the industry. She didn't know of requests for any new facilities, but there were requests for increased production or new projects at existing facilities.

SENATOR JONES said that six aquaculture associations were looking for a deferment of their six year loans. MS. MCCAMMON explained that each association has different circumstances and will be discussed in a financial report coming out soon. She said that a problem with the transfer of state facilities has been that they weren't designed or built to have cost recovery fisheries to pay for their operating costs.

Number 186

SENATOR COTTEN moved to accept the entire Draft Executive Summary to be released for public comment and asked for unanimous consent. There were no objections and it was so ordered.

GINNY FAYE, Staff for Senator Cotten, explained the economic studies being conducted as part of the review project. One part intends to look at how does the price of hatchery production affect the price of Alaskan salmon. She said that needed to be answered in the context of a whole benefit cost analysis.

MS. FAYE said they set up a research component analysis as follows: a hatchery production cost model that would provide information on an individual hatchery basis; a biological population model that might give the information on ocean carrying capacity; and a salmon demand analysis being done by

Dr. Herman and Dr. Greenburg at UAS. She explained there are impacts to operators' costs when you put more fish in the ocean and harvest them. This would vary depending on whether it's a mixed stock fishery or a terminal fishery. All this information would be correlated on a computer which would project the impact on revenues to fishermen and the state of increasing or decreasing harvest levels of different salmon and/or changing the species mix.

SENATOR ELIASON commented that there has to be a bottom line price in producing salmon. Some day this market will level off and we'll have a share of that market.

Number 347

SENATOR COTTEN asked if there was a problem in requiring hatcheries to do tagging. MS. FAYE explained that all of the hatcheries with current production were planned, permitted, and funded without including tagging costs into their whole process. She thought it would at least be challenged in court. The concern was who would pay for recovery and analysis in light of the fact that the information would benefit everyone, not just the hatcheries.

Number 339

JEFF KOENINGS, Director, FRED, agreed with MS. MCCAMMON and said that the pro forma for a hatchery when it was constructed and permitted didn't take into account the cost of the management aspect.

SENATOR ELISON asked if the Department was using thermal tagging at the time. MR. KOENINGS replied that they were developing the protocol on how to mark fish with a thermal mark. There was discussion on how important marking fish is in helping establish a data base about salmon.

Number 52

SENATOR ELIASON thanked the staff and the people who were involved in compiling this report and said they did a good job. He adjourned the meeting at 10:10 p.m.

**SENATE SPECIAL COMMITTEE ON DOMESTIC AND
INTERNATIONAL COMMERCIAL FISHERIES**

February 24, 1992

1:38 P.M.

MEMBERS PRESENT

Senator Dick Eliason, Chairman
Senator Sam Cotten
Senator Lyman Hoffman
Senator Lloyd Jones
Senator Fred Zharoff

OTHER MEMBERS PRESENT

Representative Loren Lehman

COMMITTEE CALENDAR

Hatchery Review Project Draft Report and Options for
Legislative Action

WITNESS REGISTER

John McMullen
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Don Amend
Southern Southeast Regional Aquaculture Association
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Henry Mitchell
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Nancy Hillstrand
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Jim Bacon
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Fred File
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Kris Norosz, Director
Petersburg Vessel Owners Association
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Larry Malloy
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Tom Mears
Cook Inlet Aquaculture Association
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Paul McCollum, Executive Director
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Senate Dom/Int
Commercial Fisheries

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John Carter, President
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Jerry McCutcheon
Anchorage, Alaska

ACTION NARRATIVE

TAPE 92-2, SIDE A
Number 001

SENATOR ELIASON called the Senate Special Committee on Domestic and International Commercial Fisheries meeting to order at 1:38 p.m. and announced they would consider the Hatchery Review Project Draft Report which he wanted people to look at as a beginning.

JOHN MCMULLEN, President, Prince William Sound Aquaculture Corporation, said they agree with the goal of the state hatchery program which is to produce additional salmon to supplement the existing wild salmon stocks. They realize the question still being asked is what the salmon enhancement program was expected to be - replacement, supplemental, or developmental. They see it as economic development within the guidelines of optimum sustained yield of wild and hatchery stock as described in the State Constitution.

Regarding Chapter 3 on Trends he commented they believe new markets for domestic production can be developed based on competitive pricing and new products. He said they are hearing with increasing frequency that fresh frozen salmon is superior to all but the freshest of salmon.

On Chapter 4 regarding management of mixed stock fisheries, he said there are examples statewide of fisheries that harvest large numbers of salmon without regard for individual stocks.

PWSAC has the most extensive tagging program in the state with the cooperation of ADF&G. The user pay concept is one they urge should be decided.

Number 173

On legal issues they believe the legislature never meant to allow the Board of Fish power to limit hatchery production.

They believe the goals of the Regional Salmon Enhancement

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Program should be optimum sustained yield of a combination of wild and enhanced stocks with the foremost regard for the maintenance of the wild stocks, Mr. McMullen said.

Composition of the Regional Planning teams should not be changed. He thought the ADF&G should coordinate the statewide planning process. The value of that is the good ideas and procedures arising from individual teams can be shared with other planners.

They disagree with moratoriums on hatchery production which disregard the optimum sustained yield concept.

The carrying capacity of the ocean changes on a continuing basis, Mr. McMullen said. More information is needed for assessment of inshore and offshore growth and survival of salmon.

On funding of private non-profit hatcheries, PWSAC dedicates 70% of returning hatchery fish to the common property fisheries. The remaining 30% is used for brood stocks and cost recovery. Deferment of payment on state loans is necessary to provide for hatchery stock development.

They are concerned that some people seem to believe that hatchery production, not total Alaskan or world production of salmon, is the cause of price declines.

They support the efforts of groups throughout Alaska who use the resources at hand to better their lives and think of enhancement as a tool for economic development.

Mr. McMullen also pointed out enhancement has contributed significantly to king and coho non-commercial fishing.

Number 290

SENATOR COTTEN asked how the Prince William Sound Aquaculture Corporation was doing after a terrible year. MR. MCMULLEN said the Board of Directors authorized him to negotiate contracts for preseason sales of all their fish instead of selling only in season as a way to mitigate bad prices if they happened again in the future.

Number 341

SENATOR JONES asked if he planned on keeping the ratio of pinks to coho, chum, and sockeye the same. MR. MCMULLEN answered the coho and sockeye require a lot more water to rear than pink salmon which are pretty easy. He said their program is at a stable plateau right now.

SENATOR JONES asked how long they figured cost recovery would take. MR. MCMULLEN said it depends on how long it takes to build brood stock which is six years for pink salmon.

Number 400

REPRESENTATIVE LEHMAN asked him to comment on the claim that hatcheries impact the price of other markets. MR. MCMULLEN answered the markets can be developed for use of hatchery fish so their production would be market driven. They are devoting their time and funds to doing this right now.

SENATOR COTTEN brought up "ocean carrying capacity." MR. MCMULLEN said studies show that salmon have not come near to using up their food supply in the Sound. If there are good food supplies young fish can grow faster and thus move through the size at which they are more susceptible to predation quicker.

SENATOR ELIASON asked if they market the fish before they arrive, did that mean they would have a better quality product. MR. MCMULLEN answered yes. He said they have plans to start thermal marking.

Number 504

SENATOR JONES asked if they would expand traditional processing capacity.

DON AMEND, General Manager, Southern Southeast Regional Aquaculture Association, commented that the loans (enhancement loan program of the Department of Commerce & Economic Development) were deferred for too short a period and for too high an interest rate. Holding to the six year deferment period has created the problem of the hatcheries incurring more debt by having to borrow more money to keep going if it takes their brood stock more time to develop.

92-2, SIDE B
Number 001

BART WATSON, Executive Director of Armstrong-Keta, Inc., (a private non-profit hatchery corporation) pointed out they depend on the revolving loan fund for some of their operational funds. This is not an indication of less efficiency. It's just they haven't had the time to build up reserves, particularly now that there are low prices. He said they don't get any of the 3% enhancement money like the associations do or any of the U.S./Canada Mitigation Treaty money, either.

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MR. WATSON did not think payments should be forgiven. He thought if interest rates were lowered, they should be lowered for all hatcheries. He agreed with Don Amend saying they should be lowered, as long as the loan fund stays solvent.

He thought there was tremendous potential for new market development. Hatcheries can encourage this by entering into long term contracts with processors who will do value added kinds of processing. He encouraged funding of the Alaska Fisheries Development Foundation.

Tagging pink salmon was important, MR. WATSON said, along with someone to look at the tags. He believes in the concept of the user pay program and it should be a state program.

SENATOR ELIASON asked what percentage of his return he dedicated to the common fishery. Because they don't have tagging on their pink salmon, they have no way of determining what their common property contribution is, MR. WATSON said. They release around 50 million pinks. Their chinook and coho programs are in the development stage.

SENATOR JONES asked how many years he allowed for cost recovery. MR. WATSON said the pink salmon were the quickest cash flow generator. Coho is a three year return and they also spend two years at the hatchery. Chinook comes back at different ages.

Number 460

HENRY MITCHELL, Bearing Sea Fishermen's Assn., Anchorage, said they would like to see increased funding to the FRED Division to develop small scale technological improvements in enhancement which would be beneficial to small communities.

ROBERT GIGLER, Anchorage, said we should utilize fish to the best of our ability.

NANCY HILLSTRAND, Homer, said we need to protect the wild stocks and do more research to find out what is really going on out in the ocean before hatcheries are allowed to expand. Biological and genetic issues need to be studied. She thought small habitat and stream systems should be enhanced rather than hatcheries. The acronym "FRED" does not include a P for production, she commented.

Number 490

JIM BACON, Southeast Seiners Association, commented from his perspective managing a mixed stock fishery was very

complicated. In Southeast the major component of the fisheries is wild stocks. It needs to be the primary focus of our management. He said he would hate to see a situation occur where he would be unable to access a strong run of wild stock fish because of economic concern over a hatchery. He didn't think the actual cost of running the facilities was envisioned either.

TAPE 92-3, SIDE A
Number 001

MR. BACON questioned the meaning of "...non-profit hatchery needs to make a significant contribution to the common property fishery."

SENATOR COTTEN asked if he thought the authority should exist to manage mixed stock fisheries if they could have it both ways. MR. BACON answered he was skeptical there was an ability to do that.

CHRIS CHAVASSE, Homer, recommended giving the Board of Fish clear statutory authority to protect wild stocks until the full impacts of hatcheries is reviewed by the public. He thought wild stock breeding grounds should be candidates for habitat preservation. He was concerned we have already unalterably affected the genetic viability of certain bird species within the Prince William Sound due to direct acts on the forage base by reducing organic outflows associated with the enhancement of runs through optimum escapement goals.

MR. CHAVASSE recommended restricting hatchery rearing and releases to afford all indigenous species ample forage, to provide statutory protections of wild stock, identify depressed stocks, identify genetic adaptability as it relates to climate change, identify depressed wild salmon stocks and identify those stocks impacted by the hatchery program, and the impact of allocation management in the intercept fisheries. Providing statutory authority for emergency actions regarding hatcheries in general, identify areas for possible sterilization should disease become a problem and identify the methods of control, and identify all sources of pollution were other recommendations.

Number 216

FRED FILE, Petersburg, agreed with Mr. McMullen's testimony regarding the salmon planning being done region by region, rather because the regions are so different. He thought more had to be done to rehabilitate the natural stocks.

Number 250

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DAVE MCFADDEN, Petersburg troller, said the mitigation funds are of concern to trollers. He noted ADF&G was going to shut down Crystal Lake Hatchery which has been a very successful enhancement project. He thought the funds might not be being used for the specific purposes intended. Because the hatcheries are not producing the salmon the trollers were told to expect to compensate for their conservation efforts, there seems to be a trend towards supporting stream enhancement projects with the idea of rehabilitating the wild stocks.

SENATOR ELIASON said the Legislative Research Agency is still involved in tracing the expenditures of the treaty funds.

Number 319

KRIS NOROSZ, Director, Petersburg Vessel Owners Association, thanked everyone for making this project possible. They would like to see a clear wild stock priority put in state statute and a clarification as to whether or not the Board of Fish is required to provide for hatchery brood stocks or for cost recovery fish. She concurred with Jim Bacon's comments.

MS. NOROSZ said increased hatchery production should be restricted until the legislative cost benefit studies are complete. New criteria is needed to show a public benefit exists before granting permits and loans. A workable mechanism should be in place for closing hatcheries which aren't making a significant contribution to common property fisheries.

Purse seiners in Southeast Alaska are paying a disproportionate amount of money for the benefits they receive. They want an analysis of the enhancement program to determine whether costs are distributed in proportion to benefit. They also want to know the impacts of a mechanism allowing specific gear groups to opt out of the program or pay in proportion to the enhancement benefits they receive.

SENATOR ELIASON commented that answers to some of those questions are coming in June or July when the University finishes their studies regarding the economics of hatcheries. These will be included in the final report of the review project.

Number 351

DEBORAH LYONS, Petersburg, who is a member of the Alaska Board of Fisheries, stated that the Board of Fisheries is asking for advice from the legislature and urged the committee to take

advantage of this and give them clear direction. She thanked them for the work they are doing.

PETE ESQUIRO, Northern Southeast Regional Aquaculture Association, Sitka, thought it important to have a consistent tag recovery program. Marking should be required when a mixed stock occurs. He said there was a general understanding that brood stock would have a priority, but had never heard anything about cost recovery being guaranteed. He thought regionalized planning and permitting was the way to go. FRED should follow the permitting procedures all regional and PNP operators are required to do. Regional planning is important enough to receive some level of state funding. He believed the enhancement taxes should be audited regularly. He was against raising the 3% tax to the fishermen.

Number 432

LARRY MALLOY, Kodiak Regional Aquaculture Association, thought the points needing emphasis are a priority for protection of the wild stocks, traditional fishing patterns be recognized and prioritized as an integral part of determining an area's salmon production, where rehabilitation efforts are taking place a primary consideration should be given to a regulatory harvest strategy which clearly says how the rehabilitated stock will be maintained at a natural production level, and a thorough evaluation of the impacts of associated hatchery production on adjacent wild stocks should be made.

Number 483

OLIVER HOLMS, Kodiak Regional Aquaculture Association, said they wanted a wild stock priority. When permitting a PNP, areas being managed for cost recovery and brood stocks should be specified in the plan.

BRUCE EAGLE, Wrangell, attempted to testify, but the reception was bad.

Number 555

TOM MEARS, Cook Inlet Aquaculture Association, Soldotna, thought many of the options listed at the end of the chapters appeared to be reasonable, but were based on incorrect or unsubstantiated assumptions. They believe wild stocks should be protected and therefore enhancement projects are supplemental.

92-3, SIDE B
Number 001

MR. MEARS also thought the term "significant" should be

Senate Dom/Int
Commercial Fisheries

defined by the legislature as it pertains to contribution to common property fisheries of PNPs. He thought regional planning was preferable to state wide planning.

BRUCE EAGLE, Wrangell, thought it important to protect the wild stocks and also to make sure the hatcheries have brood stock. Planning is extremely important and he thought the regional planning teams should be changed to include gear user groups and the federal government. The planning teams should have the authority to recommend allocations to the Board of Fisheries.

Number 50

PAUL MCCOLLUM, Executive Director, Valdez Fisheries Development Association, supported testimony from the Prince William Sound Aquaculture Corporation. He thought they needed to come up with a program to harvest the hatchery fish aggressively to avoid build up of the fish in the terminal area.

MR. MCCOLLUM said many PNPs can't tag since they don't get economic escapement. He favored amending the PNP policy to make economic escapement absolute upon the granting of a PNP permit. He thought it unproductive to grant the permits if the permittee can't be assured of a chance of survival. He thought there could be a simplified cost benefit model to help determine the real contribution of their time for each project.

They support Representative Kubina's legislation allowing for regional marketing committees although they think it should be on a voluntary assessed tax rather than a direct tax.

Number 120

JOHN CARTER, President, DIPAC Hatchery, Juneau, thought many problems resulted from simple lack of information. He thought they should truly work at getting information on run strength and hatchery contribution. He encouraged funding thermal marking programs. Funding would be needed also to do recovery of the data.

MR. CARTER encouraged work in the area of product development to increase the value of salmon. He didn't object to a moratorium on hatchery production, but didn't want a moratorium on funding of existing programs.

He thought there should be more fishermen on ASMI's Board since what they do affects their product.

Number 192

JERRY MCCUTCHEON, Anchorage, commented too many fish was just a temporary maladjustment between supply and demand. He thought the Japanese would undercut the American price eventually.

He commented that research should be done on rehabilitating crab in Kachemak Bay.

Number 281

SENATOR ELIASON thanked everyone for their testimony and adjourned the meeting at 4:25 p.m.

SENATE DOMESTIC AND INTERNATIONAL
COMMERCIAL FISHERIES

March 28, 1992

1:50 P.M.

MEMBERS PRESENT

Senator Dick Eliason, Chairman
Senator Sam Cotten
Senator Lyman Hoffman

MEMBERS ABSENT

Senator Lloyd Jones
Senator Fred Zharoff

COMMITTEE CALENDAR

Salmon Enhancement

WITNESS REGISTER

Molly McCammon, Staff Assistant
Senator Lyman Hoffman
P.O. Box V
Juneau, Alaska 99811

Don Amend
Southern Southeast Regional Aquaculture Association

Tom Mears
Cook Inlet Aquaculture Association
HC2, Box 849
Soldotna, Alaska 99669

Ginny Fay, Staff Assistant
Senator Sam Cotten
P.O. Box V
Juneau, Alaska 99811

Mary McDowell, Staff Assistant
Senator Dick Eliason
P.O. Box V
Juneau, Alaska 99811

Eric Eckholm
119 Seward
Juneau, Alaska 99801

ACTION NARRATIVE

92-4, SIDE A
Number 001

SENATOR ELIASON called the Domestic and International Commercial Fisheries Special Committee meeting to order at 1:50 p.m. and said the purpose of today's meeting was to discuss the hatchery review project and the legislative draft report that was released on February 10 and possible introduction of legislation based on the review. One of the options offered in the draft report was to make a statutory priority for wild stocks and staff had worked on language to that effect.

MOLLY MCCAMMON, Staff Assistant for Senator Hoffman, summarized what the Committee had heard during the public teleconference on the report and received in writing during the public comment period. Many believe that statutory language is needed saying wild stocks have priority in terms of management in the state.

There are differing legal opinions on whether or not the Board of Fisheries is obligated to provide for brood stock. By policy, the Department and Board considers the need for brood stock, but managing the fishery to achieve brood stock is considered discretionary.

Number 250

MS. MCCAMMON suggested that ~~wild~~ cost recovery fisheries could be given a lower priority than providing for brood stock and both should be secondary to protection of wild stocks. She said there is one private legal opinion stating under current statutes, once a hatchery is legally permitted, the Board is required to provide for brood stock. This is why some clarification is needed. The constitutional question might still remain.

SENATOR COTTEN asked what part of the constitution she was referring to. MARY MCDOWELL, Staff Assistant to Senator Eliason, answered that the mandate to provide for sustained yield is not clear as to whether hatcheries should be considered on the same level as a natural stream.

MS. MCDOWELL asked the Committee if it wanted to make the language in Section A more clear that the priority was regarding the status of wild stocks as it compares to hatchery stock.

DON AMEND, Southern Southeast Regional Aquaculture

Senate Dom/Int
Commercial Fisheries

March 18, 1992

Association, pointed out the term anadromous means a fish spawns in fresh water, goes to the ocean, grows up, and spawns back in fresh water. It doesn't necessarily relate to the stream. This applies to their life cycle. So a salmon is anadromous whether it was spawned in a creek or a hatchery.

Number 450

There was some discussion on when an enhanced run becomes natural stock. MR. AMEND explained once a stream is enhanced it is intended to become naturally reproductive and therefore that becomes a wild system. If you use hatchery stock to enhance a stream with no fish, it would also become a naturally sustained run after one life cycle.

Number 460

TOM MEARS, Executive Director, Cook Inlet Aquaculture Association, said it was a mistake to try and solve all the wild stock versus hatchery in this one bill.

He suggested making the wild stock priority a little clearer by inserting into (c) the part in (b) that says to achieve an adequate return for brood stock may not prevent achievement of sustained yield for wild anadromous fish stocks.

MS. MCCAMMON said the Governor's new subsistence bill has a definition of sustained yield that includes escapement goals plus any plans to increase those goals in order to increase opportunity for sport or subsistence opportunities.

MS. MCCAMMON said they have a breakdown of what each hatchery's contribution is to sport fish, commercial fish, and subsistence for each species. FRED has been looking at the possibility of using the federal sport fish money to pay for more of the operating costs for the other hatcheries. Operating costs for the different species are different. They are also doing a breakdown on actual costs.

92-4, SIDE B

Number 001

They discussed changing (c) to read like (b).

MR. AMEND said two statutory issues were involved with his challenge of the Department of Commerce's decision not to extend their loan to SSRAA. One was extending the initial loan period which they identified as 6 - 10 years of deferment. The other was to provide low interest loans up to a maximum of 9 1/2%.

To date, DCED has not issued any loans beyond the 6 year period. Hatchery operators are concerned with that because the intent behind the 10 year deferment was to encourage aquaculture associations to develop the more valuable species that have a longer life cycle.

SSRAA has developed chum, coho, chinook, and sockeye, but their loans were all set up for only 6 years. This year's low prices, their share of the 3% enhancement tax and cost recovery came in well under projection and they didn't reach full production until 1990. They will not see the benefit from that until 1994. They have asked the Department of Commerce to extend their loan from 6 to 8 years to allow them to get into 1994 when their production is expected to get up to maximum. They also asked for adjustable interest rates with a maximum of 9 1/2% Both of their requests were denied.

SSRAA filed for reconsideration and filed a petition to have DCED develop regulations to establish how they are going to implement the 6 to 10 years and how they are going to establish interest rates. Their petition has been accepted and regulations will be out by early May for public review. But since they don't have regulations yet, their request for the 2 year deferment will not be considered. Their reserve accounts have been taken down to an unacceptable level with the way their payments have been restructured. This puts them in a very marginal cash flow situation for the next two years.

Number 195

GINNY FAY, Staff for Senator Cotten, commented the interest rate should be tied to the prime interest rate so it would automatically index and give some guidelines to investors.

MS. MCDOWELL said she talked to the Department of Commerce and found that they are free to do 6 - 10 year loan deferments now, but they are not willing to do it retroactively. MR. AMEND said the only option they were given at the time they got their loan was six years.

TOM MEARS, Cook Inlet Aquaculture Association, said Eklutna Hatchery which is a chum facility required two chum cycles to become self sustaining. That's eight years. At the time they got their loan, they filled out their application and were told at the time they would give loans only for six years and if they needed longer, to come back after the six years, which they did and they were denied the extension.

Mr. Mears said they asked an Attorney General's opinion on this issue and it said there was no reason their file couldn't

be reopened and an extension granted. He also said he has a letter from the Department of Commerce saying they have the legal authority to grant an extension, but it's not their policy.

SENATOR ELIASON asked how many permits were being considered for future facilities. MS. MCCAMMON said a few facilities were applying for expansion and there were two to four new ones. She explained that some hatcheries' viability is dependent on getting increased production.

SENATOR ELIASON commented that maybe a moratorium should be placed on hatcheries. MS. MCCAMMON said the interest for hatcheries is still there, especially in areas that need enhancement. The problem is the funding is not as available as it was.

Number 350

ERIC ECKHOLM, speaking for himself, strongly favored having a long term state wide plan that would tie in a marketing effort with hatchery production levels.

Number 465

SENATOR ELIASON thanked everyone for their participation and adjourned the meeting at 3:10 p.m.

**SENATE DOMESTIC AND INTERNATIONAL
COMMERCIAL FISHERIES**

**April 24, 1992
1:55 P.M.**

MEMBERS PRESENT

Senator Dick Eliason, Chairman
Senator Sam Cotten
Senator Lyman Hoffman
Senator Lloyd Jones
Senator Fred Zharoff

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 423 (RESOURCES)
"An Act relating to temporary transfers of commercial
fisheries entry permits."

PREVIOUS SENATE ACTION

SB 423 - See Resources minutes dated 4/8/92, 4/10/92, and
4/13/92.

WITNESS REGISTER

Mary McDowell, Staff
c/o Senator Eliason
P.O. Box V
Juneau, Alaska 99811
POSITION STATEMENT: Commented on SB 423.

Richard Listowski, Commissioner
Commercial Fisheries Entry Commission
8800 Glacier Hwy.
Juneau, Alaska 99801
POSITION STATEMENT: Commented on SB 423.

Frank Hohman, Commissioner
Commercial Fisheries Entry Commission
8800 Glacier Hwy.
Juneau, Alaska 99801
POSITION STATEMENT: Commented on SB 423.

ACTION NARRATIVE

92-5, SIDE A
Number 001

SENATOR ELIASON called the Domestic and International
Commercial Fisheries Committee meeting to order at 1:55 p.m.

Senate Dom/Int Fisheries -1-

April 24, 1992

and announced SB 423 to be up for consideration.

SENATOR COTTEN moved to adopt the CS to SB 423 and asked for unanimous consent. There were no objections and it was so ordered.

SENATOR ELIASON explained this legislation was aimed at fishermen who were disabled and still went out on their boats so that their permits could be fished.

SENATOR COTTEN suggested saying the people this bill applies to should have had a permit for 10 previous years.

Number 87

MARY MCDOWELL, staff for Senator Eliason, suggested on page 2, line 19 to delete "has participated in the fishery" and add language saying they have to be 65 years old and have had the permit for at least 10 years and need some type of medical reason to lease it.

Number 195

RICH LISTOWSKI, Commissioner, Commercial Fisheries Entry Commission (CFEC), explained how permit brokers might take advantage of such a "loophole" by taking a percentage of the gross for facilitating a lease.

SENATOR ELIASON asked if the CFEC knows when a broker is involved in a permit transaction. MS. MCDOWELL said they do and that brokers are involved in about 1/3 of the transactions.

MR. LISTOWSKI said 7% of the permits would fall under the 65 years old category. In five years that number could be around 13% and perhaps more later on. Eventually 30% of the permits might be leased. He said the Commission has been very conscientious in working with the elderly.

Number 384

SENATOR COTTEN asked if you did qualify under this provision if a broker could shop around for you and find the most qualified person to use your permit. MR. LISTOWSKI answered yes. He explained how the regulation for emergency transfer currently works.

Number 474

FRANK HOHMAN, CFEC Commissioner, said he didn't have a recommendation regarding SB 423, but that it was a fundamental change from the original intent of limited entry.

SENATOR ELIASON commented they would be increasing the price of permits and there would be fewer to sell and it would be more difficult for people to get in the fisheries at a future date. Instead of encouraging participation, the bill would be making it more difficult for new participants to get in.

Number 550

SENATOR ZHAROFF suggested deleting "has participated in the fishery" and insert "has held an interim use or entry permit for 10 years." on lines 19 and 20 of page 2.

MR. LISTOWSKI said the standards for emergency transfers of interim use permits are less stringent than they are for permanent permits.

92-5, SIDE B
Number 001

There was general discussion on the proposed amendment language.

Number 131

SENATOR ZHAROFF moved to delete "has participated in the fishery as" and insert "has held an interim use of entry permit for 10 years." on lines 19 and 20 of page 2. There were no objections and it was so ordered.

SENATOR ELIASON explained that the letter of intent didn't necessarily mean the Commission had to wait until January 15, 1997 to recommend repeal of this new provision if this program didn't really work. He urged that the Commission report back to the Legislature earlier if it presented problems.

Number 160

SENATOR ZHAROFF moved to pass CSSB 423 am with the letter of intent with individual recommendations. There were no objections and it was so ordered.

Number 177

SENATOR ELIASON adjourned the meeting at 2:50 p.m.

**SENATE DOMESTIC AND INTERNATIONAL
COMMERCIAL FISHERIES**

May 4, 1992

1:16 P.M.

MEMBERS PRESENT

Senator Dick Eliason, Chairman
Senator Sam Cotten
Senator Lloyd Jones
Senator Fred Zharoff

MEMBERS ABSENT

Senator Lyman Hoffman

OTHER MEMBERS PRESENT

Senator Curt Menard
Senator Steve Frank

COMMITTEE CALENDAR

Review of the Salmon Enhancement Program Draft (Economic
Studies Portion)

WITNESS REGISTER

Ginny Fay, Staff
Senator Cotten
P.O. Box V
Juneau, Alaska 99811

POSITION STATEMENT: Reviewed Salmon Enhancement Program
Draft.

Dr. Mark Herrmann, Economist
University of Alaska Fairbanks
Fairbanks, Alaska
POSITION STATEMENT: Reviewed program.

Dr. John Boyce, Economist
University of Alaska Fairbanks
Fairbanks, Alaska
POSITION STATEMENT: Reviewed program.

ACTION NARRATIVE

92-6, SIDE A
Number 001

Senate Domestic &
International Fisheries

SENATOR ELIASON called the Domestic and International Commercial Fisheries Committee meeting to order at 1:16 p.m.

GINNY FAY, Staff for Senator Cotten, said at a Board of Fish meeting in May the Legislature was asked to clarify questions regarding management of salmon enhancement programs. As part of the legislative review a benefit cost analysis was being conducted. Staff had put together a proposal for funding for five different components - a hatchery cost and production model, for one. To date all surveys have been sent to the agencies and have been returned. Another set of surveys has been sent and they are awaiting its return. The purpose was to provide basic data for the biological population model being conducted by Dr. Jeremy Collie with the Juneau Fisheries Center. This has been mostly completed. Dr. Mark Herrmann and Dr. Joshua Greenberg, UAS economists, are going to report on international salmon demand models.

Number 80

MS. FAY said that one aspect that was clearly lacking was the impact of farmed salmon on Alaskan markets for Alaskan salmon. This is being added.

The fishing cost modeling effort is being conducted by Dr. John Boyce, UAS economist.

Number 236

DR. MARK HERRMANN AND DR. GREENBERG, testified via teleconference on the demand modeling. DR. HERRMANN said they looked at world production of wild salmon from Japan, Canada, USA, and Russia and farmed salmon from Chile, Norway, Canada, USA, and the UK.

DR. HERRMANN said the goal of the project was long term forecasting of prices for different species of salmon. He said they don't have a lot of data gathered yet. He expected to have some findings by the end of the summer.

Number 248

SENATOR ZHAROFF asked him to clarify ex-vessel flexibilities. DR. HERRMANN explained this is just a rule of thumb measurement in economics whether increased landings would increase or decrease total revenue. They will assimilate this information into the entire model. It measures, for instance, if quantities increase by 1%, what will be the decrease in price in percentage terms.

SENATOR ZHAROFF asked if he was including bottom fish as well. DR. HERRMANN said he was just talking about the increase in landings of salmon.

SENATOR ZHAROFF asked if domestic marketing was included in his modeling. DR. HERRMANN said his modeling included the major consuming nations.

Number 276

SENATOR COTTEN asked what were his sources for information, specifically with the Russians. DR. HERRMANN explained that Andre Politski was working with them to get the data from Russia. They were also getting information from Japanese data in Seattle.

SENATOR ELIASON asked if he found any indication that the market is not a free market - that there was manipulation of the market. DR. HERRMANN said it was hard to answer that, mostly because he was using limited data - from the year 1991.

Number 384

SENATOR ZHAROFF asked if he had used data available from last year's salmon and from that could he have predicted the decline in prices of salmon throughout the state. DR. HERRMANN said he hadn't used data from previous years and they had done a model on farmed salmon prices and they were working on the 1990 data so they could compare it to the 1991 data.

Number 407

SENATOR ZHAROFF asked him what his prediction was for prices this year. DR. HERRMANN said his model does not look at prices from year to year. It covered the longer term. He said it is possible to make a prediction for next year, but he would have to use different modeling. He said they had not yet established a percentage of error for his modeling.

MS. FAY said they had asked the economists questions about continued investing in hatchery production and which species they should be interested in.

SENATOR ZHAROFF said that people would be looking at this program to see how it could help them get a fair and equitable price somewhere down the road.

SENATOR ELIASON said he would support short term forecasting for fishermen.

Number 533

DR. JOHN BOYCE testified the modeling he worked on looked for the break even point for fishermen in the salmon fishery. This is called a fishing cost model and there are many variables like the kind of gear used and how much time is spent fishing.

92-6, SIDE B
Number 483

DR. BOYCE said once they have predicted participation, they can go to the second stage and predict what the profits would be. With the Cook Inlet Purse Seine Fishery the model seems to be able to predict participation very well - with 90% accuracy whether or not a fisherman will participate in the fishery on a given day. The model seems to affirm the hypothesis that as the gross revenues go up, there is more participation - which is what they expect.

The next stage is to take the model and use it to predict what profits are.

Number 530

SENATOR ELIASON asked since some fisheries had been omitted, would the information be parallel the fisheries that were omitted? DR. BOYCE said they are hypothesizing it would be pretty much the same.

Number 513

SENATOR ELIASON thanked everyone for their participation and adjourned the meeting at 2:13 p.m.

SCOMM

74:4

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE
LABOR & COMMERCE COMMITTEE
RESOURCES COMMITTEE
RULES COMMITTEE
CHAIRMAN, SPECIAL COMMITTEE ON
DOMESTIC & INTERNATIONAL
COMMERCIAL FISHERIES



P.O. BOX 143
SITKA, ALASKA 99835

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4916

FAX (907) 465-4928

MEMORANDUM

TO: Members of the Senate Special Committee on Fisheries
Members of the Senate Resources Committee
Members of the House Resources Committee

FROM: Senator Dick Eliason, Chairman
Senate Special Committee on Domestic and International
Commercial Fisheries

DATE: April 7, 1992

RE: Invitation to tour DIPAC Hatchery

In conjunction with the Salmon Enhancement Program Review Project being conducted by the Senate Special Committee on Fisheries, we have arranged for a tour of the DIPAC (Douglas Island Pink and Chum) Hatchery. I would like to invite all members of the Special Fisheries Committee, and the House and Senate Resources Committees, to participate in what should be a very interesting and educational tour.

The Hatchery tour is scheduled for Wednesday, April 15, from noon to 1:30 p.m. (including transportation time). We will meet in the Senate chambers at noon and be transported by legislative van. DIPAC will be providing salmon nuggets to munch on during the tour, so missing lunch shouldn't be a big concern.

Please let my office know by 4:00 p.m. Friday (April 10), whether you plan to attend.

SCOMM

74:5

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 4/8/91

FURTHER: Resources

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

Senate Special Comte on Domestic
and International Commercial Fisheries considered SB 246

Maximum length of salmon seine vessels; efd.

and recommended:

- ☐ replace with _____ CS _____ ☐ same title
☐ attached amendment(s) ☐ new title
☐ _____
☐ do pass This bill was referred
☐ do not pass to Fsh. Comm. but
☐ no recommen had no hearings
☐ individual
☐ further ref

ATTACHES NEW FI
D

s)/Date: _____

☐ fiscal note

☐ appropriation-no fiscal note

☐ Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE
SENATE BILL NO. 246

HISTORY IN THE SENATE

19 91
4/8

Read first time and referred to: In. Sp. Comm. Fish, Resources

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To ____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To ____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To ____

____ Rules Calendar(____) CS ____ AM ____ Other
New Title ____ Same Title ____ Previous FN
____ FN ____ OFN

Read second time

____ CS Adopted (____) ____ New Title
____ Amended ____ Advanced

Read third time

____ Letter of Intent adopted
____ Return to second for specific amendment

PASSED EFD Same ____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same ____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

Read second time
CS(____) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same ____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

____ Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON. EFD Same ____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

____ Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	Received from the House Version: _____ Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___ Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___ House failed to / receded from amendment Y ___ N ___ E ___ A ___ CC appointed by Senate _____ Chair _____ CC appointed by House _____ Chair _____ (S) Granted Limited Powers of Free Conference (H) Granted Limited Powers of Free Conference
----	--

19	(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___ (H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___ To enrolling Received from enrolling Sent to Governor _____ By Governor Chapter Number _____ Filed with Lieutenant Governor
----	---

SOUTHEAST ALASKA SEINERS ASSOCIATION
P.O. BOX 9579
KETCHIKAN, ALASKA 99901
(907) 225-5156

March 14, 1991

Senator Lloyd Jones
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

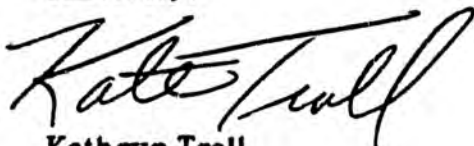
Dear Senator Jones,

On behalf of the 30 plus seine boat owners that were inadvertently affected by last year's passage of HB 569, I am particularly pleased to see legislation that would correct the problem. By amending the 58 foot statute to include stern rollers in the measurement of overall length, you would keep currently legal boats "legal" without establishing a loophole. A stern roller does not make a boat more efficient, it doesn't make it faster, it doesn't allow it to carry more fish. A stern roller only makes a boat more adaptable for Puget Sound seining: a stern roller does not provide any fishing advantage for the Southeast purse seine fishery. A stern roller does not harm the resources in any way. We can't see any reason biologically or allocatively for making stern rollers illegal.

Stern rollers are designed to be used with drums. Drums are legal gear in Puget Sound so many boats that are effected will be those which also fish in Puget Sound. However, there are Alaskan resident and Puget Sound resident fisherman who have stern rollers on their boats who never fish Puget Sound. These fishermen keep the stern rollers on theirs boat because they are part of the original design of the boat and/or they are very expensive to remove. These seiners should not be unjustifiably penalized for having purchased a once legal boat with a stern roller. The stern roller legislation would prevent this from occurring and for that your assistance is greatly appreciated.

Please feel free to call if you have any questions or desire more information.

Sincerely,



Kathryn Troll
Executive Director

DRAFT

DRAFT

DRAFT

* Section 1. AS 16.05.835 is amended to read:

Sec. 16.05.835 Maximum length of salmon seine vessels. A salmon seine vessel may not be longer than 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. In this section, "overall length" means the straight line length between the extremities of the vessel excluding anchor and stern rollers [.] used for the retrieval of anchor and seine net gear.

(a) For the purposes of this section,

(1) "stern roller" means a device used solely in the aid of deploying and retrieving seine net gear, and shall have no other use, purpose or function.

Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SOUTHEAST ALASKA SEINERS ASSOCIATION

P.O. BOX 9579

KETCHIKAN, ALASKA 99901

(907) 225-5156

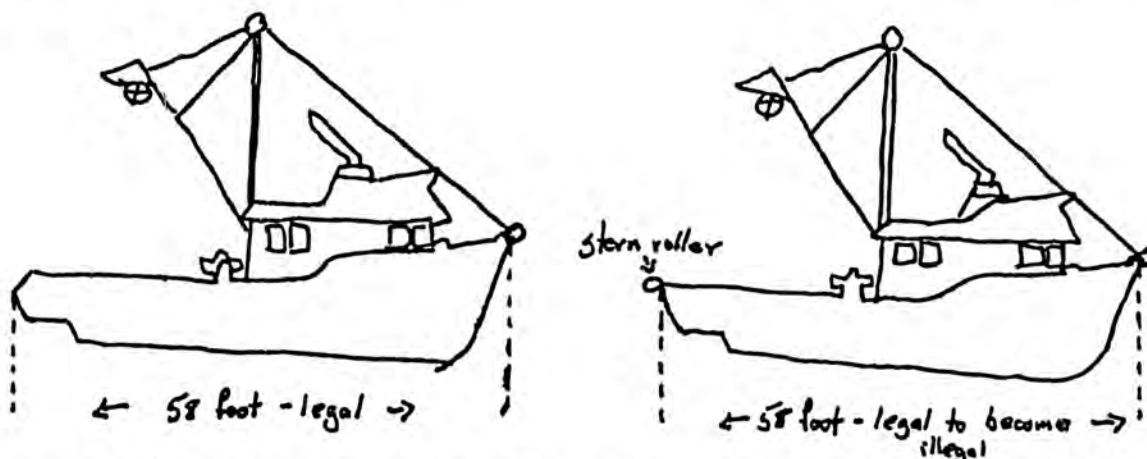
April 16, 1990

Governor Steve Cowper
P.O. Box A
Juneau, Alaska 99811

SENT VIA FAX 463-3454 ATTN: Denby Lloyd

Dear Governor Cowper,

HB 569 is on your desk for signature. On behalf of the 30 plus seine boat owners inadvertently affected by this legislation I request you veto this legislation. My understanding of the intent of this legislation as it was explained by the sponsor, Rep. Cliff Davidson, was to make the state's statute on the 58 foot seine boat length consistent with Coast Guard language. Unfortunately the legislation does more than this. It provides a definition of overall length that excludes only anchor rollers. This narrow exclusions makes seine boats currently legal with a stern roller now illegal. See the diagram below:



The stern roller is found on boats built for seining in both Southeast and Puget Sound. A stern roller only makes a boat more adaptable for Puget Sound seining: a stern roller does not provide any fishing advantage for the Southeast purse seine fishery. A stern roller does not harm the resources in any way. In fact many seiners see them as a disadvantage. About 30 plus Alaskan and Washington seine boat owners who fish in Southeast will soon face a \$15,000 to \$20,000 cost to remove the welded on stern rollers for no justifiable reason.

The only reason given by Rep Davidson before Senate Resources was that as the sponsor of the bill he did not want to be bothered with any amendments...he wanted his bill to move quickly through the legislature. Senator Lloyd Jones attempted to amend the legislation to include stern rollers when it came before Senate Resources. The discussion there led one to believe that the question of stern rollers could be taken up before the Board of Fisheries. When I posed this question to our attorney the answer was "No, the Board of Fisheries could not deal with this because the

definition of overall length would now be in statute."

While I have a good deal of respect for Rep. Davidson, he never took the time to sound out affected user groups. Perhaps because it seemed like a pretty straightforward, harmless piece of legislation. By the time the question of the stern rollers emerged, the legislation was in the Senate Resources, where Rep. Davidson held sway. So instead of a legislator not being bothered with an amendment the seine boat owners with stern rollers will be bothered in the middle of the season (HB 569 becomes effective 60 days after your signature) with an unjustifiable heavy cost. That is unless you veto the legislation.

I would like to reassure you that Southeast Alaska Seiners Association is strongly urging you to veto this legislation not out of wanting a "loophole" but out of wanting legal boats to stay legal. Good legislation should solve problems not create unjustified, inadvertent problems. While the intent of this legislation was simple it creates a very serious problem for some seiners, as such it is not good legislation.

Petersburg Vessels Owners Association share this concern and make the same request of you.

Please call if you need more information or have questions. I would appreciate learning of your decision as soon as it is made.

Sincerely yours,



Kathryn Troll
Executive Director

PURSE SEINE VESSEL OWNERS ASSOCIATION

1111 NW 45TH STREET / SEATTLE, WASHINGTON 98107 / TELEPHONE (206) 783-7733

April 18, 1990

Office of the Governor
ATTN: Denby Lloyd
P.O. Box A
Juneau, AK 99811-0101

RE: HB 569 (Resources)
Purse Seine Vessel Length Restriction

Dear Mr. Lloyd:

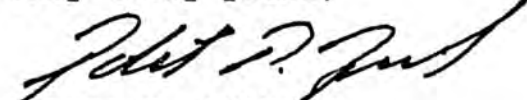
This Association represents over 250 purse seine vessel owners who operate in commercial salmon and herring fisheries throughout Alaskan waters.

We strongly oppose HB 569 and urge the Governor's veto. Anywhere from 50 to 60 member vessels now operating in Alaska waters have an overall length exceeding 58 feet. We are aware of only 3 vessels which fall within the January 1, 1962 exception date.

Modification of vessels to remove "stern rollers" would cost anywhere from \$25,000 to \$35,000 for steel and fiberglass constructed vessels.

This legislation is overly broad by subjecting commercial fishermen to criminal penalties and potential exclusion from fisheries. The only valid purpose of this legislation should be to allow the construction of purse seine vessels with keel lengths greater than 50 feet. Surely this can be accomplished through the legislative process without passage of this particular bill.

Very truly yours,



ROBERT P. ZUANICH

RPZ:klc-04180204

Handwritten: JAP 4-15-90

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 1, 1990

Mr. Robert P. Zuanich
Purse Seine Vessel
Owners Association
1111 NW 45 Street
Seattle, WA 98107

Dear Mr. Zuanich:

Thanks for your April 18 letter. I can appreciate your concern over the potential of HB 569 to impact members of your fleet during the upcoming salmon season. I have been working to ensure that an approach, for the 1990 season, is developed that will not prevent any purse seiners from fishing or require immediate vessel modifications.

Because the bill was originally intended to address a change in the Coast Guard's definition of vessel length, the Legislature has passed the bill and I have signed it into law. Before I signed the bill I worked with the departments of Public Safety, Law, and Fish and Game to develop an interim arrangement under which only warning citations will be given to overlength seine boats this season. However, it is understood that the statute will be enforced during the 1991 season.

Obviously, this approach will allow seiners to attempt to obtain reasonable changes in the statute during the 1991 legislative session. I hope that a clearer definition of any problems with the statutes and potential solutions can be presented at that time than was done during this year's committee hearings on HB 569.

If you have further questions, please contact me.

Sincerely,

Steve Cowper
Governor

Original sponsor(s): Resources Committee

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 569 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the maximum length of salmon

7

seine vessels."

8

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

9

* Section 1. AS 16.05.835 is amended to read:

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Sec. 16.05.835. MAXIMUM LENGTH OF SALMON SEINE VESSELS. A

11

salmon seine vessel may not be longer than [50 FEET, OFFICIAL COAST

12

GUARD REGISTER LENGTH, AND] 58 feet overall length except vessels that

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have fished for salmon with seines in waters of the state before

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January 1, 1962, as 50-foot, official Coast Guard register length

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vessels. In this section, "overall length" means the straight line

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length between the extremities of the vessel excluding anchor rollers,

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define this
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fitting & attachments

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* Section 1. AS 16.05.835 is amended to read:

Sec. 16.05.835 Maximum length of salmon seine vessels. A salmon seine vessel may not be longer than 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. In this section, "overall length" means the straight line length between the extremities of the vessel excluding anchor and stern rollers [.] used for the retrieval of anchor and seine net gear.

(a) For the purposes of this section,

(1) "stern roller" means a device used solely in the aid of deploying and retrieving seine net gear, and shall have no other use, purpose or function.

Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

5 AAC 06.331

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5 AAC 06.334

FISH AND GAME

5 AAC 06.341

before 1984; am 4/28/84, Register 90; am 5/11/85, Register 94; am 7/14/85, Register 95; am 4/18/86, Register 98; am 4/2/88, Register 105; am 6/10/90, Register 114)

Authority: AS 16.05.060
AS 16.05.251

5 AAC 06.334. IDENTIFICATION OF GEAR. (a) Each drift gill net in operation must have at each end a red keg, buoy, or cluster of floats plainly and legibly marked with the permanent vessel license plate (ADF&G) number of the vessel operating the gear, in permanent symbols at least four inches high with lines at least 1/2 inch wide which contrast with the background.

(b) A set gill net shall, when operating, have the marker described in 5 AAC 39.280 placed above the high tide line directly inshore of the net.

(c) The operator of a set gill net which employs an anchor, peg, stake, or other device to fasten the net at its outermost extremity shall mark the location of the device with a bright red buoy at all times from June 1 through September 30. The buoy must be plainly and legibly marked with the fisherman's five digit CFEC permit serial number. From the intersect of Loran C line 32440 X 45510 with the Combine Beach to the cannery dock at Clark's Point, set net anchoring devices do not need to be marked, unless the set net is in operation. (In effect before 1985; am 5/11/85, Register 94; am 6/10/90, Register 114)

Authority: AS 16.05.251

Bristol Bay Area

5 AAC 06.341. VESSEL SPECIFICATIONS AND OPERATION. (a) No vessel registered for salmon net fishing may be more than 32 feet in overall length. An anchor roller may not extend more than eight inches beyond the 32-foot overall length, and any portion that extends beyond the 32-foot overall length may not be more than eight inches in width or height.

(b) For the purposes of this section,

(1) "anchor roller" means a device used solely in aid of deploying and retrieving anchor gear; and does not provide any additional flotation, planing surface, or structural support to the vessel;

(2) "fish drop-out basket" means a device used solely to prevent the loss of fish from a gill net after the fish leaves the water and before it is brought on board the vessel; a "fish drop-out basket" does not provide any additional flotation, planing surface, or structural support to the vessel;

(3) "gill net roller" means a device used solely in aid of deploying and retrieving drift gill net gear; a "gill net roller" does not provide any additional flotation or planing surface to the vessel;

(4) "outdrive" means part of the propulsion system of a vessel used for either steering or thrust; an "outdrive" does not provide any additional flotation to the vessel;

(5) "outdrive guard" means a device of skeletal construction used solely to protect the outdrive unit of a vessel; an "outdrive guard" does not provide any additional flotation or planing surface and is not used for any other purpose such as a bench, platform, or storage area;

(6) "overall length" means the straight-line measurement between the extremities of the vessel, but does not include fish drop-out baskets, anchor rollers, gill net rollers, trim tabs, outdrives, or outdrive guards;

(7) "trim tabs" means an extension of the bottom of a vessel, at the transom, which is no more than 18 inches long at its longest point; "trim tabs" do not provide any increased flotation, and their sole function is to provide trim to a vessel while underway. (In effect before 1981; am 6/28/81, Register 78; am 6/10/90, Register 114).

Authority: AS 16.05.251

5 AAC 06.350. CLOSED WATERS. (a) The following locations in the Nushagak District are closed to the taking of salmon:

(1) those waters north of a line from an ADF&G regulatory marker located two miles south of Bradford Point to an ADF&G regulatory marker on Nushagak Point;

(2) repealed 4/2/88;

(3) the Snake River Section from June 1 to 9:00 a.m. July 17;

(4) those waters of the Snake River upstream of 58° 52' 48" N. lat. as indicated by ADF&G regulatory markers;

(5) those waters of the Igushik River upstream of 58° 43' 36" N. lat. as indicated by ADF&G regulatory markers.

(b) The following locations in the Naknek-Kvichak District are closed to the taking of salmon:

(1) those waters northeast of a line from an ADF&G regulatory marker located near Graveyard Point to 58° 53' 22" N. lat., 157° 04' 16" W. long.;

(2) those waters of the Naknek River upstream of a line between ADF&G regulatory markers located near the terminus of the river;

(3) by set gill nets along the southeast shore of the Naknek section from the Naknek-Kvichak District boundary north to 58° 37' 09" N. lat., 157° 15' 18" W. long.;

(c) The following locations in the Egegik District are closed to the taking of salmon:

(1) those waters of the Egegik River upstream of a line between ADF&G regulatory markers located just downstream of the westernmost tip of Egg Island;

EMENT § 16.05.826

cies. The department may not confidential under this ly with a court order or if after 25 years, the records under this subsection be- and copying under AS ent determines that the detrimental to the fish or al information" has the LA 1970; am § 1 ch 117 ch 72 SLA 1982; am § 1 am § 1 ch 32 SLA 1989;

stituted "exclusive economic shery conservation zone" in ence in paragraph (a)(1); de- vision in paragraph (a)(1) ted disclosure of the identity fishermen or vessels infor- ed to the National Marine ce; inserted "Alaska" before in paragraph (a)(2); re- r subparagraph (a)(3)(B); ph (a)(7); and made related es. Amendment added subsection

stamp program. n AS 16.05.340(a)(17) he department in an te. The department waterfowl conserva- e sale of stanaps and te means for the se- ervation stamp and

performance of the Contracting under Procurement Code), dvance payment or contract. All costs ish and game fund. arately account for on prints that the ual estimated bal- o make appropria-

§ 16.05.835

FISH AND GAME

§ 16.05.925

tions to the department to carry out the purposes set out in AS 16.05.130(b). (§ 5 ch 71 SLA 1984; am § 8 ch 106 SLA 1986; am § 31 ch 138 SLA 1986; am E.O. No. 73 § 12 (1989))

Effect of amendments. — The 1989 amendment, effective March 11, 1989, substituted "commissioner" for "Depart- ment of Revenue" in the first sentence in subsection (a).

Sec. 16.05.835. Maximum length of salmon seine vessels. A salmon seine vessel may not be longer than 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. In this section, "overall length" means the straight line length between the extremities of the vessel excluding anchor rollers. (§ 1 ch 252 SLA 1970; am § 1 ch 24 SLA 1990)

Effect of amendments. — The 1990 amendment deleted "50 feet, official coast guard registered length, and" after "lon- ger than" in the first sentence and added the second sentence.

Article 7. General Provisions.

Section
925. Penalty for violations
930. Exempted activities

Section
940. Definitions

Sec. 16.05.920. Certain acts made unlawful.

NOTES TO DECISIONS

Quoted in Bobby v. Alaska, 718 F. Supp. 764 (D. Alaska 1989).

Sec. 16.05.925. Penalty for violations. Except as provided in AS 16.05.430, 16.05.722, 16.05.723, 16.05.831, and 16.05.860, a person who violates AS 16.05.920, or a regulation adopted under this chapter or AS 16.20, is guilty of a class A misdemeanor. (§ 22 ch 132 SLA 1984; am § 30 ch 14 SLA 1987; am § 4 ch 46 SLA 1988)

Effect of amendments. — The 1988 amendment, effective May 25, 1988, substituted "16.05.722, 16.05.723" for "16.05.720."

Editor's notes. — Section 6 of ch. 46, SLA 1988, which amended this section,

provides: "Notwithstanding the provisions of this Act, in a case pending on May 25, 1988 involving a commercial fishing violation that occurred before May 25, 1988, the court shall apply the law that was in effect on the date the violation occurred."



PURSE SEINE VESSEL OWNERS ASSOCIATION

1111 NW 45TH ST.
SEATTLE WA 98107
FAX (206) 783-7745

TEL (206) 783-7745

MEMORANDUM

DATE: FEBRUARY 25, 1991
TO: RESA JERRELL
FROM: ROBERT P. ZUANICH
RE: PURSE SEINE VESSEL LENGTH RESTRICTION

Referencing your fax of February 21, 1991 the following is not so much "additional language" but rather a prioritization of options:

1. Amend line 14 to provide a new exception date of January 1, 1990.
2. Amend line 16 allowing exclusion of anchor and stern rollers or similar devices used for the retrieval of anchor and seine net gear.
3. Amend line 15 to provide vessels; or exceed the maximum length because of stern and anchor rollers, or similar devices, which provide no additional flotation, planing surface or storage area.

789.3433

COMMERCIAL FISHERIES ENTRY COMMISSION **1991 ESTIMATED MONTHLY PERMIT VALUE REPORT** **MARCH**

This report contains value estimates for permit transactions in Alaska's limited fisheries. The estimated values listed in this report were obtained from data collected in the Commercial Fisheries Entry Commission's transfer survey. This evaluation is prepared on a monthly basis. Where sufficient data exist, estimates are based on the current month's value as well as the those for the preceeding two months. Where insufficient data exist during a three month period, additional data from earlier months are included until a sufficient number of observations are obtained. For the year and average, transactions which occurred between January and December are considered. Questions regarding this report should be addressed to: Al Tingley, Commercial Fisheries Entry Commission, 8800 Glacier Hwy. #109, Juneau, AK 99801-8079, or phone (907) 789-6160

FISHERY		MONTH	ESTIMATED VALUE	RANGE	STD DEV	EARLIEST TRANSACTION	LATEST TRANSACTION
***** Herring Furse Seine Fisheries *****							
Southeast	G01A	JAN91	\$317,500	260000	122850	MAR88	JAN91
		FEB91	\$317,500	260000	122850	MAR88	JAN91
		MAR91	\$252,500	40000	18950	FEB90	MAR91
Prince William Sound	G01N	JAN91	\$221,300	35000	15500	JUL90	JAN91
		FEB91	\$235,000	35000	14700	DEC90	FEB91
		MAR91	\$239,000	40000	17800	JAN91	MAR91
Cook Inlet	G01N	JAN91	\$231,300	80000	21750	JAN89	MAR90
		FEB91	\$231,300	50000	21750	JAN89	MAR90
		MAR91	\$208,800	100000	44400	MAR89	FEB91
Kodiak	G01K	JAN91	\$70,500	30000	13750	JAN90	JUL90
		FEB91	\$78,800	30000	13150	APR90	JAN91
		MAR91	\$78,100	30000	12550	MAY90	MAR91
***** Herring Gillnet Fisheries *****							
Southeast	G34A	JAN91	\$54,800	17000	7100	FEB89	MAY88
		FEB91	\$48,300	32000	14050	APR89	JAN91
		MAR91	\$27,300	12000	5250	JAN91	MAR91
Prince William Sound	G34N	JAN91	\$85,800	40000	18850	APR88	FEB89
		FEB91	\$85,800	40000	18850	APR88	FEB89
		MAR91	\$85,800	40000	18850	APR88	FEB89
Kodiak	G34K	JAN91	\$30,400	3300	1600	NOV90	JAN91
		FEB91	\$30,400	3300	1600	NOV90	JAN91
		MAR91	\$31,100	6900	2650	DEC90	MAR91
Norton Sound	G34E	JAN91	\$41,100	13500	4000	NOV90	JAN91
		FEB91	\$42,400	7000	2400	DEC90	FEB91
		MAR91	\$41,000	17500	5300	JAN91	MAR91
***** Herring spawn on Kelp/Pound Fisheries *****							
Prince William Sound	L21E	JAN91	\$60,000	17500	7350	FEB90	JAN91
		FEB91	\$62,500	7800	3550	OCT90	FEB91
		MAR91	\$62,700	8000	1850	JAN91	MAR91

**Commercial Fisheries Entry Commission
1991 Estimated Monthly Permit Value Report**

FISHERY		MONTH	ESTIMATED VALUE	RANGE	STD DEV	EARLIEST TRANSACTION	LATEST TRANSACTION
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******* Sablefish Longline Fisheries *******

Southeast	C61A	JAN91	\$91,700	70000	36950	OCT89	SEP90
		FEB91	\$91,700	70000	36950	OCT89	SEP90
		MAR91	\$91,700	70000	36950	OCT89	SEP90

******* Salmon Purse Seine Fisheries *******

Southeast	S01A	JAN91	\$93,800	35000	11050	JUN90	DEC90
		FEB91	\$88,600	9000	4250	DEC90	FEB91
		MAR91	\$88,600	9000	4250	DEC90	FEB91
Prince William Sound	S01B	JAN91	\$275,000	50000	28950	JUN90	NOV90
		FEB91	\$272,500	60000	32000	OCT90	FEB91
		MAR91	\$244,000	100000	16450	NOV90	MAR91
Cook Inlet	S01M	JAN91	\$165,000	100000	45100	FEB89	JUN90
		FEB91	\$165,000	100000	45100	FEB89	JUN90
		MAR91	\$176,800	53000	23450	FEB90	MAR91
Kodiak	S01K	JAN91	\$141,800	7000	3100	NOV90	DEC90
		FEB91	\$141,800	7000	3100	NOV90	DEC90
		MAR91	\$136,500	25000	11200	DEC90	MAR91
Chignik	S01L	JAN91	\$397,500	150000	69000	JAN89	JUL90
		FEB91	\$397,500	150000	69000	JAN89	JUL90
		MAR91	\$397,500	150000	69000	JAN89	JUL90
Alaska Peninsula	S01N	JAN91	\$220,100	70000	33550	DEC88	NOV90
		FEB91	\$220,100	70000	33550	DEC88	NOV90
		MAR91	\$232,500	70000	33050	DEC89	MAR91

******* Salmon Beach Seine Fisheries *******

Kodiak	S02K	JAN91	\$42,000	32000	15600	JUL89	JUL90
		FEB91	\$46,000	12000	13350	MAY90	FEB91
		MAR91	\$41,000	32000	15000	JUN90	MAR91

******* Salmon Drift Gillnet Fisheries *******

Southeast	S03A	JAN91	\$105,900	40000	12150	JUN90	DEC90
		FEB91	\$82,100	20000	5800	DEC90	FEB91
		MAR91	\$84,000	21000	6400	JAN91	MAR91
Prince William Sound	S03B	JAN91	\$147,800	45000	14600	NOV90	JAN91
		FEB91	\$141,600	13000	3600	DEC90	FEB91
		MAR91	\$139,500	20000	5550	JAN91	MAR91
Cook Inlet	S03M	JAN91	\$201,000	8000	2250	NOV90	JAN91
		FEB91	\$195,000	15000	7050	DEC90	FEB91
		MAR91	\$195,500	15000	7100	JAN91	MAR91
Alaska Peninsula	S03N	JAN91	\$162,000	45000	16050	MAY90	DEC90
		FEB91	\$174,000	25000	11400	NOV90	FEB91
		MAR91	\$174,000	25000	11400	NOV90	FEB91

**Commercial Fisheries Entry Commission
1991 Estimated Monthly Permit Value Report**

FISHERY		MONTH	ESTIMATED VALUE	RANGE	STD DEV	EARLIEST TRANSACTION	LATEST TRANSACTION
Bristol Bay	B03T	JAN91	\$220,400	31000	9900	NOV90	JAN91
		FEB91	\$220,800	31000	9750	DEC90	FEB91
		MAR91	\$213,200	45000	11950	JAN91	MAR91
***** Salmon Set Gillnet Fisheries *****							
Yakutat	B04D	JAN91	\$17,200	20000	7450	MAY90	DEC90
		FEB91	\$44,000	12000	8950	DEC90	FEB91
		MAR91	\$45,200	12000	6550	DEC90	MAR91
Prince William Sound	B04H	JAN91	\$73,100	67500	26700	MAR88	MAY90
		FEB91	\$90,000	20000	11350	DEC88	FEB91
		MAR91	\$90,000	20000	11350	DEC88	FEB91
Cook Inlet	B04K	JAN91	\$96,000	40000	16350	JUL90	NOV90
		FEB91	\$84,800	36000	15250	AUG90	FEB91
		MAR91	\$81,000	26000	13450	FEB91	MAR91
Kodiak	B04K	JAN91	\$107,500	45000	21800	MAY90	AUG91
		FEB91	\$95,000	50000	22750	JUN90	JAN91
		MAR91	\$95,000	50000	22750	JUN90	JAN91
Alaska Peninsula	B04H	JAN91	\$106,300	90000	39450	APR88	JUN90
		FEB91	\$106,300	90000	39450	APR89	JUN90
		MAR91	\$106,300	90000	39450	APR89	JUN90
Upper Yukon	B04P	JAN91	\$11,300	2000	950	FEB90	JUL90
		FEB91	\$11,300	2000	950	FEB90	JUL90
		MAR91	\$11,300	2000	950	FEB90	JUL90
Bristol Bay	B04T	JAN91	\$69,500	10000	3700	NOV90	JAN91
		FEB91	\$61,000	49000	17700	JAN91	FEB91
		MAR91	\$62,700	35000	9400	JAN91	MAR91
Kuskokwim	B04W	JAN91	\$13,000	3500	1300	NOV90	JAN91
		FEB91	\$13,000	3500	1300	DEC90	FEB91
		MAR91	\$13,800	3000	1500	JAN91	MAR91
Kotzebue	B04X	JAN91	\$8,200	7000	2800	JUL90	OCT90
		FEB91	\$8,200	7000	2800	JUL90	OCT90
		MAR91	\$8,200	7000	2800	JUL90	OCT90
Lower Yukon	B04Y	JAN91	\$25,600	10000	4400	JUN90	JAN91
		FEB91	\$25,600	10000	4400	JUN90	JAN91
		MAR91	\$25,500	10000	3950	JUN90	MAR91
Norton Sound	B04S	JAN91	\$11,000	2000	1000	JUN89	JUN90
		FEB91	\$11,000	2000	1000	JUN89	JUN90
		MAR91	\$11,000	2000	1000	JUN89	JUN90
***** Salmon Troll Fisheries *****							
Southeast	B05B	JAN91	\$8,000	2000	530	NOV90	JAN91
		FEB91	\$8,100	2000	500	DEC90	FEB91
		MAR91	\$8,000	2500	550	JAN91	MAR91
Southeast	B15B	JAN91	\$14,400	5500	1680	NOV90	JAN91
		FEB91	\$13,600	16500	3990	DEC90	FEB91
		MAR91	\$14,100	20000	4900	JAN91	MAR91

**Commercial Fisheries Entry Commission
1991 Estimated Monthly Permit Value Report**

FISHERY	MONTH	ESTIMATED VALUE	RANGE	STD DEV	EARLIEST TRANSACTION	LATEST TRANSACTION
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******* Salmon Fish Wheel Fisheries *******

Upper Yukon	8089	JAN91	\$12,500	10000	5000	JUN90	JUL90
		FEB91	\$12,500	10000	5000	JUN90	JUL90
		MAR91	\$12,500	10000	5000	JUN90	JUL90

The following fisheries are not reported on because there have not been a sufficient number of transfers to meet CFEC confidentiality requirements.

CRAB POTS

- (K19A) Southeast Red/Blue King Crab Pots
- (K29A) Southeast Red/Blue/Brown King Crab Pots
- (K39A) Southeast Brown King Crab Pots
- (K49A) Southeast Red/Blue King, Tanner Crab Pots
- (K59A) Southeast Brown King, Tanner Crab Pots
- (K69A) Southeast Red/Blue/Brown King, Tanner Crab Pots
- (T19A) Southeast Tanner Crab Pots

HERRING GILLNET

- (G34W) Nelson Island Herring Gillnet
- (G34U) Nunivak Island Herring Gillnet
- (G34Y) Lower Yukon Herring Gillnet

HERRING GILLNET/SEINE

- (G31X) Kodiak Herring Gillnet/Seine

HERRING BEACH SEINE

- (G02S) Norton Sound Herring Beach Seine

HERRING SPAWN ON KELP

- (L12T) Bristol Bay Herring Spawn on Kelp

SABLEFISH LONGLINE

- (C61C) Southern Southeast Sablefish Longline

SABLEFISH POTS

- (C91C) Southern Southeast Sablefish Pots

SCOMM

74:6

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE
LABOR & COMMERCE COMMITTEE
RESOURCES COMMITTEE
RULES COMMITTEE
CHAIRMAN, SPECIAL COMMITTEE ON
DOMESTIC & INTERNATIONAL
COMMERCIAL FISHERIES



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P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4916

FAX (907) 465-4928

FAX TRANSMITTAL SHEETNUMBER OF PAGES (Including transmittal sheet): 3DATE: 4-21-92

TO: _____

Greg Seider - UFA

TO FAX: _____

FROM: Mary McDowellFROM FAX: 465-4928COMMENTS: Here is new draft version of SB423. Changessome of the findings, tightens up eligibility by changing"medical problems" to "illness or disability," 10 yrs. of fishing mustbe immediately preceding the transfer, must be permit holder & notjust a "participant," and bill ~~no~~ longer applies tonon-transferable permits. Please let me know what you think of this version.If you have any problems receiving this message, please callin Senator Dick Eliason's office, 465-4916.

The bill is scheduled to be heard in
Senate Fisheries Committee on Fri. April 24 at 12:45 p.m.

CSSB 423 - limited entry permit temporary transfer
Sen. Fred Zharoff
Senate Special Committee on Fisheries
April 24, 1992

THE CURRENT LAW RELATING TO EMERGENCY TRANSFERS OF LIMITED ENTRY PERMITS DOES NOT ADEQUATELY ADDRESS THE CONCERNS OF COMMERCIAL FISHERMEN WHO ARE 65 YEARS OF AGE OR OLDER AND WHO SUFFER FROM AGE-RELATED ILLNESSES OR PHYSICAL DISABILITIES.

THESE FISHERMEN...AFTER A LIFETIME OF INVESTMENT AND PARTICIPATION IN THE FISHERY...ARE PLACED IN A SITUATION WHERE THEY ARE ESSENTIALLY FORCED OUT OF THE COMMERCIAL FISHING PROFESSION.

THE LAW REQUIRES PERMITS TO BE OPERATED BY THE OWNERS. THE ONLY EXCEPTION IS WHEN THE COMMERCIAL FISHERIES ENTRY COMMISSION APPROVES AN EMERGENCY TRANSFER.

UNDER CURRENT LAW, PERMIT HOLDERS CAN APPLY FOR TEMPORARY EMERGENCY TRANSFERS OF PERMITS IN CASES OF ILLNESS, DISABILITY, DEATH, MILITARY OR GOVERNMENT SERVICE, OR OTHER UNAVOIDABLE HARDSHIPS. IN SUCH CASES, ANOTHER PERSON CAN OPERATE A PERMIT AND PAY THE OWNER FOR THE USE OF THE PERMIT.

THE KEY WORD HERE IS "TEMPORARY". THE COMMISSION ONLY ALLOWS THESE TRANSFERS TO OCCUR ON A TEMPORARY BASIS. IF THE CONDITION PERSISTS, THAT PERSON MUST SELL OR TEMPORARILY TRANSFER THEIR PERMIT.

THIS OFTEN PLACES THE ELDERLY PERSON IN A BOX. THEY MAY WANT TO TRANSFER THE PERMIT TO A GRANDCHILD OR SELL IT TO ANOTHER FAMILY MEMBER. BUT THE GRANDCHILD MAY NOT YET HAVE REACHED THE AGE WHERE THEY CAN OPERATE A COMMERCIAL FISHING OPERATION, AND THE FAMILY MEMBER MAY NOT HAVE THE FUNDS AVAILABLE THAT YEAR TO PURCHASE THE PERMIT.

THIS LEAVES THE PERMIT HOLDER WITH ONE OPTION...SELLING IT OUTSIDE THE FAMILY. AND THEN THE PERMIT IS LOST TO THE FAMILY FOREVER.

THROUGHOUT MY ENTIRE TIME IN OFFICE, I HAVE RECEIVED CONSTANT COMPLAINTS FROM CONSTITUENTS...PARTICULARLY IN THE BRISTOL BAY REGION...ABOUT THE UNFAIRNESS OF THE SITUATION. THEY WANT SOME ASSURANCE THAT UNDER CERTAIN CIRCUMSTANCES THEY CAN TRANSFER THE PERMIT FOR MORE THAN ONE YEAR.

CSSB 423 WOULD OPEN UP MORE OPTIONS TO ELDERLY COMMERCIAL FISHERMEN BY ALLOWING EMERGENCY TRANSFERS FOR MULTIPLE YEARS.

IN ORDER TO AVOID THE WIDESPREAD LEASING OF PERMITS, WE HAVE VERY SPECIFICALLY TARGETED THE BILL.

IT APPLIES ONLY TO INDIVIDUALS AGE 65 AND OVER. IN OUR SOCIETY, AGE 65 IS GENERALLY CONSIDERED THE AGE OF RETIREMENT. IN ALASKA, AGE 65 IS WHEN YOU QUALIFY FOR THE LONGEVITY BONUS AND OTHER SPECIAL PROGRAMS.

THE BILL ALSO ONLY APPLIES TO THOSE THAT HAVE PARTICIPATED IN THE FISHERY FOR WHICH THE PERMIT WAS ISSUED FOR AT LEAST 10 YEARS. THIS IS DESIGNED TO LIMIT THE EFFECT OF THE BILL TO BONAFIDE COMMERCIAL FISHERMEN WHO HAVE MADE CONSIDERABLE INVESTMENTS IN A FISHERY. WE WISH TO PREVENT PEOPLE FROM ACQUIRING PERMITS FOR THE SOLE PURPOSE OF LIVING OFF THE INCOME FROM OTHER PEOPLE ACTUALLY OPERATING THE PERMITS.

MY UNDERSTANDING IS THAT A CS HAS BEEN PREPARED THAT FURTHER TIGHTENS THE BILL.

THE CS MAKES THE TITLE MORE SPECIFIC.

IT ADDS THE REQUIREMENT THAT IN ADDITION TO BEING OVER 65 THE PERMIT-HOLDER MUST SUFFER FROM AN ILLNESS OR DISABILITY.

IT MAKES CLEAR THAT THE 10 YEARS OF PAST PARTICIPATION IN THE FISHERY MUST HAVE BEEN AS THE OPERATOR OF A LIMITED ENTRY PERMIT.

IT TIGHTENS UP THE FINDINGS SECTION.

IT INCLUDES A FIVE YEAR SUNSET CLAUSE IN ORDER FOR THE LEGISLATURE TO EVALUATE THE IMPACT OF THIS CHANGE IN STATUTE.

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSB 423 (FSH)

Revision Date: 04/24/92 Department Affected: Fish and Game
Title: Temporary transfer of commercial fisheries entry permits BRU: Commercial Fisheries (Limited) Entry Commission
Component: Limited Entry Program Administration
Sponsor: Senator Zharoff
Requestor: Senate Special Comm. on FSH. COMPONENT SERIAL NO.

0	4	7	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Frank Homan Phone: 789-6160
Division: Commercial Fisheries (Limited) Entry Commission Date: 04/24/92
Approved by Commissioner: *Frank Homan*
Agency: Commercial Fisheries (Limited) Entry Commission Date: 04/24/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Dick Eliason
Chairman
Senate Special Committee on Domestic and
International Commercial Fisheries

FROM: Senator Fred F. Zharoff

DATE: April 23, 1992

RE: CS For Senate Bill No. 423 (Resources) - "An Act
relating to the temporary transfers of commercial
fisheries entry permits."

BILL SUMMARY: CSSB 423 amends the emergency transfers section of the limited entry statutes. It requires the Commercial Fisheries Entry Commission to provide for the temporary emergency transfer of limited entry permits held by individuals age 65 or older who, for medical reasons, are unable to continue to participate in the fishery.

The amendment allows the commission to renew the transfer annually for multiple years. It limits the privilege to long time commercial fishermen, those who have participated/held a permit in a specific fishery for at least 10 years.

A CS is being prepared which specifies that the transfer would only be applicable in cases where the permit-holder suffers from illness or disability.

PREVIOUS ACTION: Moved out of the Senate Resources Committee on April 14 (4 DP, 1 NR).

FISCAL IMPACT: Zero fiscal note from the Commercial Fisheries Entry Commission.

BACKGROUND INFORMATION: Under current law, older commercial fishermen have few options open to them when they reach the age where, for medical reasons (illness or disability), they are unable to continue to participate in physically demanding commercial fisheries. At that time, they must either sell or transfer their permits, forever giving up their privilege to own and operate commercial fishing operations.

CSSB 423 would allow commercial fishermen 65 years of age or older to temporarily transfer their permits to another

individual or a younger family member, continue to earn income, and -- if their health returns -- resume commercial fishing. In the meantime, younger individuals would have opportunities to gain experience in the fisheries and to earn incomes that they can put toward purchasing their own permits.

The age of 65 was chosen as the qualifying age because it conforms to precedent. The age of 65 is -- across the nation -- the standard age for retirement. It is the age in Alaska when people qualify for the longevity bonus and a host of other programs.

The requirement that a person participate in the fishery for at least 10 years is an effort to discourage speculators who would buy a permit without the intention of fishing it themselves and instead just live off the income generated by the person to whom they have transferred it. Our intent is to limit the beneficiaries of this provision to bonafide commercial fishermen who have invested considerable time and money in participating in specific fisheries. The 10 year requirement is the best method we could devise for accomplishing this goal.

ATTACHED BACKUP INFORMATION:

1. Fiscal note from the Commercial Fisheries Entry Commission.
2. Letter of support from Roger and Randy Briggs of Ugashik, April 8, 1992.
3. Copy of the emergency transfers statute, AS 16.43.180.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSIONBILL NO. SB 423

Revision Date: _____ Department Affected: Fish and Game
 Title: Temporary transfer of commercial fisheries BRU: Commercial Fisheries (Limited) Entry Commission
entry permits Component: Limited Entry Program Administration
 Sponsor: Senator Zharoff
 Requestor: Senator Zharoff COMPONENT SERIAL NO 0 4 7 1

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/6/92
 Approved by Commissioner: Frank M. Hoffman
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/6/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Page 1 of 1

Ugashik, Alaska 99613

April 8, 1992

Senator Fred Zharoff

P.O. Box 7, Juneau, Alaska 99811

Dear Senator Zharoff:

Re: Amendment to Limited Entry Law 16.43-180

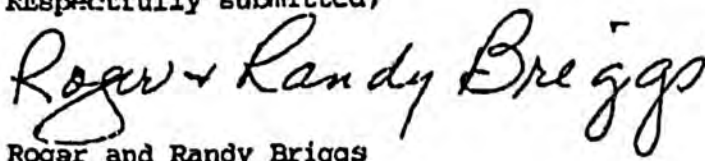
Add a new subsection c.

"The Commission shall adopt regulations providing for the temporary transfer from year to year of an entry permit if the permit holder is at least 65 years of age, has participated in the fishery for which the permit is issued for at least 10 years and is unable to participate in the fishery for medical reasons."

We support this bill for the following reasons:

1. No provision was made in the original Limited Entry Law or subsequent regulations for multiple year transfers for senior fishermen with continuing medical problems.
2. As of 1989, according to a Limited Entry Commission report requested by Senator Zharoff, 3222 fishermen in the state were between 60 and 70 years of age, while an additional 1364 were over 69 years of age.
3. This amendment is not a new concept because in two other circumstances multiple year transfers are permitted by the Commission.
 - a. An estate may emergency transfer a permit year after year until the estate is settled.
 - b. A permit inherited by a minor may be transferred year after year until the minor reaches the age of presumptive ability to participate.
4. This amendment would provide a fisherman 65 years of age or older an option to continue to participate in the fishery but in a less strenuous manner, thereby imparting the knowledge gained thru many years of experience to a younger fisherman..

Respectfully submitted,



Roger and Randy Briggs

Effect of amendments. — The 1989 amendment, effective May 31, 1989, added subsection (f).

The 1990 amendment, effective July 12, 1990, added the second sentence of subsection (a).

Editor's notes. — Section 6, ch. 63,

SLA 1989 provides that subsection (f) of this section, added by § 5, ch. 63, SLA 1989 is "applicable to cases involving a commercial fishing violation or theft of commercial fishing gear that occurs on or after May 31, 1989."

Sec. 16.43.180. Emergency transfers. (a) The commission shall adopt regulations providing for the temporary emergency transfer of entry permits and interim-use permits when illness, disability, death, required military or government service, or other unavoidable hardship prevents the permit holder from participating in the fishery. To alleviate hardship pending a final determination of the permit holder's eligibility for an entry permit, the commission shall adopt regulations providing for the temporary emergency transfer of an interim-use permit issued under AS 16.43.210(b) or 16.43.225.

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate. (§ 1 ch 79 SLA 1973; am § 5 ch 73 SLA 1977; am § 5 ch 123 SLA 1978; am § 5 ch 34 SLA 1991)

Effect of amendments. — The 1991 amendment, effective June 13, 1991, added "or 16.43.225" to the end of subsection (a).

Article 3. Initial Issuance of Entry Permits.

Section

- 210. Interim-use permit; qualifications
- 225. Moratorium on new entrants into certain fisheries
- 227. Southeast Alaska dungeness crab fishery

Section

- 240. Determination of the maximum number of entry permits for initial issue
- 260. Application for initial issue of entry permits

Sec. 16.43.210. Interim-use permit; qualifications. (a) Pending the establishment of the maximum number of entry permits under AS 16.43.240 and the issuance of entry permits under AS 16.43.270, the commission shall issue interim-use permits under regulations adopted by the commission for each fishery, not subject to a moratorium under AS 16.43.225, to all applicants who can establish their present ability to participate actively in the fishery for which they are making application.

(b) Before the issuance of the maximum number of entry permits for a given fishery, the commission may issue an interim-use permit to an applicant who may later become eligible for an entry permit under AS 16.43.270.

(c) To the extent that the commissioner of fish and game authorizes it under AS 16.05.050(10), the commission may grant an interim-use

**** DRAFT ****

LETTER OF INTENT FOR CSSB 423 (FSH)

By the Senate Special Committee on Domestic and
International Commercial Fisheries

It is the intent of the Legislature that the Commercial Fisheries Entry Commission will monitor the temporary transfer of limited entry permits allowed under the provisions of this bill and will report back to the Legislature by January 15, 1997. The report should include an analysis of how the temporary transfer provision has been working, and any effects it has had on the availability and distribution of permits and levels of participation in limited fisheries.

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. _____

Revision Date: 04/24/92Department Affected: Fish and GameTitle: Temporary transfer of commercial
fisheries entry permitsBRU: Commercial Fisheries (Limited) Entry
CommissionComponent: Limited Entry Program AdministrationSponsor: Senator ZbaroffRequestor: Senate Special Comm. on F&G

COMPONENT SERIAL NO.

0 4 7 1

EXPENDITURES/REVENUE: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Frank HomanPhone: 789-6160Division: Commercial Fisheries (Limited) Entry CommissionDate: 04/24/92Approved by Commissioner: Frank HomanAgency: Commercial Fisheries (Limited) Entry CommissionDate: 04/24/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OWS/DSR, Gov. Leg. Ofc., & impacted Agency(ies).

Rev 10/7/81

Page 1 of 1

7-LS2087M ✓
Utermohle
4/23/92

CS FOR SENATE BILL NO. 423 (FSH)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE SPECIAL COMMITTEE ON DOMESTIC AND INTERNATIONAL COMMERCIAL
FISHERIES

Offered:
Referred:

Sponsor(s): SENATOR ZHAROFF

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the year-to-year transfer of a limited entry permit of a permit holder
2 who is at least 65 years old and unable to participate in the fishery due to illness or
3 disability; and providing for an effective date."

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

5 * Section 1. FINDINGS. The legislature finds that

6 (1) current law relating to the emergency transfers of limited entry permits does not
7 adequately address the concerns of commercial fishermen who are 65 years of age or older and suffer
8 from physical disabilities;

9 (2) commercial fishermen 65 years of age or older who, because of illness or disability,
10 can no longer participate in physically demanding commercial fisheries should not be forced to sell their
11 permits, but instead should be allowed to transfer them to younger individuals and to plan for themselves
12 an orderly transition from active commercial fishing to retirement;

13 (3) commercial fishermen 65 years of age or older, who suffer from physical disabilities,
14 should be allowed to participate in the fisheries in a less strenuous manner, thereby imparting the

1 knowledge gained from many years of experience to younger fishermen;

2 (4) 65 years of age is the established age of retirement in our society and the qualifying
3 age for a large number of programs for senior citizens;

4 (5) allowing limited entry permit holders who are 65 years of age or older to transfer a
5 permit from year-to-year may enable young Alaskans with low incomes to participate in commercial
6 fishing as gear operators and give them the opportunity to acquire the capital necessary to purchase their
7 own limited entry permits;

8 (6) allowing all limited entry permit holders to transfer a permit from year-to-year would
9 result in speculation in fisheries entry permits by individuals who purchase permits with the intention
10 of living off the income generated by other individuals who actually operate the permits; such a practice
11 would be disruptive to the commercial fishing industry and should not be allowed;

12 (7) commercial fishermen who have held a permit in a specific fishery for 10 years or
13 more immediately preceding the request to transfer an entry permit are bona fide commercial fishermen
14 who have invested considerable time and money in the commercial fishing industry and have
15 demonstrated their commitment to and current dependence upon commercial fishing as a livelihood and
16 a profession.

17 * Sec. 2. AS 16.43.180 is amended by adding a new subsection to read:

18 (c) The commission shall adopt regulations providing for the temporary transfer from
19 year-to-year of an entry permit if the permit holder is at least 65 years of age, has participated
20 in the fishery as an interim-use or entry permit holder for at least 10 years immediately preceding
21 the request to transfer the entry permit, and is unable to participate in the fishery for reasons of
22 illness or disability. This subsection does not apply to entry permits that are not transferable to
23 a person under AS 16.43.170(c) or (e).

24 * Sec. 3. AS 16.43.180(c), added by sec. 2 of this Act, is repealed December 31, 1997.

25 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE
LABOR & COMMERCE COMMITTEE
RESOURCES COMMITTEE
RULES COMMITTEE
CHAIRMAN, SPECIAL COMMITTEE ON
DOMESTIC & INTERNATIONAL
COMMERCIAL FISHERIES



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FAX (907) 465-4928

FAX TRANSMITTAL SHEET

NUMBER OF PAGES (Including transmittal sheet): 4

DATE: 4-24-92

TO: _____

TO FAX: _____

FROM: Mary McDowell
Senate Fisheries Committee

FROM FAX: 465-4928

COMMENTS: Here is the latest version of the
CS for SB423 which will be proposed at
today's Fisheries Committee meeting and a draft
letter of intent.

If you have any problems receiving this message, please call

_____ in Senator Dick Eliason's office, 465-4916.

7-LS2087M ✓
Utermohle
4/23/92

CS FOR SENATE BILL NO. 423 (FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE SPECIAL COMMITTEE ON DOMESTIC AND INTERNATIONAL COMMERCIAL FISHERIES

Offered:

Referred:

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the year-to-year transfer of a limited entry permit of a permit holder
2 who is at least 65 years old and unable to participate in the fishery due to illness or
3 disability; and providing for an effective date."

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5 * Section 1. FINDINGS. The legislature finds that

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10 can no longer participate in physically demanding commercial fisheries should not be forced to sell their
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14 should be allowed to participate in the fisheries in a less strenuous manner, thereby imparting the

1 knowledge gained from many years of experience to younger fishermen;

2 (4) 65 years of age is the established age of retirement in our society and the qualifying
3 age for a large number of programs for senior citizens;

4 (5) allowing limited entry permit holders who are 65 years of age or older to transfer a
5 permit from year-to-year may enable young Alaskans with low incomes to participate in commercial
6 fishing as gear operators and give them the opportunity to acquire the capital necessary to purchase their
7 own limited entry permits;

8 (6) allowing all limited entry permit holders to transfer a permit from year-to-year would
9 result in speculation in fisheries entry permits by individuals who purchase permits with the intention
10 of living off the income generated by other individuals who actually operate the permits; such a practice
11 would be disruptive to the commercial fishing industry and should not be allowed;

12 (7) commercial fishermen who have held a permit in a specific fishery for 10 years or
13 more immediately preceding the request to transfer an entry permit are bona fide commercial fishermen
14 who have invested considerable time and money in the commercial fishing industry and have
15 demonstrated their commitment to and current dependence upon commercial fishing as a livelihood and
16 a profession.

17 * Sec. 2. AS 16.43.180 is amended by adding a new subsection to read:

18 (c) The commission shall adopt regulations providing for the temporary transfer from
19 year-to-year of an entry permit if the permit holder is at least 65 years of age, has participated
20 in the fishery as an interim-use or entry permit holder for at least 10 years immediately preceding
21 the request to transfer the entry permit, and is unable to participate in the fishery for reasons of
22 illness or disability. This subsection does not apply to entry permits that are not transferable to
23 a person under AS 16.43.170(c) or (e).

24 * Sec. 3. AS 16.43.180(c), added by sec. 2 of this Act, is repealed December 31, 1997.

25 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

**** DRAFT ****

LETTER OF INTENT FOR CSSB 423 (FSH)

By the Senate Special Committee on Domestic and
International Commercial Fisheries

It is the intent of the Legislature that the Commercial Fisheries Entry Commission will monitor the temporary transfer of limited entry permits allowed under the provisions of this bill and will report back to the Legislature by January 15, 1997. The report should include an analysis of how the temporary transfer provision has been working, and any effects it has had on the availability and distribution of permits and levels of participation in limited fisheries.



Alaska State Senate

Office of the President

Senator Richard I. Eliason, President

SB423

Dider - Handtroll would be by far the most impacted fishery under this bill. The bill could activate up to 137 HT permits ^(out of total 1746 HT permits) that are now inactive (over 65 yrs old). Next highest would be Bristol Bay setnet with only 8 potentially re-activated (out of 1025 total permits)

CS FOR SENATE BILL NO. 423 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/14/92
Referred: FSH

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to temporary transfers of commercial fisheries entry permits."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * Section 1. FINDINGS. The legislature finds that

4 (1) current law relating to the emergency transfers of limited entry permits does not
5 adequately address the concerns of commercial fishermen who are 65 years of age or older and suffer
6 from age-related physical disabilities;

7 (2) commercial fishermen 65 years of age or older who, because of medical problems,
8 can no longer participate in physically demanding commercial fisheries should not be forced to sell their
9 permits, but instead should be allowed to transfer them to younger individuals and to plan for themselves
10 an orderly transition from active commercial fishing to retirement;

11 (3) commercial fishermen 65 years of age or older, who suffer from physical disabilities,
12 should be allowed to participate in the fisheries in a less strenuous manner, thereby imparting the
13 knowledge gained from many years of experience to younger fishermen;

14 (4) 65 years of age is the established age of retirement in our society and the qualifying

1 age for a large number of programs for senior citizens;

2 (5) commercial fishermen do not have an established retirement system;

3 (5) allowing limited entry permit holders who are 65 years of age or older to transfer a
4 permit from year-to-year will enable many young Alaskans with low incomes to participate in
5 commercial fishing as gear operators and give them the opportunity to acquire the capital necessary to
6 purchase their own limited entry permits;

7 (7) allowing all limited entry permit holders to transfer a permit from year-to-year would
8 result in speculation in fisheries entry permits by individuals who purchase permits with the intention
9 of living off the income generated by other individuals who actually operate the permits; such a practice
10 would be disruptive to the commercial fishing industry and should not be allowed;

11 (8) commercial fishermen who have participated in a specific fishery for 10 years or more
12 are bona fide commercial fishermen who have invested considerable time and money in the commercial
13 fishing industry and who have demonstrated their commitment to commercial fishing as a livelihood and
14 a profession.

15 * Sec. 2. AS 16.43.180 is amended by adding a new subsection to read:

16 (c) The commission shall adopt regulations providing for the temporary transfer from
17 year-to-year of an entry permit if the permit holder is at least 65 years of age, has participated
18 in the fishery for which the permit is issued for at least 10 years, and is unable to participate in
19 the fishery for medical reasons.

Changes made in CSSB 423(RES) to reach Draft CSSB 423(FSH)

SUBSTANTIVE CHANGES:

Section 2.

Added that fisherman must have held a permit or interim-use permit during the 10 years, not only have participated (as a crewman, etc.)

Added that the 10 years of participation must have been immediately preceding the transfer request, not at just any time during life.
To avoid people from buying permits at 65 as a retirement investment?

Changed "medical problems" to "illness or disability"- tighter language
suggested by Entry Commission

Removed eligibility of non-transferable permits as those are intended for fishermen with less dependence on fishing and are presumed to be leaving the fishery as fishermen age.

Removed almost 100 Handtroll permits from eligibility right away. Only 2 fisheries in state have non-transferables: S.E. Handtroll & Bristol Bay set net & very few

Section 3.

Added five-year sunset clause. Letter of Intent has Entry Commission
Report back to Legislature in Jan. of 1997 & program would end in Dec. of '97 if not extended.

Section 4.

Added immediate effective date.

OTHER CHANGES:

Title

Tightened language slightly to explain that the transfers are for permit holders who are over 65 and ill or disabled, and adding effective date.

Section 1. FINDINGS.

(2) Changed "medical problems" to "illness or disability"

Removed finding about fishermen needing a retirement program.

(5) Changed "will enable many young Alaskans" to "may enable young Alaskans" - *no evidence that people would be noble enough to lease to needy young Alaskans if "highest bidders" were rich Seattle fishermen*

(7) Added that the 10 years of participation must be "immediately preceding the request to transfer," not just any ten years. Also added "and current dependence upon"

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION
OWNERS OF PERMANENT PERMITS
AGED 65 AND OLDER
WHO DID NOT FISH THEIR PERMITS IN 1991

FISHERY

TRANSFERABILITY

NON-TRAN TRANSFER
SFERABLE ABLE

Total

SABLEFISH LONG LINE NORTH SE	0	1	1
HER ROE SEINE SOUTHEAST	0	5	5
HER ROE SEINE COOK INLET	0	1	1
HER ROE GILLNET SOUTHEAST	0	1	1
HER ROE GILLNET PWS	0	1	1
HER ROE GILLNET CAPE ROMANZOF	0	3	3
KING & TANNER POTS SE	0	1	1
SALMON SEINE SOUTHEAST	0	10	10
SALMON SEINE PWS	0	6	6
SALMON SEINE COOK INLET	0	3	3
SALMON SEINE KODIAK	0	9	9
SALMON SEINE CHIGNIK	0	2	2
SALMON SEINE PENINSULA/ALEUT	0	1	1
SALMON DRIFT NET SOUTHEAST	0	5	5
SALMON DRIFT NET PWS	0	5	5
SALMON DRIFT NET COOK INLET	0	4	4
SALMON DRIFT NET PEN/ALEUT	0	1	1
SALMON DRIFT NET BRISTOL BAY	0	26	26
SALMON SET NET YAKUTAT	0	4	4
SALMON SET NET COOK INLET	0	13	13
SALMON SET NET KODIAK	0	4	4
SALMON SET NET PEN/ALEUT	0	1	1
SALMON SET NET UPPER YUKON	0	6	6
SALMON SET NET BRISTOL BAY	5	12	17
SALMON SET NET KUSKOKWIM	0	1	1
SALMON SET NET KOTZEBUE	0	8	8
SALMON SET NET LOWER YUKON	0	7	7
SALMON SET NET NORTON SOUND	0	11	11
SALMON HAND TROLL	93	43	136
SALMON FISH WHEEL UPPER YUKON	0	4	4
SALMON POWER TROLL	0	20	20
Total	98	219	317

New CS takes
98 non-transf.
permits out
of temp. transfer
eligibility.
(Reduces total in all
fisheries by $\frac{1}{3}$)

Impact on troll

Old bill - 156
permits of people
over 65 didn't
fish in 1991
would be eligible

New CS - 63
would be eligible
for lease

HT's in our district
(non-transf) that would
not be eligible for
transfer under new CS

Angoon	2	Pt. Barrow	2
Craig	1	Sitka	10
Hamah	1	Tenakee	3
Hyde.	1	Yakutat	4
Kake	5		
Klawock	1		
Metlak	3		
			33

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STATE OF ALASKA

92-04-16

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COMMERCIAL FISHERIES ENTRY COMMISSION
OWNERS OF NON-TRANSFERABLE PERMANENT PERMITS
AGED 65 AND OLDER
WHO DID NOT FISH THEIR PERMITS IN 1991

ADDRESS	FISHERY		Total
	Bristol Bay Set Net S04T	HT S05B	
ANACORTES	0	1	1
ANCHORAGE	1	0	1
ANGOON	0	2	2
AUKE BAY	0	1	1
CRAIG	0	1	1
DOUGLAS	0	3	3
EDMONDS	0	1	1
HILLSBORO	0	1	1
HOONAH	0	1	1
HOOPER BAY	2	0	2
HYDABURG	0	1	1
JUNEAU	0	18	18
KAKE	0	5	5
KAMIAH	0	1	1
KASIGLUK	1	0	1
KETCHIKAN	0	16	16
KLAWOCK	0	1	1
LACONNER	0	1	1
METLAKATLA	0	3	3
MEYERS CHUCK	0	1	1
NEWTOK	1	0	1
PETERSBURG	0	9	9
POINT BAKER	0	2	2
RYDERWOOD	0	1	1
SEATTLE	0	1	1
SITKA	0	10	10
TENAKEE	0	3	3
WRANGELL	0	5	5
YAKUTAT	0	4	4
Total	5	93	98