

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2218 SCOMM 87: HOUSE SPECIAL COMMITTEE ON FISHERIES, 1993-94 822

APR 13 '93 14:52

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934 P01

PACK SYSTEMS INC. • FISHERMEN'S TERMINAL, BLDG. C-10 • SEATTLE, WA 98119



Phone: 206-282-2601

FAX: 206-282-9606

APR 13 1993

Joint Fisheries Subcommittee
Attn: State Representative
Carl Moses

April 13, 1993

Dear Sir,

As a member of the Board of Directors of the Alaska Fisheries Development Foundation and an active participant in the Alaska fishing industry, I urge you and your committee to support the Alaska Commercial Fisheries Endowment Program..

The Alaska Salmon Industry is entering a very critical period. Foreign markets have been shrinking drastically every year. A new direction for our Salmon products will be needed urgently.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Pfeiffer", written over a horizontal line.

Bert Pfeiffer
President

North American Representative for Beck Kartonnage

For the money
AIDEA
Seawater Tech Foundation

"The Future Is Not What It Used To Be"

Alaska's Seafood Industry has changed dramatically in the last 10 years. The harvest of our vast groundfish resources has now been Americanized. As little as 10 years ago, Alaska salmon dominated the world's markets. Times have changed such that today, he who controls the markets, owns the business!

Alaska's production-based fishing industry must change to a market oriented seafood industry to stem the market losses now occurring to newly-emerging world competitors; and to build a future for Alaska's seafood industry as an integral component of America's food industry. Change will come if Alaska's industry components can be brought together to collectively apply their talents, resources, and experiences to facilitate the required revolution.

The Seafood Industry requests Alaska legislative and administrative support for a "jump start" to assist in creating this new industry order so critical to the health of the state and its citizens. This assistance can be provided by a 10-year, \$50 million "loan" from non-renewable oil tax settlement money toward the creation of an endowment, the interest from which will fund "catalytic," focused, sustained and comprehensive programs to stimulate the creation of new, added value food products from our fish resources, and to encourage market diversification and expansion beyond the traditional.

The Alaska Fisheries Development Foundation (AFDF) exists as the most logical and proven industry vehicle to coordinate the design and management of this industry/government cooperative initiative.

AFDF will accept responsibility for the formation of a Program Development Committee for Endowment Projects. The Committee shall have the following makeup:

Program Development Committee for Endowment Projects

- FITC - Technology Development - product, equipment, systems technology
- ASMI - Market research, market development
- UFA - Representing fishermen throughout Alaska
- PSPA - Processors
- AFDF - industry membership development organization
- Ex-officio legislature
- Ex-officio Governor

Alaska Commercial Fisheries Development Endowment Program Concept Outline

The whole industry, fishermen and processors, will benefit from the diversification of product forms and increased demand. The endowment will provide funds for large integrated projects going from fish to markets. The industry will help focus efforts on a single comprehensive project, or small number of projects, each year.

The endowment consortium (Alaska Fisheries Development Foundation, Alaska Seafood Marketing Institute, Alaska Department of Commerce and Economic Development, and the Fishery Industrial Technology Center) will assist in providing the most appropriate research, development, technology, and marketing techniques.

Diversification of sockeye salmon markets and product forms will increase total demands, help stabilize the whole market, and should result in stable, and ultimately rising prices, to the fisherman. Production of new, intermediate product forms from pink and chum salmon will result in development of diverse new market niches for food products made from salmon. These intermediate forms will help develop year-round markets for Alaskan salmon. Again, the net result is increased total demand. Increased demands and a more stable supply will result in stable or rising prices to both fishing and processing sectors of the industry.

Increase year-round employment in Alaska.

Stretch our utilization of new/old processing capital.

Increase Alaska tax base from Alaska value adding.

DRAFT

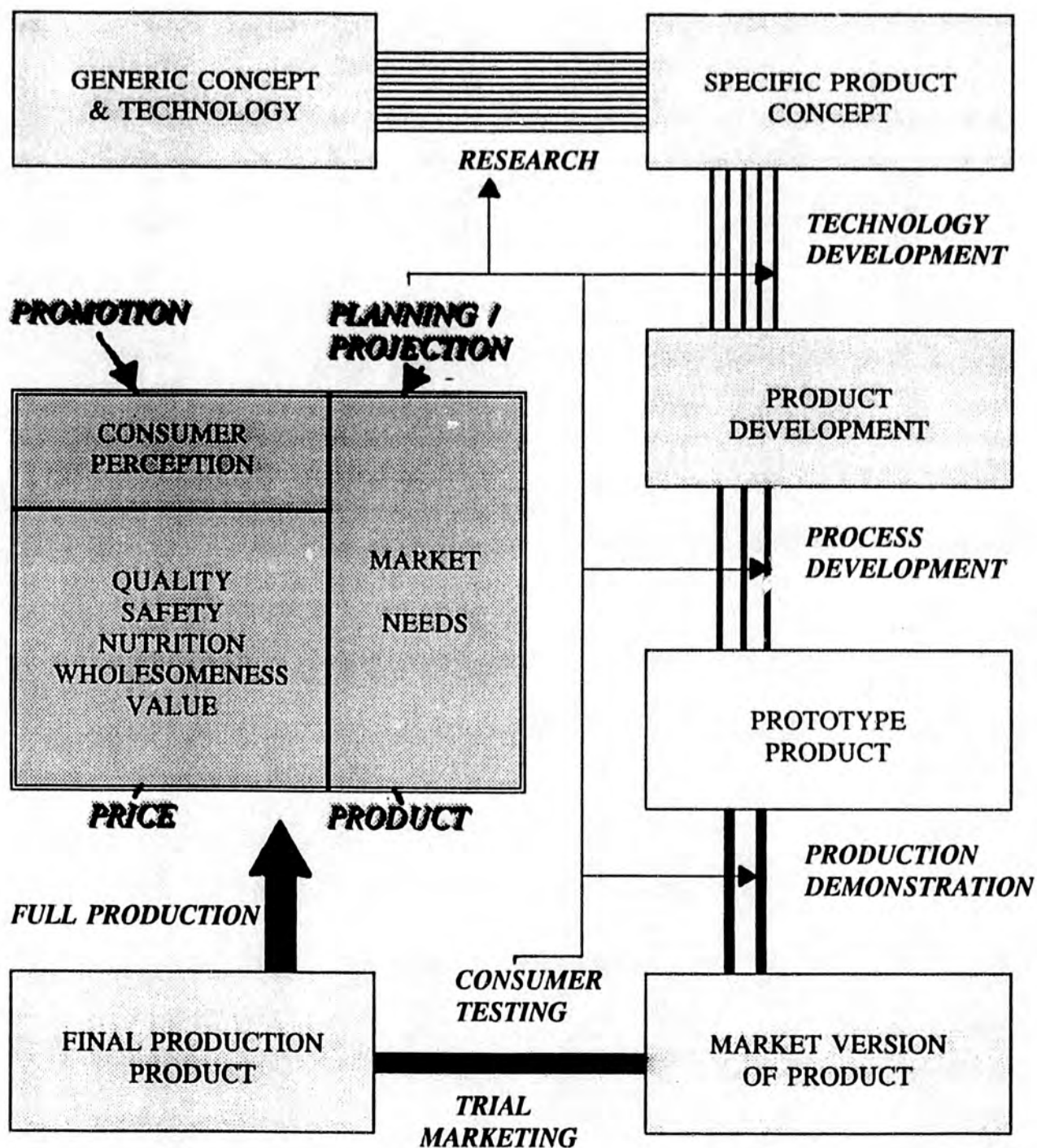


FIGURE __. RESEARCH AND DEVELOPMENT STEPS NEEDED TO PRODUCE NEW SEAFOOD PRODUCTS WHICH WILL MEET CONSUMER NEEDS.

DATE APRIL 15, 1993

FAX TRANSMITTAL COVER SHEET

TO MOLLY MCCAMMON FROM CHRIS MITCHELL
c/o REP. CARL MOSS
907-465-3445

Number of pages including transmittal sheet: 2

PLEASE PHONE (907) 276-7315 IF THERE ARE ANY PROBLEMS WITH THIS TRANSMISSION. OUR FAX NUMBER IS (907) 271-3450.

MOLLY:

I don't know how to thank you for ALL you have done on our behalf (and for advice given) and that of the growing consortium of "cooperators" on the idea of a Commercial Fisheries Development Endowment. When we eventually get there.... we'll have to collectively celebrate. In the meantime, I have finally read the draft bill (as has C. Rosier) with the following comments:

* Item 9, page two.....\$1 Billion???? LOAN GUARANTEES????

*Sec.37.14.360(page 3). DOC&ED? Might there be concern of empire building by Commerce. The rightfully need to be part of the equation but ??? And what would be the administrative/setup costs by Commerce?

*Same Sec., item (b)... do these board members have to be appointed by the Governor? PSPA guys & others expressly encouraged eliminating(as much as possible) the "politics". Also, Rosier suggested that the GOV?/LEG? doesn't want MORE BOARDS. He suggested it go to AFDF's Industry Board, but with a Program Dev. Committee of FITC/ASMI/UFA/PSPA/AFDF/ Ex-officio from Governor & one ex-officio from Legislature. You might get a better feel from both Carls as to what would be the "best" way to structure it. - see attached....which you might have already recvd from Jerry McCune.

* We put together "The Future Is Not What It Used To Be" as best we could to respond to your thoughts about how one might set aside the \$\$\$ to grow interest as we finalized the endowment. Any further thoughts?

Bye & Thanks!

308 West Second Avenue, Suite 212, Anchorage, Alaska 99501 (907) 276-7315 FAX (907) 271-3450

SCOMM

87:20

8-LS1512J ✓
Utermohle
2/15/94

CS FOR SENATE BILL NO. 251(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR JACKO

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the commercial fishing revolving loan fund and the fisheries
2 enhancement revolving loan fund."

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

4 * Section 1. AS 16.10.310(a) is amended to read:

5 (a) The department may

6 (1) make loans to

7 (A) individual commercial fishermen who have been state
8 residents for a continuous period of two years immediately preceding the date
9 of application for a loan under AS 16.10.300 - 16.10.370 and have had a
10 crewmember or commercial fishing license under AS 16.05.480 or a permit
11 under AS 16.43 for the year immediately preceding the date of application and
12 any other two of the past five years, and who actively participated in the
13 fishery during those periods,

14 (i) for the purchase of entry permits;

1 (ii) to upgrade existing vessels and gear for the
2 purpose of improving the quality of Alaska seafood products; or
3 (iii) to satisfy past due federal tax obligations that
4 may result in the execution upon and involuntary transfer of the
5 individual commercial fishermen's entry permits, to the extent
6 allowed under (d) of this section;

7 (B) an individual for the repair, restoration, or upgrading of
8 existing vessels and gear, for the purchase of entry permits and gear, [AND]
9 for the construction and purchase of vessels, or, to the extent allowed under
10 (d) of this section, to satisfy past due federal tax obligations that may
11 result in the execution upon and involuntary transfer of the individual's
12 entry permits, if the individual has been a state resident for a continuous
13 period of two years immediately preceding the date of application for a loan
14 under AS 16.10.300 - 16.10.370, and either

15 (i) because of lack of training or lack of employment
16 opportunities in the area of residence, does not have occupational
17 opportunities available other than commercial fishing; or

18 (ii) is economically dependent on commercial fishing for
19 a livelihood and for whom commercial fishing has been a traditional
20 way of life in Alaska;

21 (2) designate agents and delegate its powers to them as necessary;

22 (3) adopt regulations necessary to carry out the provisions of
23 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for
24 services provided;

25 (4) establish amortization plans for repayment of loans, which may
26 include extensions for poor fishing seasons or for adverse market conditions for
27 Alaskan products;

28 (5) enter into agreements with private lending institutions, other state
29 agencies, or agencies of the federal government, to carry out the purposes of
30 AS 16.10.300 - 16.10.370;

31 (6) enter into agreements with other agencies or organizations to create

1 an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of
2 the state;

3 (7) allow an assumption of a loan if

4 (A) the applicant has been a state resident for a continuous
5 period of two years immediately preceding the date of the request for an
6 assumption; and

7 (B) approval of the assumption would be consistent with the
8 purposes of AS 16.10.300; an applicant for a loan assumption may not be
9 disqualified because the applicant does not meet the loan eligibility
10 requirements of (1) of this subsection;

11 (8) prequalify loan applicants for a limited entry permit loan and charge
12 a fee not to exceed \$200 for prequalification;

13 (9) charge and collect the fees established under this subsection;

14 (10) refinance a debt obligation incurred by a borrower or borrowers
15 under this section if the borrower or borrowers otherwise qualify for a loan under
16 AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination
17 charge of one-half percent of the amount of the debt obligation that has been
18 refinanced when the first refinancing payment is due;

19 (11) refinance debt obligations, not to exceed \$300,000, incurred by
20 a borrower or borrowers for the purchase of a commercial fishing vessel or gear
21 if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 -
22 16.10.370; the department may collect a refinancing loan origination charge as
23 provided by regulation.

24 * Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

25 (d) The department may not make a loan to an individual under (a)(1) of this
26 section to satisfy past due federal tax obligations unless the individual has filed past
27 and current federal tax returns with the federal government and has executed an
28 agreement with the federal government for repayment of past due federal tax
29 obligations. An individual may receive only one loan under (a)(1) of this section to
30 satisfy past due federal tax obligations during the individual's lifetime. A loan made
31 under (a)(1) of this section to satisfy past due federal tax obligations may not exceed

1 \$30,000.

2 * Sec. 3. AS 16.10.320(d) is amended to read:

3 (d) The total of balances outstanding on loans made to a borrower under
4 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding
5 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.
6 The total of balances outstanding on all loans, including debt refinancing under
7 AS 16.10.310(a), made to a borrower under AS 16.10.300 - 16.10.370 may not
8 exceed \$300,000.

9 * Sec. 4. AS 16.10.340 is amended by adding a new subsection to read:

10 (c) If the commissioner determines that the fund contains money that is excess
11 to that needed to carry out the purpose of AS 16.10.300 - 16.10.370, then the
12 commissioner may use one-half of the money to carry out the purpose of AS 16.10.500
13 - 16.10.560.

14 * Sec. 5. AS 16.10.505(a) is amended to read:

15 (a) There is created within the Department of Commerce and Economic
16 Development a revolving fund to be known as the fisheries enhancement revolving
17 loan fund. Except as provided in (b) and (c) of this section, the fund shall be used to
18 carry out the purposes of AS 16.10.500 - 16.10.560 and for no other purpose. All
19 principal and interest payments, and money chargeable to principal or interest that is
20 collected through liquidation by foreclosure or other process on loans made under
21 AS 16.10.500 - 16.10.560, shall be paid into the fisheries enhancement revolving loan
22 fund.

23 * Sec. 6. AS 16.10.505 is amended by adding a new subsection to read:

24 (c) Money in the fund that the commissioner determines to be excess to that
25 needed to carry out the purpose of AS 16.10.500 - 16.10.560 may be used to carry out
26 the purpose of AS 16.10.300 - 16.10.370.

27 * Sec. 7. AS 16.10.520 is amended by adding a new subsection to read:

28 (f) The commissioner may not make a loan under AS 16.10.500 - 16.10.550
29 from funds available under AS 16.10.340(c), unless the commissioner determines, in
30 consultation with the appropriate regional planning team established under
31 AS 16.10.375, that the hatchery or other enhancement or rehabilitation activity for

Only comment
does this - finance
to this - already

- 1 which the loan is requested will provide a significant contribution to common property
- 2 fisheries, be operated in a manner beneficial to the public interest, and be managed in
- 3 a financially viable manner that is reasonably expected to result in repayment of the
- 4 loan.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 381

Revision Date: February 14, 1994
 Title: An Act Relating to the Commercial Fishing and Fisheries Enhancement Loan Funds
 Sponsor: Representatives Moses, Olberg, Grussendorf
 Requestor: House Labor and Commerce

Department Affected: Commerce and Economic Development
 BRU: Investments
 Component: _____

COMPONENT SERIAL NO. 0384

Expenditures/Revenues:

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
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE

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

Estimate of 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.)

The Department is confident that they will be able to adequately handle loan requests generated as a result of this legislation with existing staff. This legislation will expand the loan demand for the Commercial Fishing Revolving Loan Fund. We are unable, at this time, to forecast the exact amount of this increase, but estimate it to be several million dollars.

Prepared by: Martin J. Richard
 Division: Investments

Phone: (907) 465-2510Date: 2/15/94

Approved by Commissioner: Paul Fuhs
 Agency: Commerce and Economic Development

Date: _____

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A M E N D M E N T

OFFERED IN THE HOUSE
TO: CSHB 381(L&C)

BY REPRESENTATIVE HUDSON

Page 1, line 14, after "permits;":

Insert "or"

Page 2, line 2:

Delete "; or"

Insert ";

Page 2, lines 3 - 6:

Delete all material.

Page 2, line 8:

Delete "[AND]"

Insert "and"

Page 2, lines 9 - 12:

Delete ", or, to the extent allowed under (d) of this section, to satisfy past due federal tax obligations that may result in the execution upon and involuntary transfer of the individual's entry permits"

Page 3, line 24, through page 4, line 1:

Delete all material.

Renumber the following bill sections accordingly.

8-LS1527K-
Utermohle
2/25/94

CS FOR HOUSE BILL NO. 381(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MOSES, Olberg, Grussendorf

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the commercial fishing revolving loan fund and the fisheries
2 enhancement revolving loan fund; and providing for an effective date."

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6 (1) make loans to

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9 of application for a loan under AS 16.10.300 - 16.10.370 and have had a
10 crewmember or commercial fishing license under AS 16.05.480 or a permit
11 under AS 16.43 for the year immediately preceding the date of application and
12 any other two of the past five years, and who actively participated in the
13 fishery during those periods,

14 (i) for the purchase of entry permits;

1 (ii) to upgrade existing vessels and gear for the
2 purpose of improving the quality of Alaska seafood products; or

3 (iii) to satisfy past due federal tax obligations that
4 may result in the execution upon and involuntary transfer of the
5 individual commercial fishermen's entry permits, to the extent
6 allowed under (d) of this section;

7 (B) an individual for the repair, restoration, or upgrading of
8 existing vessels and gear, for the purchase of entry permits and gear, [AND]
9 for the construction and purchase of vessels, or, to the extent allowed under
10 (d) of this section, to satisfy past due federal tax obligations that may
11 result in the execution upon and involuntary transfer of the individual's
12 entry permits, if the individual has been a state resident for a continuous
13 period of two years immediately preceding the date of application for a loan
14 under AS 16.10.300 - 16.10.370, and either

15 (i) because of lack of training or lack of employment
16 opportunities in the area of residence, does not have occupational
17 opportunities available other than commercial fishing; or

18 (ii) is economically dependent on commercial fishing for
19 a livelihood and for whom commercial fishing has been a traditional
20 way of life in Alaska;

21 (2) designate agents and delegate its powers to them as necessary;

22 (3) adopt regulations necessary to carry out the provisions of
23 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for
24 services provided;

25 (4) establish amortization plans for repayment of loans, which may
26 include extensions for poor fishing seasons or for adverse market conditions for
27 Alaskan products;

28 (5) enter into agreements with private lending institutions, other state
29 agencies, or agencies of the federal government, to carry out the purposes of
30 AS 16.10.300 - 16.10.370;

31 (6) enter into agreements with other agencies or organizations to create

SB 251

SECTIONS 5 AND 7

These two sections provide the Commissioner of Commerce and Economic Development with discretionary authority to move "excess" funds from the Commercial Fisheries Revolving Loan fund to the Fisheries Enhancement Revolving Loan Fund and vis versa.

The purpose is to allow the Commissioner to make administrative adjustments to assure that loan demand for each account is satisfied. Funds to be transferred must be "in excess" of the needs of the Commercial Fisheries Revolving Loan fund. The Department of Commerce has clearly testified on the record that all of the requirements for Commercial Fisheries Revolving Loan fund must be met before it declares an "excess" available to be transferred.

The department has indicated that this year there will likely be no money left over after these other priorities are addressed. In the future, however, provided that surplus funding is available it could be transferred to the Enhancement Revolving Loan fund.

One possible use of the transferred funds could be to refinance hatchery loans to current interest rates. Refinancing would reduce hatchery operating costs in turn reducing the amount of cost recovery fish necessary to fund hatchery operations. This would benefit the fishermen by allowing more commercial catch.

Also, excess funds available in the Fisheries Enhancement Loan account could be transferred to the Commercial Fisheries Revolving Loan account, benefiting the fishermen.

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

PROPOSED ORDER OF PRIORITY
FOR THE COMMERCIAL FISHING LOAN PROGRAM

- 1) Purchase Permit
- 2) IRS Loan to Protect Permit
- 3) Vessel Upgrade or Purchase (includes refrigeration)
- 4) Gear
- 5) IFQ's
- 6) Refinance Other Loans
- 7) Excess Fund Transfer

Post-It™ brand fax transmittal memo 7571		# of pages > 1
To Cheryl Sutton	From Martin Richard	
Co. Rep. Mowat	Co. DEED/Investments	
Dept.	Phone # 465-2510	
Fax # 465-3445	Fax # 465-2103	

Prepared By: Division of Investments 3/9/94

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

PROPOSED ORDER OF PRIORITY
FOR THE COMMERCIAL FISHING LOAN PROGRAM

- 1) Purchase Permit
- 2) IRS Loan to Protect Permit
- 3) Vessel Upgrade or Purchase (includes refrigeration)
- 4) Gear
- 5) IFQ's
- 6) Refinance Other Loans
- 7) Excess Fund Transfer

*Calculate conservatively
prior to*

*450 Commercial Fishermen in Alaska
10.6 million*

**DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT****DIVISION OF INVESTMENTS****WALTER J. HICKEL, GOVERNOR****P.O. BOX 34189
3032 VINTAGE BLVD.
JUNEAU, ALASKA 99803-4189
PHONE: (907) 465-2510
FAX: (907) 465-2103****March 9, 1994****Mr. Jerry McCune, President
United Fishermen of Alaska
211 4th Street, Suite 112
Juneau, AK 99801****Dear Mr. McCune,**

You have inquired about the Division's method of forecasting the cash flow for the Commercial Fishing Revolving Loan Fund. These forecasts consist of two major elements - repayments into the fund and loan disbursements out of the fund.

Repayment estimates begin with a forecasting system built-in to the computerized loan accounting and reporting system that the Division uses which calculates principal and interest repayments based on existing loans. We modify the forecast based on historic trends and current economics within the various fisheries. If, for example, a fishery has experienced a poor season, we adjust the forecast to allow for more requests of payment extensions, resulting in a decrease in annual payments.

In forecasting loan demand, we look for changes in the major fisheries statewide and review the Alaska Department of Fish and Game's forecast of the upcoming years in each fishery. Historical data has shown that after a poor season, there is generally a decline in the number of requests for new loans to purchase permits and vessels.

While over the past five years loan demand has fluctuated from a low of about \$8 million to a high of \$16 million, we have not been in any danger of running out of funds needed to accomplish the mission of this program.

As new lending areas are added and the Commercial Fishing program is expanded to potentially include lending for Individual Fishing Quotas, IRS liens, refrigeration and refinancing, we will continue to be conservative in our forecasts to assure that those needs will be met. Transfers of excess funds from the loan fund will only be done after these needs have been taken into consideration.

Mr. Jerry McCune

Page Two

March 9, 1994

Our forecasts for the loan funds are modified periodically throughout the year based on changing variables. We had previously forecasted approximately \$5 million in available funds to be held for new lending areas in FY 95, but preliminary indications as a result of current lending suggest that more funds will be available due to reduced loan demand.

I trust this has answered your questions regarding the Commercial Fishing loan program. You may contact me at 465-2510 or 1-800-478-LOAN if you have further questions.

Cordially,


Martin J. Richard
Director

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



SESSION:
CAPITAL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 455-3445

INTERIM
716 W. 4TH AVE. #630
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8167
FAX: (907) 258-8468

Memorandum

Date: March 14, 1994

To: **Representative Eileen MacLean** **Representative Ron Larson**
Co-Chair, House Finance Co-Chair, House Finance

From: **Representative Carl E. Moses** *C.E.M.*
Chair, House Rules Committee

Re: Request for Hearing - HB 381

I would like to request a committee hearing for HB 381 at your earliest convenience. HB 381 adds new elements to the Commercial Fishing Revolving Loan Fund and the Fisheries Enhancement Revolving Loan Fund to assist commercial fishermen with tax and other obligations.

The IRS is currently not receptive to making pay arrangements with fishermen who are in arrears to their federal tax obligations. According to the IRS, 74% of the Alaska resident limited entry permit holders in arrears who have filed federal tax returns owe \$10,000 or less. These Alaskans are not tax evaders, but simply fishermen facing a crisis.

HB 381 would provide some relief by authorizing loans of already appropriated funds for secured loans. These would not be grants or give-aways; but, would provide the opportunity for fishermen to meet their debt obligations by keeping the permit in their hands. HB 381 would allow the Department of Commerce and Economic Development to transfer funds that are not needed for current loan demand between the Commercial Fishing Revolving loan fund and the Fisheries Enhancement Revolving Loan Fund.

HB 381 addresses constituent needs of every legislator, as the crisis in the salmon fisheries has affected every area of the state. The bill would provide some small measure of support and help through a secured loan process in these difficult times.

If you have questions, please contact Karen Brand of my staff at 3765 until March 20th, and Cheryl Sutton at 6848 after March 21st.

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



SESSION:
CAPITAL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
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INTERIM
716 W. 4TH AVE. #630
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8167
FAX: (907) 258-8468

MEMORANDUM

TO: Representative Bill Hudson, Chair
House Labor & Commerce Committee

Representative William K. Williams
Member, House Labor & Commerce Committee

FROM: Representative Carl E. Moses
Chairman, House Special Committee on Fisheries

DATE: February 28, 1994

RE: HB 381

As you know, the Senate version of HB 381 (SB 251) has had two hearings in Senate Labor and Commerce and is now in House Finance where it is scheduled for a hearing tomorrow.

Senate Labor and Commerce adopted a committee substitute which I have attached. At present, I concur with the revision on page 2, lines 9-12 which deletes the child support section. This section also adds a one time stipulation to loans secured to satisfy IRS debt service and caps the amount of each loan at \$30,000. I am in agreement with these changes.

I do not support the changes on page 4, Section 4 which would only allow one-half of the monies surplus to projected loan demand under the Commercial Fishing Revolving Loan Fund (CFRLF) to be transferred to the Fisheries Enhancement Revolving Loan Fund (FERLF). One of the major intents of this legislation was to make

ADAK • AKUTAN • AMCHITKA • ATKA • ATTU • BELKOFSKI • CHERNOFSKI • CHIGNIK • CHIGNIK LAGOON • CHIGNIK LAKE
COLD BAY • DUTCH HARBOR • EGEIK • EKWOK • FALSE PASS • IVANOF BAY • KING COVE • KING SALMON • KOLIGANEK • LEVELOCK • NAKNEK
NELSON LAGOON • NEW STUYAHOK • NIKOLSKI • PEDRO BAY • PERRYVILLE • PILOT POINT • PORT HEIDEN • PORT MOLLER • SAND POINT
SHEMYA • SQUAW HARBOR • SOUTH NAKNEK • ST. GEORGE ISLAND • ST. PAUL ISLAND • UGASHIK • UNALASKA • UNGA

Representative Bill Hudson
Representative William K. Williams
Page 2
February 28, 1994

available to the commercial fishing industry any monies surplus to loan demand in the CFRLF through the FERLF. The Department of Commerce and Economic Development (DCED) has no intentions of changing their loan forecasting to "short" the CFRLF. If all the surplus monies are not made available for transfer, they will most likely be appropriated to the general fund by request of OMB.

I do not support the changes on page 4, Section 7 which would place an unnecessary burden on DCED. DCED follows the guidelines set by ADF&G of 50% as a viable contribution to the common property fishery for any hatchery program under consideration for receiving loan monies. The percentage of contribution is usually much higher. The Regional Planning Team process is slow and does not examine the same criteria DCED would in making decisions. DCED will be making financial determinations based on sufficient collateral with assurances for repayment. This section only serves to complicate the legislation.

I would appreciate your scheduling HB 381 for a hearing soon.

Attachments

[] Ketchikan Office
P.O. Box 9579
Ketchikan, AK. 99901
phone: (907) 225-5156
fax: (907) 225-5258



[x] Juneau Office
9226 Long Run Dr.
Juneau, AK. 99801
phone: (907) 789-5117
fax: (907) 789-5117

February 22, 1994

Ladd MacCaulay, Director
Douglas Island Pink and Chum, Inc.
2697 Channel Drive
Juneau, Alaska 99801

RECEIVED
FEB 23 1994
Ans'd.....

Dear Ladd,

First, I need to clarify that the purpose of my inquiry was to get a definitive response, not to misinform, as I clearly asked, "Is this indeed the case?". Based on what my Executive Committee considered a reliable source, I was directed to copy the letter accordingly. Given your firm and clear response, I trust the matter is settled.

Your comment regarding calling in the future is a suggestion that I will impress upon my Executive Committee.

Sincerely,

Kathryn Troll
Executive Director

c.c. Senator Tim Kelly, Chair Labor and Commerce
Representative Bill Hudson, Chair Labor and Commerce
Representative Carl Moses, Chair House Fisheries
Commissioner Paul Fuhs, Dept. of Commerce and Economic Development

SCOMM

87:21

Alaska State Legislature

WHILE IN SESSION:
CAPITOL BUILDING
JUNEAU, ALASKA 99901-1182
(907) 465-4931
(907) 465-4318 FAX

INTERIM ADDRESS:
716 WEST 4TH AVENUE
ANCHORAGE, ALASKA 99501
(907) 258-8198
(907) 258-8171 FAX

DISTRICT 10



CHAIR, OIL & GAS COMMITTEE
VICE CHAIR, LABOR & COMMERCE
COMMITTEE
JUDICIARY COMMITTEE
RESOURCES COMMITTEE
INTERNATIONAL TRADE & TOURISM
COMMITTEE
ECONOMIC TASK FORCE

Representative Joe Green

Sponsor Statement

HB 424

An act relating to the Commercial Fisheries Loan Program

HB 424 is an attempt to allow commercial fishermen more flexibility in structuring loans for their vessels, gear, and permits.

Problem: A fisherman who meets the requirements of law can receive a loan under (AS16.10.310 (a)(1)(A)) to **buy an entry permit**. The amount of these "A" loans may not exceed \$300,000.

Further, a fisherman who meets the requirements of law can receive a loan for **"repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction of vessels (AS16.10.310 (a)(1)(B)).** The amount of these "B" loans may not exceed \$100,000 (AS 16.10.320(d)).

However, under AS 16.10.320 (i) if a fisherman receives an "A" loan for an entry permit, he or she is NOT eligible for a "B" loan for a boat, permit, or gear. So, if a fisherman first gets a loan for a permit, he or she cannot get a loan for a boat or gear. Yet, if a fisherman first gets a "B" loan for a boat or gear, he or she MAY receive an "A" loan for a permit.

Solution: HB 424 corrects this problem by repealing the restriction in 320 (i), so if you are eligible for one loan, you are also eligible for the other. Also, the maximum amount of the loan is unified at the \$300,000 level. Under the present law a fisherman could get a \$100,000 loan for a boat, and then get a \$300,000 loan for a permit, for a total of \$400,000.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 424Revision Date: February 7, 1994Title: Fishery Loan ProgramDepartment Affected: Commerce and Economic DevelopmentBRU: Investments

Component: _____

Sponsor: Representative GreenRequestor: House Special Committee on FisheriesCOMPONENT SERIAL NO. 0384

Expenditures/Revenues:

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
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE

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

Estimate of 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.)

The Department will handle requests generated as a result of this legislation with existing staff.

Prepared by: Martin J. RichardDivision: InvestmentsPhone: (907) 465-2510Date: 2/7/94Approved by Commissioner: Paul FuhsAgency: Commerce and Economic Development

Date: _____

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

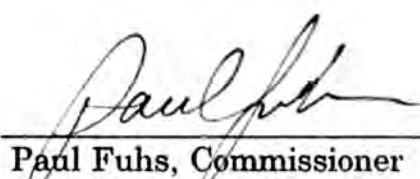
For further distribution information call the Governor's Legislative Office

HB 424 "An Act amending the Commercial Fishing Loan Act to increase the maximum amount of certain authorized loans and to remove certain barriers to eligibility for subsequent loans by borrowers who have previously obtained loans under the loan program."

HB 424 increases the loan limit under AS 16.10.310(a)(1)(B) from \$100,000 to \$300,000. The bill also stipulates that if two or more fishers apply jointly, the maximum amount granted may not exceed \$100,000 multiplied by the number of qualified fishers that apply for the loan. In addition, the bill repeals AS 16.10.320(i) which says that borrowers receiving a loan under Section A (AS 16.19.310(a)(1)(A)) may not subsequently receive a loan under Section B (AS 16.10.310(a)(1)(B)).

Passage of this legislation will result in a significant expansion of Section B of the Commercial Fishing loan program. Section B allows applicants that have no other sources of financing to obtain loans to purchase vessels, gear and limited entry permits. Historically, the program has been utilized extensively by rural applicants. Many of the loans are for small dollar amounts and in accordance with Section 16.10.315 at least 10% are for amounts less than \$35,000. Increasing the loan limits will change the makeup of this portfolio. The average loan size will probably increase as will the number of applicants requesting vessel financing.

In summary, the demand for loans under Section B could be significantly increased as a result of the passage of this legislation.


Paul Fuhs, Commissioner

Date: 2/8/94

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INVESTMENTS

WALTER J. HICKEL, GOVERNOR

P.O. BOX 34159
3032 VINTAGE BLVD.
JUNEAU, ALASKA 99803-4159
PHONE: (907) 465-2510
FAX: (907) 465-2103

February 8, 1994

The Honorable Carl Moses
House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Attention: Cheryl Sutton

Dear Representative Moses:

We have reviewed HB 424 and determined that its passage would result in a significant expansion of Section B of the Commercial Fishing loan program. Section B allows applicants that have no other sources of financing to obtain loans to purchase vessels, gear and limited entry permits. Historically, the program has been utilized extensively by rural applicants. Many of the loans are for small dollar amounts and, in accordance with AS 16.10.315, at least 10% are for amounts less than \$35,000. Increasing the loan limits will change the makeup of this portfolio. The average loan size will probably increase as will the number of applicants requesting vessel financing. In short, loan demand for Section B loans would increase.

As you are aware, there are several other pieces of legislation in process that will also increase demand on the Commercial Fishing loan fund. SB 132, which has passed the Senate and is currently in House Finance, would allow the Department to make loans to purchase Individual Fisheries Quota Shares. There has been a tremendous amount of interest in this bill and we are anticipating a significant increase in loan demand if this legislation passes.

Two other bills that could increase loan demand are SB 251 and HB 381. These are companion bills that would allow the Department to make loans to upgrade vessels to improve product quality, to satisfy past due federal tax or child support obligations and to refinance loans used to purchase commercial fishing vessels or gear.

If HB 424 passes along with this other pending legislation, the Department's ability to meet loan demand will be limited.

Sincerely,



Martin J. Richard
Director

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

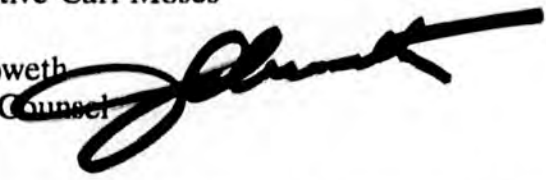
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 11, 1994

SUBJECT: House Bill 424 -- Sectional analysis (Work Order No. 8-LS-1263\J)

TO: Representative Carl Moses

FROM: Jack Chenoweth
Legislative Counsel 

Current law establishes two general categories of loans available under the Commercial Fishing Loan Act (AS 16.10.300 - 16.10.370.) Under AS 16.10.310(a)-(1)(A), loans may be made to

(A) individual commercial fishermen who have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370 and have had a crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for the year immediately preceding the date of application and any other two of the past five years, and who actively participated in the fishery during those periods, for the purchase of entry permits;

Under AS 16.10.310(a)(1)(B), loans may be made to

(B) an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels, if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, and either

(i) because of lack of training or lack of employment opportunities in the area of residence does not have occupational opportunities available other than commercial fishing; or

(ii) is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska;

Current law limits the outstanding balance of loans to the "(A)" eligible fishermen to \$300,000, and limits the outstanding balance of loans to the "(B)" eligible fishermen to \$100,000.

Bill section 1 of House Bill 424 amends AS 16.10.320(d), the section setting limits on amounts of loans, by eliminating the \$100,000 cap on loans to "(B)" eligible fishermen and setting the limit on the outstanding balances of the loans under both categories at \$300,000.

*

AS 16.10.320(e) addresses joint loans, that is, loans to two or more individual commercial fishermen. The limit on loans made jointly to "(B)" eligible fishermen is \$100,000 multiplied by the number of qualified fishermen applying for the loan. That limitation is expressed by a cross-reference back to "the amount specified in (d) of this section." The amount specified in (d) of this section for "(B)" eligible fishermen is being increased by the amendment made in the bill's section 1. The bill sponsor did not want to allow that increase to apply to loans made jointly to "(B)" eligible fishermen. The change made in bill section 2 merely substitutes the dollar figure of the current statute--\$100,000--for the reference to "the amount specified in (d) of this section" in order to maintain the current limitation on these joint loans.

*

I would offer this observation: You asked me to specifically address the limitations on loans under "(A)" and "(B)." If your question is whether the change proposed in this bill affects the total limitation on loans to one borrower under categories "(A)" and "(B)," I think the answer is "yes." If it is now possible for one borrower to obtain a \$300,000 loan under "(A)" and a separate and additional \$100,000 loan under "(B)," it is more likely than not that the proposed change in the wording to "total of balances outstanding on loans made to a borrower under AS 16.10.320(a)(1)," eliminating the distinction between "(A)" and "(B)," would be read as a ceiling on all borrowing under the program, a total limitation of \$300,000.

JBC:lmb
94-046.lmb

Date Referred: February 2, 1994

Labor & Commerce
State Affairs
Finance

The HOUSE SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 424

FISHERY LOAN PROGRAM

RECOMMENDATIONS: | | the same title
be replaced with _____ | | a new title

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|  ] do pass
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| | do not pass

| | no recommendations

[] individual recommen

[] additional referral to

ADOPTS: _____

ATTACHES NEW FISC

[] fiscal impact _____

1 | zero fiscal note _____

SIGNING DO PASS

(Dept/Date)

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CHAIRMAN'S SIGNATURE

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 424

HISTORY IN THE HOUSE

HISTORY IN THE SENATE

1994
2/2

Read first time and referred to:
FSH L&C STA FIN

_____ 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 Speaker, to the Senate

Chief Clerk of the House

19	
Read first time and referred 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 _____
_____ 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 the House	
_____ Secretary of the Senate	

HOUSE-SENATE HISTORY Continued

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

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

SCOMM

87:22

FISCAL NOTE

No. 1
 Bill Version: HB 448
 (H) Publish Date: 2/4/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO.

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

Phone: 465-6120
 Date: January 10, 1994

 Date: January 10, 1994

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Mail Stop 3101

130 Seward Street, Suite 409
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. [REDACTED]
February 9, 1994
Page 2

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 848
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.

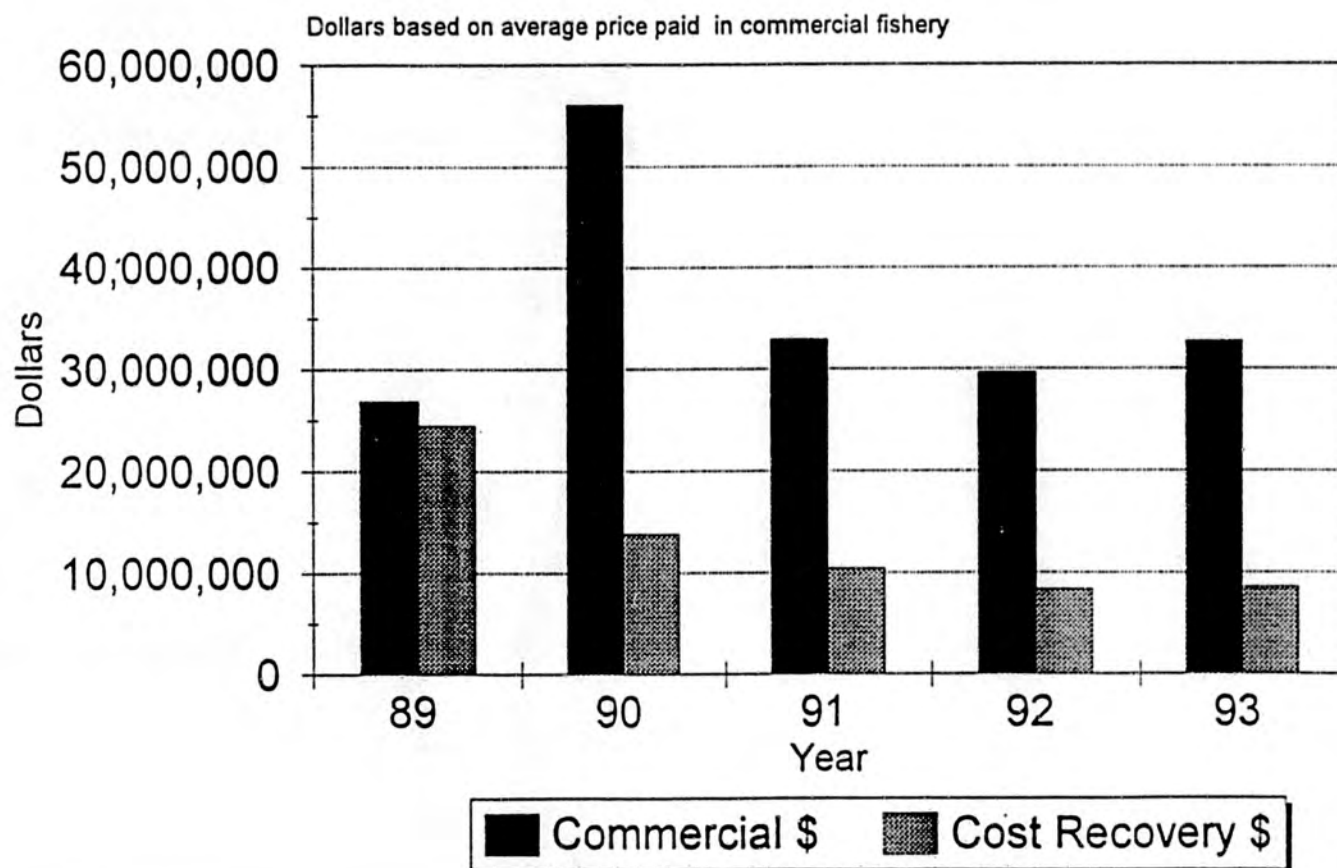
The bills would allow hatchery operators and fishermen the opportunity to recover the rather substantial egg value and dispose of otherwise useless carcasses without causing what would previously have been a "wanton waste". The alternative, under current law, is to forgo harvest of the fish and "waste"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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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

HB 448

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.

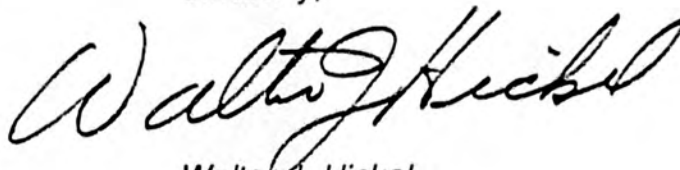
The Honorable Ramona Barnes

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

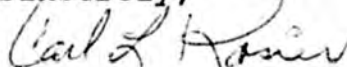
nonprofit hatchery program. It is only wise management of those investments to recover all the value possible from these returns within the limits of sound biological management.

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)

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
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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-GH2028\E
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

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

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

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

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

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

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

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

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

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

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

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

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

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

AS 16.10.400 - 16.10.470;

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

(9) [REPEALED

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

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

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

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

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

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

(a) A person who holds a permit for the operation of a salmon hatchery under AS 16.10.400 - 16.10.470 shall submit an annual report no later than December 15 to the department and to the qualified regional association for the area in which the hatchery is located, to include [BUT NOT BE LIMITED TO] information pertaining 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).

SCOMM

87:23

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 496

Revision Date: _____
Title: Sport Fish Guide Licensing
Sponsor: Representative Bill Williams
Requestor: (H) Special Committee on Fisheries

Dept. Affected: Fish and Game
BRU: Sport Fish
Component: _____
COMPONENT SERIAL NO. _____

Expenditures/Revenues	(Thousands of Dollars)					
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES	140.7	140.7	187.0	187.0	187.0	187.0
TRAVEL						
CONTRACTUAL	21.0	21.0	21.0	21.0	21.0	21.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	161.7	161.7	208.0	208.0	208.0	208.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	494.0	508.0	524.1	539.8	556.0	572.7

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1024	161.7	161.7	208.0	2.08	208.0	208.0
TOTAL	161.7	161.7	208.0	208.0	208.0	208.0

Estimate of any current year (FY 94) cost: \$ None

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) The ADF&G estimates that there are presently 2,100 guides and charter operators in Alaska. It is believed that about 15 percent are nonresidents. It is assumed that 10 percent of the guides and charter operators do not conduct a significant amount of business and would chose not to be licensed in the future. Therefore, we assume 1,890 licenses would be sold; 85 percent (approximately 1,600) of which would be resident; 290 would be nonresident. A three percent per year growth rate is assumed. Department expenditures to administer the program and analyze required log books and reports in attached.

Prepared By: Paul Krasnowski, Director Phone: 465-6184
Division: Sport Fish Date: February 18, 1994
Approved by Commissioner: [Signature]
Agency: Alaska Department of Fish and Game Date: February 18, 1994

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Guide Licensing and Reporting Department Expenditures

FY 95, FY 96

Line 100	Cartographer II (4 months @ 5.0)	2.0	
	(Design logbooks, maps)		
	Analyst/Programmer III (6 months @ 4.8)	29.8	
	(Design software for reporting and data summary)		
	Two Data Processing Clerks II (6 months each @ 3.2)	38.1	
	(Enter logbook data, produce summaries)		
	Two Fishery Biologist II (6 months each @ 4.4)	52.8	
	(project managers, distribute and collect logbooks, analyze data, produce reports)		
Line 100 Total			\$140.7
Line 300	Printing of logbooks, licenses	20.0	
	Postage	1.0	
Line 300 Total			\$21.0
Estimated Annual Cost			\$161.7

FY 97, FY 98, FY 99, FY 100

Line 100	Cartographer II (2 months)	10.0	
	Analyst/Programmer (2 months)	9.6	
	Four Data Processing Clerks (6 months each)	76.2	
	Two Fishery Biologist II (6 months each)	52.8	
	Two Fishery Technician III (6 months each)	38.4	
Line 100 Total			\$187.0
Line 300	Printing and Postage		\$21.0
Estimated Annual Cost			\$208.0

Note: It is assumed that by FY 97 the reporting system will be sufficiently refined to provide in-season fishery management data. This will require additional line 100 support to provide more immediate turnaround of data. For example, whereas FY 95 and 96 operations might provide monthly reports with a two- to four-week delay, FY 97 operations may allow weekly summaries with a one- to two-week delay.



Official Business

PLEASE PRINT!
NAME

COMMITTEE:
HOUSE SPECIAL COMMITTEE
ON FISHERIES

DATE: FEBRUARY 23, 1994

SIGN-IN

Subject of meeting:

HB 496

AN ACT RELATING TO SPORT
FISH GUIDING.

ADDRESS (MAILING) & (ZIP)**PHONE**

REPRESENTING

DO YOU WANT TO TESTIFY?

[illegible]



Alaska State Legislature

ED
FEB 23 1994

Please enter into the record my testimony to the HOUSE SPEC CMTTEE ON FISHERIES
committee name

committee on HB 496, dated 2/23/94
bill/subject

I OPPOSE BILL BECAUSE OF IT'S VAGUE INTENT AND EXORBITANT FEES.
INFORMATION GATHERING AND GUIDE REGISTRATION CAN BE COMPILED
BY "MAIL OUTS" - AS IS DONE NOW TO REGISTER FISHING GUIDES
IN COOK INLET + SUTTHA DRAINAGES.

- ANY FURTHER QUALIFICATIONS FOR FISHING GUIDE LICENSES SHOULD
INCLUDE: ① VALID AK. BUSINESS LICENSE AND AK BOROUGH SALES TAX
REGISTRATION
② AK. COMM FISH VESSEL LICENSE ③ USCG AK NUMBERS ON BOAT
④ USCG 6/PAL LICENSES OR HIGHER ⑤ VALID AK SPORT FISH LICENSE
⑥ BASIC AMERICAN RED CROSS FIRST AID CERTIFICATION OR EQUIVALENT.
⑦ PROOF OF LIABILITY INSURANCE (100,000 PER PERSON / 300,000 COMBINED)
⑧ THESE QUALIFICATIONS SHOULD BE ADMINISTERED BY THE AK. DIV.
OF OCCUPATIONAL LICENSING AND NOT THE FISH + GAME DEPT.
ANY LICENSING OF AK FISHING GUIDES SHOULD BE THROUGH
THE AK. DIV. OF OCCUPATIONAL LICENSING.

Signed: William Gavin
Testifier

WILLIAM GAVIN

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DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 18, 1994

SUBJECT: Sectional Summary of HB 496; An Act relating to sport fish guides; and providing for an effective date. (Work Order No. 8-LS1665\A)

TO: Representative Bill Williams

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of HB 496; An Act relating to sport fish guides; and providing for an effective date.

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 amends AS 16.05.330(a) to prohibit a person from engaging in sport fish guiding without having a sport fish guide license in the person's possession.

Section 2 of the bill amends AS 16.05.340(a) to establish the fees for resident and nonresident sport fish guide licenses. A person who has a permit to provide sport fish guide services in the Kenai River Special Management Area may receive a sport fish guide license without charge under certain circumstances.

Section 3 of the bill adds a new section to AS 16.05 relating to sport fish guides. A person may not engage in sport fish guiding without first obtaining a sport fish guide license. A person who obtains a sport fish guide license shall accurately and substantially complete reports required by the department. A sport fish guide who does not accurately or fully complete the required reports may lose his or her sport fish guide license for three years. A person may not receive a sport fish guide license unless the person has submitted the required reports for the preceding year to the department.

Section 4 of the bill amends AS 16.05.815(d) to provide that information contained in reports required of sport fish guides is confidential.

Representative Bill Williams
February 18, 1994
Page 2

Section 5 of the bill amends AS 16.05.940 by adding a definition of "sport fish guiding."

Section 6 of the bill provides that the bill takes effect January 1, 1995.

GU:pl:mi
94-138.plm

SCRIPT

HOUSE SPECIAL COMMITTEE ON FISHERIES

February 23, 1994

Good morning. Today is Wednesday, February 23 and this is a meeting of the House Special Committee on Fisheries. The time is **(give time)**. Will the secretary please take the roll.

Today we will be hearing HB 496 - An Act relating to sport fish guides. This is Representative Williams bill and **Pete** from his staff will be testifying this morning. We also have **Paul Krasnowski**, Director of Sport Fish Division, ADF&G and **Geron Bruce**, Special Assistant to the Commissioner, ADF&G as well as Frank Homan from CFEC. This hearing is being teleconferenced and after we receive testimony from the sponsor and any agencies wishing to testify, my intent is to take testimony from the teleconference sites.

First, I would like to call your attention to what is in your packets.

1. Bill
2. Fiscal Note and Position Paper from ADF&G
3. Sponsor Statement
4. Sectional Summary

Please go ahead, Pete.

Anyone else from either ADF&G or CFEC wish to testify?

(Go to teleconference sites.)

Any additional testimony from Juneau?

Any questions by committee members?

(Do you want to move this out? I would think it would be a good idea.)

(Entertain a motion to adopt HB 496. Entertain a motion to pass it to its next committee of referral.)

Adjournment.

Pete Eckland, Rep. Williams

1600
200
320,000
179,000
599,00

599,000

290
5600
174000

100

300

160,000
87,000
247,000

290
300
6
97000

Sitka

Sitka Charter Boat Operators

we raised our eyebrows
we will evaluate

support - LIB 496

Ketchikan

Gary Plumb -
charter operator

stipulation as to who buys license

insurance
coast guard - drug test
very vague - put more meat

registrations

handled by division of occupational
licensing should handle it.

Jeff King

more regulations / ~~require~~ ^{cause} more
illegal activity.

* state parks permit license requirements

* tight definitions for what is a guide

access to CMB bank

John George
Alaska Outdoor
Council -

Supports

eliminate business
license -

CREC - a license required

business license
very general

CREC surveys - not conducted statewide
very expensive to conduct
structured as a random survey
doesn't attribute lowest
information providing value
than

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 496

Revision Date: _____
Title: Sport Fish Guide Licensing
Sponsor: Representative Bill Williams
Requestor: (H) Special Committee on Fisheries

Dept. Affected: Fish and Game
BRU: Sport Fish
Component: _____
COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	140.7	140.7	187.0	187.0	187.0	187.0
TRAVEL						
CONTRACTUAL	21.0	21.0	21.0	21.0	21.0	21.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	161.7	161.7	208.0	208.0	208.0	208.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	494.0	508.0	524.1	539.8	556.0	572.7
------------------------	-------	-------	-------	-------	-------	-------

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1024	161.7	161.7	208.0	2.08	208.0	208.0
TOTAL	161.7	161.7	208.0	208.0	208.0	208.0

Estimate of any current year (FY 94) cost: \$ None

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) The ADF&G estimates that there are presently 2,100 guides and charter operators in Alaska. It is believed that about 15 percent are nonresidents. It is assumed that 10 percent of the guides and charter operators do not conduct a significant amount of business and would chose not to be licensed in the future. Therefore, we assume 1,890 licenses would be sold; 85 percent (approximately 1,600) of which would be resident; 290 would be nonresident. A three percent per year growth rate is assumed. Department expenditures to administer the program and analyze required log books and reports in attached.

Prepared By: Paul Krasnowski, Director Phone: 465-6184
Division: Sport Fish Date: February 18, 1994
Approved by Commissioner: [Signature]
Agency: Alaska Department of Fish and Game Date: February 18, 1994

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

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Guide Licensing and Reporting Department Expenditures

FY 95, FY 96

Line 100	Cartographer II (4 months @ 5.0)	2.0	
	(Design logbooks, maps)		
	Analyst/Programmer III (6 months @ 4.8)	29.8	
	(Design software for reporting and data summary)		
	Two Data Processing Clerks II (6 months each @ 3.2)	38.1	
	(Enter logbook data, produce summaries)		
	Two Fishery Biologist II (6 months each @ 4.4)	52.8	
	(project managers, distribute and collect logbooks, analyze data, produce reports)		
Line 100 Total			\$140.7
Line 300	Printing of logbooks, licenses	20.0	
	Postage	1.0	
Line 300 Total			\$21.0
Estimated Annual Cost			\$161.7

FY 97, FY 98, FY 99, FY 100

Line 100	Cartographer II (2 months)	10.0	
	Analyst/Programmer (2 months)	9.6	
	Four Data Processing Clerks (6 months each)	76.2	
	Two Fishery Biologist II (6 months each)	52.8	
	Two Fishery Technician III (6 months each)	38.4	
Line 100 Total			\$187.0
Line 300	Printing and Postage		\$21.0
Estimated Annual Cost			\$208.0

Note: It is assumed that by FY 97 the reporting system will be sufficiently refined to provide in-season fishery management data. This will require additional line 100 support to provide more immediate turnaround of data. For example, whereas FY 95 and 96 operations might provide monthly reports with a two- to four-week delay, FY 97 operations may allow weekly summaries with a one- to two-week delay.

DEPARTMENT OF FISH AND GAME

POSITION PAPER

Bill No.: HB 496

Sponsor: Representative Williams

Division: Sport Fish

Bill Title: "An act relating to sport fish guides, and providing for an effective date."

Department Position: Support

This bill would amend AS 16.05.330(a) to establish a license for sport fish guiding. It would amend AS 16.05.340(a) to establish a fee for such a license, specifically, \$200 for a resident, and \$600 for a nonresident. Further, it adds a new section of AS 16.05.448 which requires licensed guides to provide reports to the department. It authorizes the department to require reports regarding "time and specific location of guiding activities, the number of clients guided, the species and number of fish taken, the owner and identity of a vessel used in sport fishing. . ." et al.

Sport fish guiding is an important, growing business in Alaska. It is an industry essentially linked to tourism, travel and, most importantly, our fishery resources. A recent federal report estimated that direct expenditures from recreational fishermen in Alaska exceeds \$300 million per year. Department staff believe that estimate is conservative. More than half of those expenditures are from nonresidents, many of whom employ fishing guides and charter boat operators.

At this time, guides and charter boat operators are not regulated in Alaska except for Board of Fisheries regulations requiring registration with the Department of Fish and Game for those conducting business in upper Cook Inlet and Southeast Alaska.

While the fishery resources of the state can be managed in future years as they have in the past without licensing or limitation, the viability of the industry itself may be at risk. Charter boat operations in some parts of the state are increasing numerically and are becoming increasingly competitive. Guides and charter businesses are often high-profile operations and may be viewed as competing user groups by resident or unguided anglers.

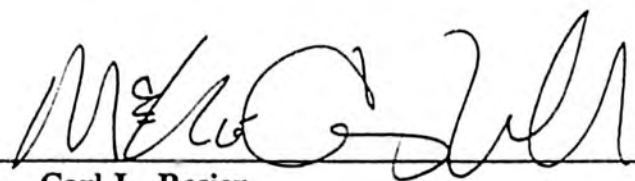
Information describing numbers of guides and charter operators, numbers of clients, numbers of trips and areas fished is unavailable. The legislature and the Alaskan Board of Fisheries, therefore, lack adequate data upon which to base decisions regulating this industry and managing the fishery resources that it depends upon.

POSITION PAPER
HB 496

This bill will require all freshwater guides and charter operators to obtain a new sport fish guiding license. Fees are set and the revenue would accrue to the Fish and Game Fund. The department will be empowered to require reporting which will detail needed information. The department would utilize the revenues from the license fee to support the licensing program, collect and analyze data, and prepare reports for public use as well as legislative and fisheries board deliberations.

The department supports this bill because it will provide a mechanism to collect, process, analyze, and utilize necessary data on sport fish guiding. In the long run, it will improve resource management and may assist in providing stability and controlled growth in this important industry.

Commissioner's Signature


for Carl L. Rosier

Date

2/22/94

Alaska State Legislature

Committees:

House Resources,
Chairman

Community &
Regional Affairs

Labor & Commerce



Representative William K. Williams

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SPONSOR STATEMENT

HOUSE BILL 496 - "ESTABLISHING A GUIDED SPORTFISHERY LICENSE"

BY REP. BILL WILLIAMS
FEB. 21, 1994

The guided sportfishery is an important and rapidly growing industry in the Alaskan economy, and will inevitably continue to grow and expand throughout the state. The ability of the state to provide for the sustainable development, and sound, fair, sensible management of the guided sportfishery, as with any industry, is dependent upon the availability of good complete information upon which to base decisions. The goal of House Bill 496 is to provide a mechanism for the on-going collection of this crucial data regarding the guided sportfishery.

In some parts of Alaska, the rapid growth in the charter industry has motivated sportfish guides themselves to request a moratorium on further expansion. That is the case in Ketchikan. In researching the feasibility of various limitation schemes for these constituents, it was discovered that nearly every approach to a moratorium or limitation in the guided sportfishery for state-managed species of fish would be unconstitutional. Furthermore, since there is room for further growth in the guided sportfishery in many areas of the state, including parts of southeastern Alaska, it may be premature to pursue limitation at this time, even on a regional basis.

There is an incredible lack of hard data available regarding the guided sportfishery in Alaska. By regulation, registration of vessels engaged in sportfish guiding activity is required in several parts of the state, but not in others. Registration of guides themselves is required in a few rivers, but not elsewhere. No uniform licensing procedure exists in Alaska. Thus, there is no complete information about who is actively engaged in sportfish guiding, how many clients are served, to what extent particular rivers, streams, and marine waters are being utilized, and so on.

Without a means for gathering dependable information, it is impossible to monitor the activity or growth of the guided sportfishery on a statewide basis, provide for the sustainable development of the industry or the sound management of the fishery resources upon which it depends, or make sound decisions about whether any sort of limitation schemes might be feasible or desirable. It is time to acknowledge this important growing industry and ensure that management decisions can be based on complete information, not on guesswork, perception, and supposition. That is what HB 496 is intended to accomplish.

The bill establishes a guided sportfishery license. Each person who plans to engage in sportfish guiding, both on fresh water and salt water, from a vessel or otherwise, will be required to purchase the license. The license holder would then be responsible for submitting reports which will be developed by the Sportfish Division of the Department of Fish and Game to enable the state to build a data bank regarding the guided sportfishery.

The fee for the license will go into the Fish and Game Fund. The funding generated by the fee is intended to cover the cost of the licensing procedure and the gathering, compiling and analysis of information. The fees called for in the current bill were suggested by several charter operators. However, if the fiscal note being prepared by the Department reveals that the program can be funded with lower license fees, those can be reduced in the committee process. The goal is simply for this program to be fiscally self-sustaining.

The bill does not impose any limitations on the number of guides or vessels in the state or who can purchase the license to guide, nor does it affect their activities.

HB 496 is a first and imperative step towards having solid data upon which to build sound management policy for the guided sportfishery in Alaska.

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



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HOUSE SPECIAL COMMITTEE ON FISHERIES
March 4, 1994

HB 496 - An Act relating to sport fish guides

New packet materials:

1. Amendment - Representative Williams (intent language)
2. Commercial license fees for state of Washington
3. Amendments - Representative Phillips (data kept confidential; sections repealed to a time appointed; fee change)
4. Legal opinion on constitutionality of license fee exemption - by request of Representative Phillips
5. Legal opinion on definition of "sport fish guiding" - by request of Representative Phillips
6. Amendment - Representative Phillips (definition of sport fish guiding)
7. Public correspondence relating to HB 496
 - a. Oregon State Marine Board
 - b. Oregon Alaska Sportfishing

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILLIAMS

TO: HB 496

Page 1, following line 2:

Insert a new bill section to read:

"* Section 1. INTENT. It is the intent of the legislature that the revenue generated by the sale of sport fish guide licenses be appropriated to the Department of Fish and Game for the collection and analysis of information from sport fish guides under AS 16.05.448."

Page 1, line 3:

Delete **"Section 1."**

Insert **"Sec. 2."**

Renumber the following bill sections accordingly.

WASHINGTON STATE DEPARTMENT OF FISHERIES

COMMERCIAL LICENSE FEES FOR 1994 LICENSE YEAR

SALMON GEAR			SHELLFISH GEAR		
	RESIDENT	NON-RES.		RESIDENT	NON-RES.
PURSE SEINE (L)	630.00	1085.00	CRAB POTS (Non-Puget Sound/Includes Delivery License)	295.00	520.00
GILL NET (L)	480.00	785.00	CRAB POTS (Puget Sound)	130.00	185.00
TROLL (L)	480.00	785.00	CRAB RING NET (Non-Puget Sound)	130.00	185.00
REEF NET (L)	480.00	785.00	CRAB RING NET (Puget Sound)	130.00	185.00
SALMON DELIVERY (L)	480.00	785.00	DUNGENESS CRAB (Puget Sound) (L) ...	130.00	185.00
AN ADDITIONAL \$100.00 SURCHARGE HAS BEEN INCLUDED FOR ALL OF THE ABOVE SALMON LICENSES*			HARD SHELL CLAM		
CHARTER LICENSES			MECHANICAL HARVESTER	530.00	985.00
SALMON CHARTER* (L)	480.00	785.00	RAZOR CLAM	130.00	185.00
NON-SALMON CHARTER	225.00	375.00	GEODUCK DIVE	185.00	295.00
OTHER FOOD FISH GEAR			SEA CUCUMBER DIVE (L)	130.00	185.00
BAITFISH LAMPARA	185.00	295.00	SEA URCHIN DIVE (L)	130.00	185.00
BAITFISH PURSE SEINE	530.00	985.00	SHELLFISH DIVE	525.00	1045.00
BOTTOMFISH JIG	130.00	185.00	SHELLFISH POTS	130.00	185.00
BOTTOMFISH POTS	130.00	185.00	BURROWING SHRIMP	185.00	295.00
BOTTOMFISH TROLL	130.00	185.00	HOOD CANAL SHRIMP	325.00	575.00
CARP	130.00	185.00	SHRIMP TRAWL (Non-Puget Sound)	240.00	405.00
DOGFISH SET NET	130.00	185.00	SHRIMP TRAWL (Puget Sound)	185.00	295.00
FOOD FISH DRAG SEINE	130.00	185.00	SQUID GEAR	185.00	295.00
FOOD FISH SET LINE	130.00	185.00	OFFSHORE WATER-NON-SALMON		
FOOD FISH TRAWL (Puget Sound)	185.00	295.00	DELIVERY OTHER THAN SALMON	110.00	200.00
FOOD FISH TRAWL (Non-Puget Sound/Includes Delivery License)	240.00	405.00	OCEAN PINK SHRIMP DELIVERY (L)	150.00	300.00
HERRING DIP BAG NET (L)	175.00	275.00	MISCELLANEOUS FEES**		
HERRING DRAG SEINE (L)	175.00	275.00	ALTERNATE OPERATOR	35.00	35.00
HERRING GILL NET (L)	175.00	275.00	ANGLER TRANSFER FEE	20.00	20.00
HERRING LAMPARA (L)	175.00	275.00	CHANGE IN OPERATOR DESIGNATION ..	22.00	22.00
HERRING PURSE SEINE (L)	175.00	275.00	CHANGE IN VESSEL DESIGNATION	35.00	35.00
COLUMBIA RIVER SMELT	380.00	685.00	DUPLICATE LICENSE CARD	20.00	20.00
SMELT DIP BAG NET	130.00	185.00	DUPLICATE LICENSE DECAL	20.00	20.00
SMELT GILL NET	380.00	685.00	EMERGING COMMERCIAL FISHERY	185.00	295.00
WHITING (Puget Sound) (L)	295.00	520.00	OYSTER RESERVE	130.00	185.00
OTHER GEAR	185.00	295.00	SALMON ROE	95.00	95.00
TRANSFER OF OWNERSHIP			SALMON GUIDE***	150.00	730.00
LIMITED ENTRY LICENSES	Equal to three and one half times the annual renewal fee plus additional non-resident fee if applicable. See back of fee sheet.		SINGLE SALMON DELIVERY	325.00	475.00
NON-LIMITED ENTRY LICENSES	Equal to the annual renewal fee plus additional non-resident fee if applicable. See back of fee sheet.		SPAWN ON KELP	Awarded by auction to valid herring license holders	
			OCEAN PINK SHRIMP SINGLE DELIVERY	100.00	100.00
			WHOLESALE DEALERS		
			WHOLESALE DEALER	250.00	
			FISH BUYER	95.00	
			(L) Limited Entry License		
			** Must use forms available from the Department of Fisheries		

* RCW 75.50 REQUIRES A \$100.00 SURCHARGE ON ALL COMMERCIAL SALMON LICENSES SOLD IN THE STATE OF WASHINGTON. THE SURCHARGE WILL BE DEPOSITED IN THE REGIONAL FISHERIES ENHANCEMENT GROUP ACCOUNT AND USED FOR REGIONAL FISHERIES ENHANCEMENT PROJECTS.

*** RCW 75.28 REQUIRES A \$20.00 RESIDENT AND A \$100.00 NON-RES SURCHARGE ON ALL SALMON GUIDE LICENSES SOLD IN THE STATE OF WASHINGTON. THE SURCHARGE WILL BE DEPOSITED IN THE REGIONAL FISHERIES ENHANCEMENT GROUP ACCOUNT AND USED FOR REGIONAL FISHERIES ENHANCEMENT PROJECTS.

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Department of Fisheries
License Division
P.O. Box 43141
Olympia, WA 98504-3141

Office Location
Department of Fisheries
License Division
1111 Washington Street S.E.
Olympia, WA 98504

PHONE #: 902-2488
FAX #: 902-2942

(Rev. 10/01/83)

LIMITED ENTRY LICENSES	LICENSE FEE	TRANSFER FEE	TRANSFER TO NON-RESIDENT
DUNGENESS CRAB (PUGET SOUND)	130.00	455.00	585.00
HERRING DIP BAG NET	175.00	612.50	787.50
HERRING DRAG SEINE	175.00	612.50	787.50
HERRING GILL NET	175.00	612.50	787.50
HERRING LAMPARA	175.00	612.50	787.50
HERRING PURSE SEINE	175.00	612.50	787.50
OCEAN PINK SHRIMP	150.00	525.00	675.00
SALMON CHARTER	380.00	1330.00	1710.00
SALMON DELIVERY	380.00	1330.00	1710.00
SALMON GILLNET	380.00	1330.00	1710.00
SALMON PURSE SEINE	530.00	1855.00	2385.00
SALMON REEF NET	380.00	1330.00	1710.00
SALMON TROLL	380.00	1330.00	1710.00
WHITING (PUGET SOUND)	295.00	1032.50	1327.50

NON-LIMITED ENTRY LICENSES	TRANSFER FEE	TRANSFER TO NON-RESIDENTS
CHARTER LICENSES		
NON-SALMON CHARTER	225.00	375.00
OTHER FOOD FISH		
BAITFISH LAMPARA	185.00	295.00
BAITFISH PURSE SEINE	530.00	985.00
BOTTOMFISH JIG	130.00	185.00
BOTTOMFISH POTS	130.00	130.00
BOTTOMFISH TROLL	130.00	130.00
CARP	130.00	185.00
DOGFISH SET NET	130.00	185.00
FOODFISH DRAG SEINE	130.00	185.00
FOODFISH SET LINE	130.00	185.00
FOODFISH TRAWL (PUGET SOUND)	185.00	295.00
FOODFISH TRAWL (NON-PUGET SOUND)	240.00	405.00
COLUMBIA RIVER SMELT	380.00	685.00
SMELT DIP BAY NET	130.00	185.00
SMELT GILL NET	380.00	685.00
OTHER GEAR	185.00	295.00
SHELLFISH GEAR		
CRAB POTS (NON-PUGET SOUND)	295.00	520.00
CRAB POT (PUGET SOUND)	130.00	185.00
CRAB RING NET (NON-PUGET SOUND)	130.00	185.00
CRAB RING NET (PUGET SOUND)	130.00	185.00
RAZOR CLAM	130.00	185.00
GEODUCK DIVE	185.00	295.00
SHELLFISH DIVE	525.00	1045.00
SHELLFISH POTS	130.00	185.00
BURROWING SHRIMP	185.00	295.00
HOOD CANAL SHRIMP	325.00	575.00
SHRIMP TRAWL (NON-PUGET SOUND)	240.00	405.00
SHRIMP TRAWL (PUGET SOUND)	185.00	295.00
SQUID GEAR	185.00	295.00
OFFSHORE WATER NON SALMON		
DELIVERY OTHER THAN SALMON	110.00	200.00
MISCELLANEOUS FEES		
EMERGING COMMERCIAL FISHERY	185.00	295.00
OYSTER RESERVE	130.00	185.00
SALMON GUIDE	130.00	630.00

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 496

BY REPRESENTATIVE PHILLIPS

Page 3, after line 11:

Insert a new bill section to read:

"* Sec. 5. AS 16.05.815(d) is repealed and reenacted to read:

(d) Except as otherwise provided in this section, the department shall keep confidential (1) personal information contained in fish and wildlife harvest and usage data; and (2) when the knowledge may be detrimental to the fish or wildlife population, the records of the department that concern telemetry radio frequencies of monitored species, denning sites, nest locations of raptors that require special attention, and the location of fish and wildlife species. The department may release records and information that are kept confidential under this subsection if the release is necessary to comply with a court order or if the requestor is a state or federal agency. After 25 years, the records and information that are kept confidential under this subsection become public records subject to inspection and copying under AS 09.25.110 - 09.25.140 unless the department determines that the release of the records or information may be detrimental to the fish or wildlife population. In this subsection, "personal information" has the meaning given in AS 44.99.350."

Renumber the following bill section accordingly.

Page 3, after line 17:

Insert new bill sections to read:

"* Sec. 7. AS 16.05.330(a)(5), 16.05.340(a)(25), 16.05.448, and 16.05.940(37) are repealed.

* Sec. 8. Sections 5 and 7 of this Act take effect January 1, 1999."

Renumber the following bill section accordingly.

Page 3, line 18:

Delete "This"

Insert "Except for secs. 5 and 7 of this Act, this"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE PHILLIPS

TO: HB 496

Page 1, line 13:

Delete "\$200"

Insert "\$100"

Page 1, line 14:

Delete "600"

Insert "250"

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 23, 1994

SUBJECT: Constitutionality of license fee exemption granted to certain sport fish guides (HB 496)

TO: Representative Gail Phillips

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is a brief response to the query of Mike Heimbuch, of your staff, regarding the constitutionality of the license fee exemption granted to certain sport fish guides by a provision of HB 496. In my opinion, the exemption does not violate the state or federal constitutions.

Section 2, HB 496 establishes the license fees for sport fish guide licenses, but authorizes a person to receive the sport fish guide license without charge, if the person holds a permit from the Department of Natural Resources to engage in sport fish guiding in the Kenai River Special Management Area, pays a permit fee that equals or exceeds the sport fishing guide license fee, provides sport fish guide services only in the Special Management Area, and qualifies for a sport fish guide license.

Professional licensing schemes frequently run afoul of the federal commerce clause, privileges and immunities provisions, equal protection clause, and due process clause and the state equal protection and due process clauses. The exemption does not unreasonably burden interstate commerce in sport fish guide services or impermissibly discriminate against nonresidents who provide sport fish guide services, so the exemption would not violate the federal commerce clause or federal privileges and immunities provisions. The exemption does not implicate either the federal or the state due process clauses, so they are not an issue.

The federal and state equal protection clauses, including the uniform application section of the Alaska Constitution (art. VIII, sec. 17), protect similarly situated individuals from unjust discrimination. Those person who hold permits to engage in sport fish guiding in the Kenai River Special Management Area are not similarly situated with other persons who provide sport fish guide services in the state. Notably, those sport fish guides operating in the Special Management Area must pay

a permit fee to the Department of Natural Resources to engage in sport fish guiding -- no other sport fish guides have to pay that permit fee. The permit fee for sport fish guides in the Kenai River Special Management Area is:

- (1) a \$50 nonrefundable application fee;
- (2) an additional fee of \$450 for residents and \$1,350 for nonresidents;

and

- (3) an additional daily per client fee set by negotiation with the department.^{1/}

11 AAC 05.010(a)(12)(I).

In addition to the fact that the exemption applies to individuals who are not similarly situated with other sport fish guides, the exemption is narrowly tailored to apply only to those guides in the Special Management Area who pay a fee higher than the sport fish guide license fee paid by guides who do not pay the Department of Natural Resources permit fee. In essence the state is giving a credit, in the amount that they would have to pay for the sport fish guide license under AS 16.05.340(a)(25), to those persons who must pay the high Department of Natural Resources permit fee. Also, the exemption is available only to those sport fish guides who provide guide services exclusively within the Special Management Area. If a person who has a permit to provide sport fish guide services in the Special Management Area also provides sport fish guide services outside of the area, then that person must pay the full amount of the sport fish guide license fee under AS 16.05.340(a)(25).

If you would like a more formal discussion of this subject, please contact me.

GU:pl:gc
94-151.plm

^{1/} The additional fee for residents and nonresidents and the additional daily per client fee may be waived by the director of parks and outdoor recreation, if the fees are not cost effective to collect, represent an unreasonably high portion of the permit holders receipts, or prevent or discourage the provision of sport fish guide services in the Special Management Area. 12 AAC 05.010(d).

At the present time, the Department of Natural Resources charges the additional fee for residents and nonresidents, but does not charge the daily per client fee.

DIVISION OF LEGAL SERVICES

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Juneau, Alaska 99801-2105

MEMORANDUM

February 24, 1994

SUBJECT: Definition of "Sport Fish Guiding" (HB 496)

TO: Representative Gail Phillips
ATTN: Mike Heimbuch

FROM: George Utermohle *GU*
Legislative Counsel

You have requested an amendment for HB 496 that tightens the definition of "sport fish guiding." In the absence of specific guidance as to how to amend the definition of "sport fish guiding," I have reviewed the definition for obvious shortcomings and prepared the attached amendment.

The definition of "sport fish guiding" proposed by HB 496 states:

"sport fish guiding" means assisting another person to engage in sport fishing by accompanying and directing the person personally for all or a portion of a sport fishing trip in exchange for compensation for services, or an agreement for compensation for services, that is in excess of actual expenses incurred; "sport fish guiding" does not include the provision of only transportation services.

Section 5, HB 496. This definition is largely derived from the definition used by the Board of Fisheries. See, 5 AAC 46.036(d); 5 AAC 49.065(e); 5 AAC 56.036(g) and 56.037(e).

The key elements of the definition are:

- (1) assisting another person to engage in sport fishing by
 - (A) accompanying the person; and
 - (B) directing the person;
- (2) personally;
- (3) for all or part of a sport fishing trip;
- (4) in exchange for compensation for services, or an agreement for compensation for services, that is in excess of actual expenses incurred;

(5) the provision of only transportation services is not sport fish guiding.

At this point the most problematic element of the definition is that relating to assisting a person to engage in sport fishing by directing the person. There is more to sport fish guiding than telling (directing) a person where or how to fish. Directing a person while they are engaged in sport fishing would not seem to include providing fishing gear, baiting hooks, rigging gear, landing fish, and field dressing fish. These activities would seem to be important factors to be considered in determining who is a sport fish guide.

To expand the definition of sport fish guiding to include these activities, the attached amendment uses the phrase "directly aiding the person in taking sport fish" to replace "directing the person." A person must directly aid the sport fishermen in taking fish; this criterion is intended to distinguish between a sport fish guide and another person who may also be present and providing services to sport fishermen on a fishing trip, such as a camp cook. Also, the term "take" is important in this context because it includes a range of activities associated with catching fish, such as the pursuit and actual capture of fish and the attempt to pursue or capture fish. See, AS 16.05.-940(33).

Each of the elements of the definition leaves some room for quibbling as to the exact activity that is included within the element. It is not possible to formulate absolute black and white criteria to conclusively determine in every situations whether a person is a sport fish guide. There will always be those few instances where a person falls into the gray area between being a guide and not being a guide. Those situations will have to be decided on a case-by-case basis in light of the purposes of the licensing statutes. Thus, it will be important for the legislature to express on the record its purposes for enacting HB 496.

Defining those activities that constitute guiding has always been difficult. The definition of guiding for purposes of licensing big game guide-outfitters has evolved over time, but still is the subject of discussion. Defining "sport fish guiding" can be expected to be a similarly difficult and evolutionary process.

If I may be of further assistance, please advise.

GU:pl
94-155.plm

Enclosure

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE PHILLIPS

TO: HB 496

Page 3, line 13, after "means":

Insert "personally"

Page 3, line 14:

Delete "directing the person personally"

Insert "directly aiding the person in taking sport fish"

OREGON ALASKA SPORTFISHING

PO BOX 696 TILLAMOOK, OREGON 97141

(503) 842-5171

Honorable William K. Williams
State Capitol Building #128
Juneau, Alaska 99801-1182

RECEIVED
FEB 28 1994
Ans'd.....

February 25, 1994

Honorable Representative Bill Williams,

I am writing in reference to House Bill #496.

I am a professional full-time Sportfishing Guide and for the past five years I've worked in Southeast Alaska during the summer season.

There is no doubt that the Sportfishing Industry is growing rapidly. I'm pleased to see that the Commission recognized the importance of this and allocated more chinook for the sportsman. I applaud your effort to officially recognize the Guided Sportfishing Industry as a growing, important part of Alaska's economy.

There is a need to set high professional standards for the Guided Industry. The people in this business are acting as ambassadors for the State of Alaska. Requiring all fishing guides to register with the state will provide valuable information. However, the proposed license fees to out of state guides is unfair. It is not just to penalize a businessman who brings millions of dollars into the Alaskan economy every year. A portion of the tourist dollar does leave the state, but all of the support industries benefit.

We are sharing a resource. Oregon, Washington, and Canada all contribute to Alaska's bounty of Salmon.

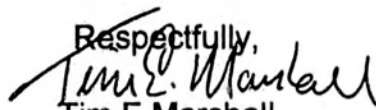
The state of Oregon has a reciprocity Act (for Sportfishing Guides) in place. This Act requires out of state guides to pay a registration fee equal to what the Oregon guides would pay while working in their state. Also, it requires that the out of state guide meets with Oregon's requirements for insurance and First-Aid training. The state of Washington now has a Bill in legislation which mirrors Oregon's law. The bill has passed the House and is in the Senate committee at this time.

I am in favor of registering all guides in the state of Alaska.

I am opposed to the biased fees that would be charged to the non-resident guide.

**United States Coast Guard Licensed • State Licensed • Fully Insured
President-Tillamook Guides Association • Board of Directors-Oregon Guides & Packers**

The intent to gather accurate information for the management decision is sound.

Respectfully,

Tim E Marshall

cc: Carl E. Moses