

**SCOMM**

**87:22**

# FISCAL NOTE

BILL NO.     

STATE OF ALASKA  
 1994 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Relating to the waste and use of salmon  
 \_\_\_\_\_  
 Sponsor: \_\_\_\_\_  
 Requestor: Governor

Dept. Affected: Fish and Game  
 BRU: Commercial Fisheries Management & Develop.  
 Component: Fisheries Management  
 \_\_\_\_\_  
 COMPONENT SERIAL NO. 1941

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ( )	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Bob Clasby Phone: 465-6120  
 Division: Commercial Fisheries Management and Dev. Date: January 10, 1994  
 Approved by Commissioner: [Signature]  
 Agency: Alaska Department of Fish and Game Date: January 10, 1994

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STATE OF ALASKA**

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Juneau, Alaska 99801-2105

**MEMORANDUM**

February 9, 1994

**SUBJECT:** Sectional Summary of HB 448; An Act relating to waste of salmon and parts of salmon; relating to permits for and operation of a salmon hatchery; and providing for an effective date. (Work Order No. 8-GH2028\A)

**TO:** Representative Carl Moses, Chair  
House Special Committee on Fisheries

**FROM:** George Utermohle *GU*  
Legislative Counsel

You have requested a sectional summary of HB 448; An act relating to waste of salmon and parts of salmon; relating to permits for and operation of a salmon hatchery; and providing for an effective date. HB 448 was drafted by the Department of Law and introduced by the Governor.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

**Section 1** of the bill repeals and reenacts AS 16.05.831. Subsection (a) prohibits the waste of salmon and defines "waste." Subsection (b) authorizes the commissioner of fish and game to issue permits that (1) allow the discard of carcasses of hatchery fish if the fish are taken in specified locations, the eggs are removed, and the carcasses are unfit for human consumption or (2) allow other uses of salmon that are consistent with maximum and wise use of the resource. Subsection (c) authorizes the commissioner to adopt regulations to implement subsection (b). Subsection (d) prescribes the penalty for violating this section or regulations adopted under this section.

**Sections 2 - 5** of the bill amend provisions of AS 16.10.420, 16.10.440(b), 16.10.450(a), and 16.10.470(a) to allow nonprofit salmon enhancement facilities to sell salmon eggs from surplus brood stock and from hatchery salmon that were taken in specified locations and were not fit for human consumption.

Representative Carl M...  
February 9, 1994  
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Section 6 of the bill amends AS 16.40.210(b) to clarify that the sale of eggs from surplus salmon brood stock or from hatchery salmon that were taken in specified locations and were not fit for human consumption does not violate the prohibition against finfish farming.

Section 7 of the bill provides that the bill takes effect immediately.

GU:pl  
94-119.plm

**COOK INLET  
AQUACULTURE ASSOCIATION**

HC 2, BOX 849  
SOLDOTNA, AK 99669-9707  
(907) 283-6761

February 14, 1994

Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

Dear Legislators:

Cook Inlet Aquaculture Association supports the concept expressed in SB 281 and its companion HB 448. It is a good idea to allow operators of special harvest areas or fishermen working therein to remove and sell eggs from salmon that are determined, by the Commissioner of Fish and Game, to be unfit for human consumption.

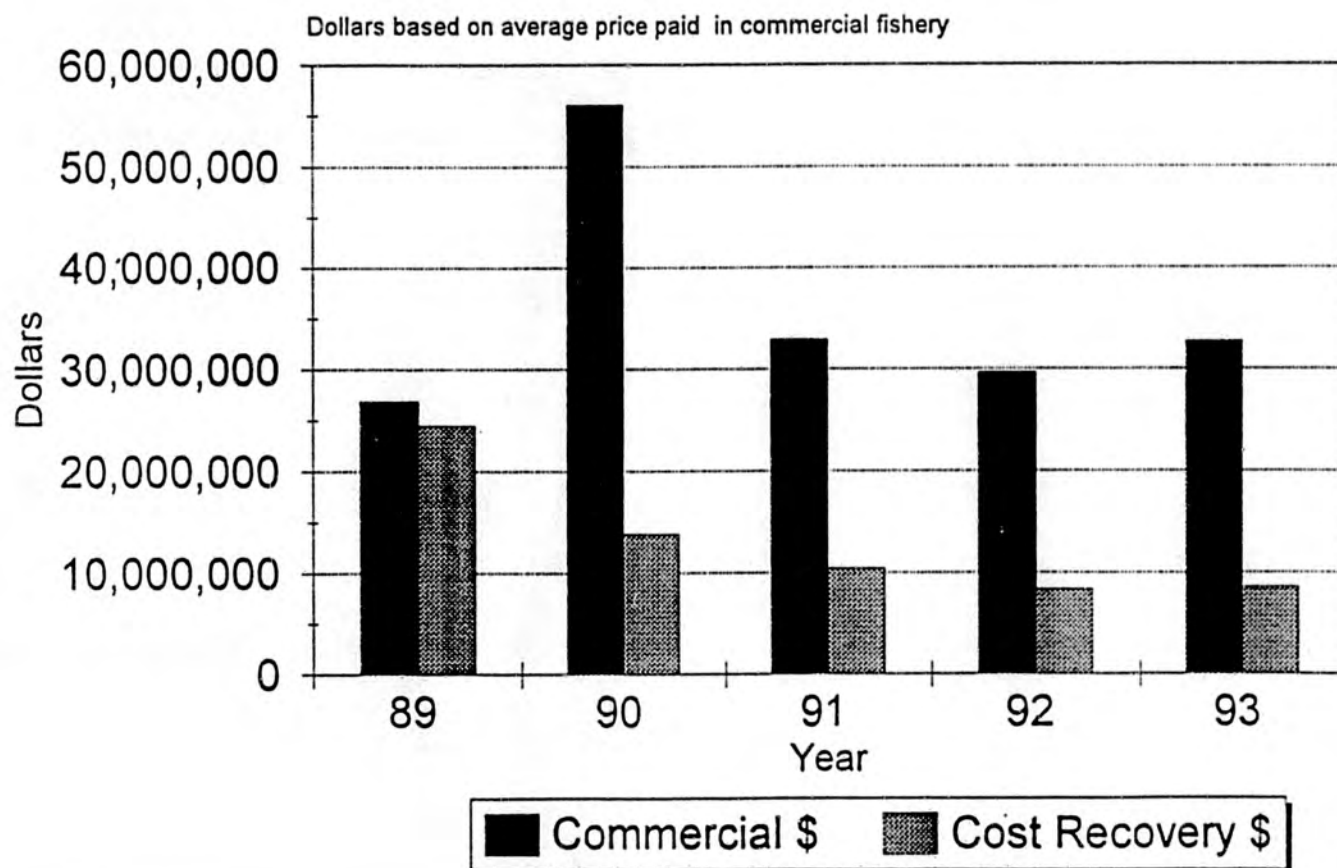
The bills would allow hatchery operators and fishermen the opportunity to recover the rather substantial egg value and dispose of otherwise useless carcasses without causing what would previously have been a "wanton waste". The alternative, under current law, is to forgo harvest of the fish and "waste" both the highly valued eggs and the useless carcass.

Sincerely,

Thomas E. Mears,  
Executive Director

cc: Ray Gillespie

## Value of Common Property and Cost Recovery Harvest



**GOVERNOR HICKEL'S  
INCREASE VALUE OF HATCHERY HARVESTS  
LEGISLATION  
(SB 281 & HB 448)**

Governor Hickel has proposed legislation that will derive as much value as possible from returning hatchery salmon by allowing the harvest and sale of roe (eggs) from salmon that are otherwise unsuitable for human consumption.

Salmon naturally deteriorate in quality after they return to the vicinity of their natal stream. In the case of hatchery salmon, this is the site from which they were released. This deterioration is characterized by discoloration of the skin, softening of the flesh and loss of meat color.

Hatcheries and hatchery remote release sites are located where the majority of the salmon produced contributes to common property fisheries. Harvest in the common property fisheries usually accounts for 50 to 90 percent of the harvest of hatchery production. The remainder of the harvest is taken in a terminal hatchery location or a terminal hatchery remote release site. This is done to prevent overharvest of wild stocks while providing for a higher harvest rate on hatchery stocks.

A portion of those fish available in the terminal sites have deteriorated to the point that the flesh is unsuitable for human consumption. However, the salmon roe still have considerable value. This legislation would legalize the harvest and sale of roe, and the discard of carcasses, from hatchery salmon which had returned to a terminal location and were determined by the commissioner of the Department of Fish and Game to be unsuitable for human consumption.

All harvest of salmon roe provided for under this legislation would be conducted under a permit system established by regulation. This would ensure that only hatchery salmon from terminal sites were harvested for their roe.

Hatchery operators, commercial fishers, and salmon processors would benefit from this legislation. It will provide a more efficient and complete utilization of Alaska's hatchery returns by allowing the harvest of roe from salmon which otherwise yield no value.

It is particularly important at present to extract every dollar of value possible from Alaska's salmon returns given the extremely difficult financial times facing Alaska's salmon industry.

WALTER J. HICKEL  
GOVERNOR



HB 448  
P. O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 4, 1994

The Honorable Ramona Barnes  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the waste and use of salmon and parts of salmon, and to permits for and operation of salmon hatcheries.

The bill would repeal and reenact AS 16.05.831 (waste of salmon) to authorize the commissioner of fish and game to issue permits to allow the removal and sale of eggs from hatchery-produced salmon and the discard of the salmon carcasses. The permits would allow this practice only for salmon that return to hatchery terminal and special harvest areas or remote sites from which hatchery smolt are released, and that are determined by the commissioner of fish and game to be unfit for human consumption. This is a practice that is prohibited by existing AS 16.05.831. It is anticipated that persons who would be authorized under such a permit are commercial fishermen who are participating in a designated terminal fishery and, perhaps, hatchery operators or fish processors.

The language that appears in the bill as AS 16.05.831(b)(2), regarding permits authorizing "other uses of salmon," is currently contained in AS 16.05.831(b).

The bill also cures several problems in existing AS 16.05.831. Presently, that statute applies only to salmon that are "intended" for certain uses. Because that statute does not indicate whose intent is to be measured, this ambiguity can cause enforcement problems. Also, the specified uses are not meaningful because they cover every conceivable use of salmon. The bill's repeal and reenactment of AS 16.05.831 deletes this problematic language from the law.



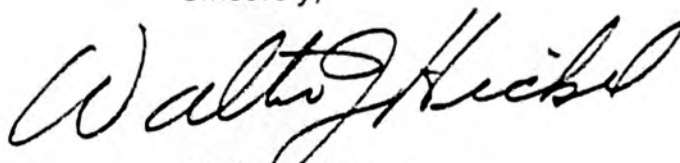
The Honorable Ramona Barnes

February 4, 1994

Page 2

*Because of present market conditions, it is important for the fishing industry and hatchery operators to be able to recover as much value as possible from salmon resources. The bill will contribute to this goal and, at the same time, will allow the state to more effectively enforce the statute on waste of salmon. For these reasons, I urge your prompt consideration and passage of the bill.*

Sincerely,

A handwritten signature in black ink, reading "Walter J. Hickel". The signature is written in a cursive, flowing style with a large initial "W".

Walter J. Hickel  
Governor

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 25526  
JUNEAU, ALASKA 99802-5526  
PHONE: (907) 465-4100

February 17, 1994

The Honorable Carl Moses  
Alaska State Legislature  
State Capitol Building, Room 204  
Juneau, AK 99801-1182

Dear Representative Moses:

I will be out of town on February 18th, when the House Special Fisheries Committee holds its first hearing on House Bill 448. I hope this legislation receives a favorable hearing from the Fisheries Committee.

Since its introduction, I have heard some concerns expressed about this legislation and I would like to briefly address those. The first issue has been how the harvest of roe from hatchery salmon fits with other state policies, regulations, and law on roe stripping.

This bill provides an exception to the general practice of requiring utilization of the carcass associated with the harvest of roe. I believe there are a number of factors that create a reasonable basis for this exception.

The first distinction is that there is no biological reason why the roe could not be harvested from terminal hatchery sites. Hatchery salmon are not part of the spawning population required to maintain the sustained yield of wild stocks.

The second distinction is that salmon, unlike pollack or herring, die shortly after spawning. The deterioration that makes their flesh unsuitable for human consumption after a certain point is the consequence of the inevitable approach of their death. These fish can die with their valuable roe inside them, or their roe can be harvested before they die.

A third factor I believe to be relevant is that fishermen and hatcheries have made significant investments to produce these hatchery fish. The public, through the hatchery loan fund and other measures, also has an investment in the state's private

February 17, 1994

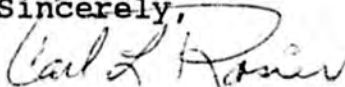
nonprofit hatchery program. It is only wise management of those investments to recover all the value possible from these returns within the limits of sound biological management.

Additional concerns I have heard include that this legislation might encourage hatchery operators, fishermen and processors to hold off on the harvest of salmon until the fish had deteriorated to the point that only the roe was of value. Concern has also been expressed that this legislation would encourage hatchery operators to develop programs which were primarily intended to produce salmon for the sole purpose of roe harvest.

I would be strongly opposed to any such interpretation of this legislation. The department, through its management of the common property fisheries, and through its planning and permitting oversight of the private nonprofit hatchery program, is well equipped to prevent any such abuse.

Thank you for your consideration of the bill and the above comments. If we can be of any further assistance, please feel free to contact me.

Sincerely,



Carl L. Rosier  
Commissioner

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CSHB 448(FSH)

Revision Date: 2/18/94  
Title: Relating to the waste and use of salmon  
Sponsor: House Rules  
Requestor: House Special Fisheries Committee

Dept. Affected: Fish and Game  
BRU: Commercial Fisheries Management & Develop.  
Component: Fisheries Management  
COMPONENT SERIAL NO. 1941

**Expenditures/Revenues**

(Thousands of Dollars)

	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY 94) cost: \$ 0

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Bob Clasby  
Division: Commercial Fisheries Management and Dev.  
Approved by Commissioner: [Signature]  
Agency: Alaska Department of Fish and Game

Phone: 465-6120  
Date: February 18, 1994  
Date: February 18, 1994

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8-GH2028E  
Utermohle  
2/17/94

**CS FOR HOUSE BILL NO. 448(FSH)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES**

Offered:  
Referred:

Sponsor(s): **HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to waste and use of salmon and parts of salmon; relating to**  
2 **permits for and operation of a salmon hatchery; and providing for an effective**  
3 **date."**

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

5 **\* Section 1. AS 16.05.831 is repealed and reenacted to read:**

6           Sec. 16.05.831. WASTE OF SALMON. (a) A person may not waste salmon  
7 intentionally, knowingly, or with reckless disregard for the consequences. In this  
8 section, "waste" means the failure to use the majority of the carcass, excluding viscera  
9 and sex parts, of a salmon.

10           (b) Notwithstanding (a) of this section, the commissioner, upon request, may  
11 issue a permit authorizing

12                       (1) the removal and sale of eggs, and the discard of the carcasses, of  
13 salmon that

14                                       (A) originated from a hatchery; and

1 (B) return to a hatchery terminal area, a hatchery special harvest  
2 area, or a hatchery remote release site and are determined by the commissioner  
3 to be unsuitable for human consumption; or

4 (2) other uses of salmon that would be consistent with maximum and  
5 wise use of the resource.

6 (c) The commissioner may adopt regulations to implement (b) of this section.

7 (d) A person who violates this section or a regulation adopted under this  
8 section is punishable by a fine of not more than \$10,000, or by imprisonment for not  
9 more than six months, or by both. In addition, a person who violates this section is  
10 subject to a civil action by the state for the cost of replacing the salmon wasted.

11 \* Sec. 2. AS 16.10.420 is amended to read:

12 Sec. 16.10.420. CONDITIONS OF A PERMIT. The department shall require,  
13 in a permit issued to a hatchery operator, that

14 (1) salmon eggs procured by the hatchery must be from the department  
15 or a source approved by the department;

16 (2) salmon eggs or resulting fry may not be placed in waters of the  
17 state other than those specifically designated in the permit;

18 (3) salmon eggs or resulting fry, sold to a permit holder by the state  
19 or by another party approved by the department, may not be resold or otherwise  
20 transferred to another person;

21 (4) salmon may not be released by the hatchery before department  
22 approval, and, for purposes of pathological examination and approval, the department  
23 shall be notified of the proposed release of salmon at least 15 days before the date of  
24 their proposed release by the hatchery;

25 (5) diseased salmon be destroyed in a specific manner and place  
26 designated by the department;

27 (6) adult salmon be harvested by hatchery operators only at specific  
28 locations as designated by the department;

29 (7) surplus viable eggs from salmon returning to the hatchery be made  
30 available for sale first to the department and then, after inspection and approval by the  
31 department, to operators of other hatcheries authorized by permit to operate under

1 AS 16.10.400 - 16.10.470;

2 (8) if surplus viable salmon eggs are sold by a permit holder to another  
3 permit holder, a copy of the sales transaction be provided to the department;

4 (9) [REPEALED

5 (10)] a hatchery be located in an area where a reasonable segregation  
6 from natural stocks occurs, but, when feasible, in an area where returning hatchery fish  
7 will pass through traditional salmon fisheries.

8 \* Sec. 3. AS 16.10.440(b) is amended to read:

9 (b) The Board of Fisheries may, after the issuance of a permit by the  
10 commissioner, amend by regulation adopted in accordance with AS 44.62  
11 (Administrative Procedure Act), the terms of the permit relating to the source and  
12 number of salmon eggs to be incubated, the harvest of fish by hatchery operators, and  
13 the specific locations designated by the department for harvest. The Board of Fisheries  
14 may not adopt any regulations or take any action regarding the issuance or denial of  
15 any permits required in AS 16.10.400 - 16.10.470.

16 \* Sec. 4. AS 16.10.450(a) is amended to read:

17 (a) Except as otherwise provided in a contract for the operation of a hatchery  
18 under AS 16.10.480, a hatchery operator who sells salmon returning from the natural  
19 waters of the state, [OR] sells viable salmon eggs to another hatchery operating under  
20 AS 16.10.400 - 16.10.470, or sells salmon eggs as authorized by a permit issued  
21 under AS 16.05.831(b), after utilizing the funds for reasonable operating costs,  
22 including debt retirement, expanding its facilities, salmon rehabilitation projects,  
23 fisheries research, or costs of operating the qualified regional association for the area  
24 in which the hatchery is located, shall expend the remaining funds on other fisheries  
25 activities of the qualified regional association.

26 \* Sec. 5. AS 16.10.470(a) is amended to read:

27 (a) A person who holds a permit for the operation of a salmon hatchery under  
28 AS 16.10.400 - 16.10.470 shall submit an annual report no later than December 15 to  
29 the department and to the qualified regional association for the area in which the  
30 hatchery is located, to include [BUT NOT BE LIMITED TO] information pertaining  
31 to species; brood stock source; number, age, weight, and length of spawners; number

1 of eggs taken for incubation and fry fingerling produced; and the number, age,  
2 weight, and length of adult returns attributable to hatchery releases, on a form to be  
3 provided by the department.

4 \* Sec. 6. AS 16.40.210(b) is amended to read:

5 (b) This section does not restrict

6 (1) the fishery rehabilitation, enhancement, or development activities  
7 of the department;

8 (2) the ability of a nonprofit corporation that holds a salmon hatchery  
9 permit under AS 16.10.400 to sell

10 (A) salmon returning from the natural water of the state, as  
11 authorized under AS 16.10.450;

12 (B) [, OR] surplus viable salmon eggs, as authorized under  
13 AS 16.10.420 and 16.10.450; or

14 (C) salmon eggs, as authorized by a permit issued under  
15 AS 16.05.831(b);

16 (3) rearing and sale of ornamental finfish for aquariums or ornamental  
17 ponds provided that the fish are not reared in or released into water of the state.

18 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).