



FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 133
 Title An Act making a special appropriation to the Department of Fish & Game
 Requested by House Resources Committee Date 2/14/79

II. FISCAL DETAIL
 Agency Affected Department of Fish and Game
 Program Category Affected Natural Resources
 Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		31.6	33.5	35.4	37.6	39.9
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		.5	.5	.6	.6	.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		32.1	34.0	36.1	38.2	40.5

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		32.1	34.0	36.1	38.2	40.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		1	1	1	1	1
PART TIME		0	0	0	0	0
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume Biologist I, range 14, Dillingham
 FY '80 budget year salary 31.6
 Necessary supporting equipment .5
TOTAL 32.1
 Inflation straight line 68

IV. DATE 2/15/79 PREPARED BY Russell H. Clark
 AGENCY Department of Fish and Game
 PHONE 667-4170
 Original Legislative Finance
 cc. District and Management
 Prime Sponsor (and Legislator Present)
 Public Speaking, Office of the Governor
 33 001 (Rev. 10/78)
 File

HB

136

COMMITTEE REPORT

HOUSE

FURTHER: FINANCES

July 6, 1979

Date: July 15, 1979

Speaker:

Committee on RESOURCES has had HB 136

"An Act making a special appropriation to the Department of Fish and Game for purchase of a sonar fish counter at Nushagak; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]
CHAIRMAN

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

1200 515-72
JAY S. HAMMOND, GOVERNOR

SUPPORT BUILDING - JUNEAU 99801

May 17, 1978

*3 years
✓ checked*

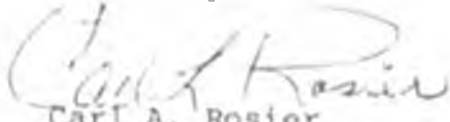
The Honorable Nels A. Anderson
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Anderson:

In response to your telephone conversation with Commissioner Skoog this morning, I am enclosing a copy of the Proposal for Nushagak River Counters per your request.

Should you need further information, please don't hesitate to let us know.

Sincerely,



Carl A. Rosier
Acting Deputy Commissioner

BRISTOL BAY NATIVE ASSOCIATION

P. O. BOX 178
DILLINGHAM, ALASKA 99576
PHONE (907) 842-3322

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

As you well know, the salmon fishery is practically the only source of income for Bristol Bay residents. We are highly dependent on the effective and accurate management of this resource for our livelihood. For this reason our local management offices must have adequate funding.

We are requesting that \$110,000 be put into capital budget for sonar equipment for the Nushagak fishery. This is not the first request that has been budgeted but other requests have been cut. Sonar equipment is something we desperately need in order to have an idea of the status of our fishery.

Herring is a growing fishery in the Bay and sure needs to be managed adequately. During the past season, it was managed by our salmon managers without any additional funds. This can not continue as it will result in poor management for both the salmon and herring.

It is imperative that the administration of the State of Alaska secure adequate funding for accurate and effective management of these two natural resources.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E. Larson
(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING
RESOLUTION NO. 79-01

- WHEREAS, Most of the residents of Bristol Bay depend on the salmon industry as their only source of income; and
- WHEREAS, The Nushagak River is one of the main tributories of Bristol Bay and is highly valuable as a salmon spawning ground; and
- WHEREAS, There has been a cut back of Japanese commercial fishing activities which will affect the return of salmon to Bristol Bay and, thereby will greatly increase the need for the return to be accurately and speedily monitored and recorded; and
- WHEREAS, An overescapement is possible and could adversely affect the salmon; and
- WHEREAS, The Alaska Department of Fish and Game regulates activity in this commercial fishery and makes on-site and immediate decisions pertaining to allowable fishing times which affect local economy for an entire year and propagation the species. and
- WHEREAS, The use of sonar equipment in the murky water of the lower Nushagak River will give faster and more accurate information as a basis for making these decisions.

NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Alaska State Legislature appropriate special funding for the needed sonar system to be installed on the lower end of the Nushagak River; and

BE IT FURTHER RESOLVED by the Executive Committee that Alaska Department of Fish and Game receive regular funding to operate their counting towers with reliable personnel and for the needed length of time.

SIGNED Wayne F. Schroeder

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 10th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Wayne F. Schroeder
Secretary

#B136

PROPOSAL FOR NUSHAGAK RIVER COUNTERS
Alaska Department of Fish and Game

INTRODUCTION

Sockeye salmon passing through the Nushagak Fishing district enter several trunk spawning streams where they are enumerated by Alaska Department of Fish and Game biologists through aerial surveys and/or counting towers. The accurate and prompt enumeration of salmon escaping the commercial fisheries is essential for efficient management of the various stocks contributing to the Nushagak district salmon runs. At present the Department operates visual counting stations in all of the major salmon producing river systems in the Nushagak district except in the main Nushagak river. Accurate enumeration of the escapement into the main Nushagak River has posed a special problem in past years with muddy water frequently interfering with visual counting operations. In some years, poor counting conditions have prevented biologists from obtaining any reasonable estimate of escapement at the tower sites. Due to the problems encountered, the Department closed the main Nushagak River counting tower camp in 1977 and initiated a post season aerial survey project to assess the escapement. Obviously this escapement information does not provide the prompt in-season data that is required to effectively manage the stocks returning to that system.

Sockeye salmon returning to the Nuyakuk River, a tributary of the main Nushagak River, are counted visually at the tower site down stream of the outlet of the Tikchik lakes where water clarity is acceptable. Unfortunately due to the length of the migration route, up the main Nushagak River and Nuyakuk Rivers the sockeye salmon usually take up to 14 days to move from the fishing district up to the counting tower. This delay in escapement enumeration presents a problem in effective management of the stocks.

This situation could be greatly improved if early enumeration of all salmon entering the lower portion of the main Nushagak River could be accomplished. As stated earlier, visual counting techniques are not suitable.

Side scanning sonar now presents another option to visual enumeration of migrating salmon. The equipment recently developed by the Bendix Corporation while under contract to the Department of Fish and Game consists of a single acoustic transducer positioned in the river in a manner to allow a narrow sonar beam to scan across the channel. The acoustic echoes received by the transducer are processed by a shore based electronic control unit with salmon counts registered and printed at regular intervals. Side scanning sonar units are now in use in the Cook Inlet and Arctic-Yukon-Kuskokwim Rivers with good success where water conditions prevent visual counting.

OBJECTIVES

This proposal requests two side scanning sonar units and one year project operational costs to initiate a sonar escapement enumeration project on the lower portion of the main Nushagak River. The primary objective of this project would be to obtain an accurate in-season estimate of the daily passage of salmon migrating up the main Nushagak River. Second, our objectives would be to obtain samples from the migrating salmon to assess the age class composition and stock identity through scale pattern analysis techniques.

PROJECT NARRATIVE

The Nushagak River sonar project will be the responsibility of the Bristol Bay research project leader, Division of Commercial Fisheries. One temporary fishery biologist I will act as crew leader over three temporary fishery technicians. Field supervision of the project will be shared by the research project leader and his assistant.

The funding requested in this proposal will allow the field operations to begin June 10 and continue through to late August. This time schedule should allow sufficient time for site location, camp set up and gear installation prior to any significant passage of migrating salmon. The August termination date should similarly provide enough time to enumerate the Nushagak River pink salmon stocks which follow the king and sockeye salmon runs.

Beach seining will be conducted concurrently with the sonar enumeration to provide scale samples for species composition, age class composition and stock separation. Seasonal total escapement data obtained from the sonar project will be compared to aerial survey escapement estimates flown after the season and visual counts recorded at the Nuyakuk River tower station. Depending on the site selected for the sonar enumeration, it may be possible on some occasions to directly compare sonar counts to visual counts when water conditions are suitable.

In addition to in-season applications, escapement data obtained from the project will be incorporated into the Bristol Bay catch and escapement data files and used with other data to evaluate optimum escapement levels for the salmon stock involved and to forecast future salmon runs.

Cost Analysis:

Line 100

1 FB I Temp. 6/10 - 8/20	3.9
3 FT III Temp. 6/10 - 8/20 with O.T.	<u>16.1</u>
	20.0

Line 200

Travel 4 round trips-Anch. - Dillingham	.5
Subsistence 16 days in Dillingham	<u>.3</u>
	.8

Line 300

Air charter 10 hours at \$110/hr.	1.1
Air freight	.5
Bendix contract for 2 side scanners	<u>64.7</u>
	66.3

Line 400

Food, clothing	1.8
Camp gear, sampling equipment	1.3
Outboard gas, fuel, propane	<u>.7</u>
	3.8

Line 500

18' heavy guage metal river boat	2.9
70 hp. outboard motor	1.3
12' metal riverboat	1.8
25 hp. outboard motor	.6
Radio	1.2
Oscilloscope, single trace, AC/DC	<u>1.2</u>
	9.0

TOTAL	99.9
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BRISTOL BAY NATIVE ASSOCIATION

P. O. BOX 178
DILLINGHAM, ALASKA 99576
PHONE (907) 842-3322

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

As you well know, the salmon fishery is practically the only source of income for Bristol Bay residents. We are highly dependent on the effective and accurate management of this resource for our livelihood. For this reason our local management offices must have adequate funding.

We are requesting that \$110,000 be put into capital budget for sonar equipment for the Nushagak fishery. This is not the first request that has been budgeted but other requests have been cut. Sonar equipment is something we desperately need in order to have an idea of the status of our fishery.

Herring is a growing fishery in the Bay and sure needs to be managed adequately. During the past season, it was managed by our salmon managers without any additional funds. This can not continue as it will result in poor management for both the salmon and herring.

It is imperative that the administration of the State of Alaska secure adequate funding for accurate and effective management of these two natural resources.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Ray E. Larson

(Mrs.) Ray E. Larson
Deputy Director

KEL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING
RESOLUTION NO. 79-01

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- WHEREAS, The Alaska Department of Fish and Game regulates activity in this commercial fishery and makes on-site and immediate decisions pertaining to allowable fishing times which affect local economy for an entire year and propagation the species; and
- WHEREAS, The use of sonar equipment in the murky water of the lower Nushagak River will give faster and more accurate information as a basis for making these decisions.

NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Alaska State Legislature appropriate special funding for the needed sonar system to be installed on the lower end of the Nushagak River; and

BE IT FURTHER RESOLVED by the Executive Committee that Alaska Department of Fish and Game receive regular funding to operate their counting towers with reliable personnel and for the needed length of time.

SIGNED

Wayne F. Schroeder

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 14th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Wayne F. Schroeder
Secretary

HB136

PROPOSAL FOR NUSHAGAK RIVER COUNTERS
Alaska Department of Fish and Game

INTRODUCTION

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TOTAL	99.9
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BRISTOL BAY NATIVE ASSOCIATION

P. O. BOX 1 B
DILLINGHAM, ALASKA 99576
PHONE (907) 842-2222

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

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Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Mrs. E. Larson

(Mrs.) Kay E. Larson
Deputy Director

REL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING
RESOLUTION NO. 79-01

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SIGNED Wayne F. Shouder

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 10th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Wayne F. Shouder
Secretary

** EXPENDITURE BREAKDOWN:

3 Man-months @ \$1500 ea.	\$ 4,500
Helicopter to bring men, boat & supplies to area & return.	3,000
Food & Subsistence for men	450
Small riverboat & motor	2,000
TOTAL	<u>\$ 9,950</u>

** SCOPE OF OPERATIONS

The side-scanner sonar fish counter (valued at approx. \$36,000) is already available at ADF&G offices at Soldotna. If these funds are approved, the counter would be installed on the Crescent River (also known as the Grecian River) near Tuxedni Bay on the Lower West Side of Cook Inlet.

Installation would be about June 1, 1979, with operations continuing through August 15.

** JUSTIFICATION

According to Gary Sanders and Tom Namvedt, ADF&G management biologists for Cook Inlet, it is estimated that five species of salmon run up the Crescent River, the most commercially valuable probably being an estimated run of some 30,000 sockeye escapement. This Crescent River broodstock "is the last sockeye run in Cook Inlet which has yet to be properly identified and properly managed," according to the biologists. "We want to know exactly what kinds of run are going up this river, and their timing."

Sanders and Namvedt stressed that the Crescent River run has been seeing increasingly heavy pressure from setnetters the past two seasons, but that ADF&G has insufficient data to properly manage openings and/or closings in the area.

They both give the Crescent River project a high priority for the summer of 1979 management program.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 136

Title An Act making a special appropriation to the Department of Fish & Game

Requested by House Resources Committee

Date 2/14/79

II. FISCAL DETAIL

Department of Fish and Game

Agency Affected _____

Program Category Affected Natural Resources

Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT	100.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL	100.0	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	100.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume the cost of Muzhappak sonar fish counter estimated at \$100,000 based on source of Bendix Corp. This is a one time cost.

IV. DATE 2/15/79

PREPARED BY *Russell Clark*

Russell H. Clark

AGENCY Department of Fish and Game

PHONE 465-4170

Original Legislative Finance

cc: Budget and Management

Fiscal Sponsor (First Legislator Named)

Keith Sporking

33 001 (Rev. 10/70)

P11c

HB

141

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
P. O. BOX 181
DILLINGHAM, ALASKA 99576
TELEPHONE 842-5653

*Copies in
HB 290
HB 141*

March 5, 1979

Representative Alvin Osterback
Co-Chairman, House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

I would like to comment on two bills before the House Resources Committee dealing with the Limited Entry legislation and problems relating thereto, namely: HB 290 and HB 141, and urge passage of these bills.

First, HB 141 is perhaps the most important of the Limited Entry bills before the legislature in view of problems I see developing with the system, the major problem being the high price of permits which eventually will lead, in my opinion, to a system where permits are controlled by speculators and those people with money, while those people traditionally reliant on fishing for their livelihoods will be disenfranchised from the only occupation they know. In one village in Bristol Bay alone, for example, four permits have already been sold to people residing outside of the Bay area.

While the state continually proposes more liberal loan programs to purchase permits, even to the extent of using the permit itself as collateral, I don't believe that this is the answer. Alternative systems ought to be investigated in depth before so much money has been invested in permits that it is too late, even for the legislature, to change the system. When the state sold the limited entry program to the people in 1975 the problem of the young fisherman getting into the fishery was repeatedly raised. The State's answer to the people was to get the program implemented and change it at a later time. That time has come. I urge passage of HB 141.

With respect to HB 290, I recognize the inequities of the system to those fishermen who have fished various administrative areas yet do not have sufficient pointage in any one area to qualify for a permit. HB 290 appears to be the equitable solution to that problem. While I don't believe HB 290 will benefit clients served by this office, as most fishermen we serve fish only in Bristol Bay, I realize that other areas of the state differ. I would therefore, support such legislation.

Representative Alvin Osterback

March 5, 1979

Page Two

Reviewing HB 290, however, seems to pose a possible problem which calls for another legislative solution, that being the problem with late applications. Would a fisherman have had to apply for permits in all administrative areas in order to cumulate points from that area under the proposed HB 290? If so, some fishermen who did not apply in certain administrative areas would not be allowed to cumulate those points. How about other fishermen who may not have applied in any administrative area due to insufficiency of points, yet under HB 290 could perhaps have cumulated enough points to get a permit in one area? Would they be allowed to benefit from HB 290 because they did not apply in the first place?

It would appear that HB 290 should be coupled with a legislative solution to the late application problem, which is particularly acute in the villages of the Bristol Bay and AYK areas. This office has failed in our attempt to achieve a judicial solution to this problem favorable to our clients and we ask for a legislative solution. While the Entry Commission may not necessarily agree, the major reason the problem is so acute in Bristol Bay and the AYK areas is because of the language and cultural differences of the people, and their lack of understanding of the system when it was first implemented.

Other than administrative problems attendant with a new application period, I can foresee two possible objections raised by the Commission for accepting late applications. First, the Commission may argue that they will have to issue more permits and thereby further exceed the maximum numbers initially established, and perhaps even threaten the fishery resource as a result. While it is true that maximum numbers would be further exceeded, these numbers are not etched in concrete and will eventually be revised either up or down when optimum numbers are established. I cannot see any threat to the fishery resource as Limited Entry, in my opinion, is only tangentially related to conservation purposes, that being with regard to easing the effect of errors in management of the resource by the Department of Fish and Game. Limited Entry is primarily an economic regulatory program which insures sufficient incomes for those people in the fishery to upgrade their vessels.

A late application bill would subject the applicants thereunder to the same point system as everyone else was subjected to. If the late applicant could not prove sufficient pointage then the applicant would simply not receive a permit.

Secondly, the Commission may further oppose a legislative solution to the late application problem particularly with respect to the set net fishery in Bristol Bay because permits are awarded at the zero (0) point level and because set net fishermen in Bristol Bay have begun what is called "leap frogging." There are two possible solutions to these problems. First, the Fish and Game Board could regulate against "leap frogging" so no matter how many set net permits were issued by the Commission there would be a natural limitation of fishermen by the numbers of sites available. Secondly, since the Commission lowered the point level at which permits would issue based upon the number of applications received, issuance of permits to late applicants could be restricted to those fisherpeople who achieve point levels on their applications within the top 813 applicants--the maximum number established by the Commission for the Bristol Bay set net fishery. For example, if the point level at which permits were issued to the highest-pointed 813 set net permit holders was 6 points, the denial level at which permits would initially be established would be 5 points, and the point level at which permits would issue would increase depending on the number of applications received during the application period. Only those late applicants, therefore, within the top 813 on the point scale would be issued permits.

Even though the Entry Commission has established interpretive regulations whereby some applicants who failed to file their applications timely can still get their applications accepted by the Commission and adjudicated under the point system, the restrictive interpretation of the regulations benefit only those people who can establish that they mailed their applications timely which was lost in the mail, or that they were ill-advised about the program by the Commission or its agents which directly caused that person not to submit an application. These regulations do not benefit Roy White of Egegik who returned in 1977 from four years of service in the Navy to find out that he could not fish anymore as a gear license holder; or William Wilson of Naknek who was released from jail in the fall of 1975 to learn the same; or those people who were away at school during the application period; or even those who simply did not plan to fish in 1975 in Bristol Bay because of poor predictions and did not understand nor had explained to them the difference between a permit and a gear license, the latter which was traditionally purchased on a year to year basis if that person planned to fish that year.

In summary, I strongly support HB 141 as the most important Limited Entry bill thus far proposed. In addition, recognizing the inequities of the system to fishermen who have

Alvin Osterback
March 5, 1979
Page Four

fished more than one administrative area yet cannot qualify for permits in any area, I support HB 290. I would, however, strongly urge a legislative resolution to the late application problem here in Bristol Bay.

I am available to more fully explain my views at your request.

Sincerely,

ALASKA LEGAL SERVICES CORP.


Geoff Comfort
Legal Assistant

GC:ilk

cc: Representative Terry Gardiner
Speaker of the House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Representative Nels Anderson, Jr.
House Majority Leader
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Representative Bill Miles
Co-Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

House Resource Committee Members
Fred Zharoff
Samuel Cotten
Chat Chatterton
Richard Eliason

HB

142

COMMITTEE REPORT HOUSE

FURTHER: FINANCE

February 6, 1979

Date: March 13, 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 17

"An Act making a special appropriation to the Legislative Affairs Agency for the Limited Entry Study Committee; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

HB 141
HB 142

LIMITED ENTRY STUDY GROUP

BUDGET

Staff Director	(\$3,000/month, 8 months).....	\$24,000
Support Staff	(\$1,800/month, 8 months).....	\$14,400
Travel	\$20,000
Contractual	\$60,000
Misc.	\$ 6,600
		<u>\$125,000</u>

Study group is a legislative special committee consisting of 6 members: 3 appointed by the Speaker of the House; 3 appointed by the President of the Senate.

Committee staff to be located in legislative office space in Juneau.

SPECIAL LEGISLATIVE LIMITED ENTRY STUDY COMMITTEE

PURPOSE--PLAN OF WORK

The overall goal of the special legislative committee on limited entry is to recommend changes to the limited entry law which would improve the present system of commercial fisheries entry limitation. It is evident that the people of Alaska still want the program and that the intended impact is being realized; but there exists a need for the regulatory structure to better fit the actual circumstances and conditions inherent to Alaska's fisheries.

There are particular aspects of the present system which have aroused special concerns; the rapidly increasing value of permits beyond the purchasing or financing power of many Alaskans; the inability of many resident Alaskans to enter the salmon fisheries while substantial numbers of non-residents remain and continue to enter the fisheries; and the administrative burdens realized both by fishermen and the state in implementing the present limited entry schemes. While it is our intent to encourage a full scale reexamination of the Alaska limited entry system the strengths of our existing limited entry system such as intra-family transferrability provisions and the maintenance of equal opportunity to enter commercial fishing are very important to retain. The committee should look specifically at the problem areas previously mentioned, and to the greatest extent possible attempt to design a program which has the flexibility to adapt to the varied circumstances present in the various regions of Alaska. Lastly, any recommendation for changes to the limited entry system must be thoroughly, legally researched to be defensible in court.

The budget of the special committee is designed to minimize the costs of this investigation. The committee should take advantage of existing expertise in the Commercial Fisheries Entry Commission, the Alaska Department of Fish and Game, the Legislative Affairs Agency, and the Department of Commerce and Economic Development. Detailed legal analysis and related needs should be arranged through contracts.

ALASKA
STATE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

State Capitol

INTER-AGENCY ROUTING SLIP

TO:

Rep Alvin Osterback

ATTN:

REMARKS:

FROM:

Murphy

DATE:

4-10-79

Rec'd 4/10/79

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 142
 Title Special Appropriation to LAA/Limited Entry Study Committee
 Requested by House Resources Committee Date 2/6/79

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Council & Subcommittees
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	38.9					
200 TRAVEL	20.0					
300 CONTRACTUAL	65.7					
400 COMMODITIES	.4					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	125.0					

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	125.0					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY	2 (16mm)					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

(100) Personal Services - Staff Director (\$2,780/mo-8 mo)	\$22,240	
Support Staff (\$1,635/mo-8 mo)	13,080	
Benefits @10.13%	1,578	
	<u>\$36,898</u>	38.9
(200) Travel - Six committee members and two staff to attend hearings at locations not yet determined		20.0
(300) Contractual - Telephone	350	
Postage	250	
Legal Contract	60,000	
Advertising	3,600	
Printing	1,500	
	<u>\$65,700</u>	65.7
(400) Commodities		.4
		<u>125.0</u>

IV. DATE 4/10/79 PREPARED BY W.W. Endicott TOTAL
 AGENCY Legislative Affairs 125.0
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB

148

COMMITTEE REPORT

HOUSE

February 3, 1979

FURTHER: JUDICIARY

Date: Feb 20 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 148

"An Act relating to the seizure of items used or in aid of fish and game violations."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature] NO REC.

[Signature] Do Not Rec.

[Signature] NO REC.

CHAIRMAN

HB

159

DO PASS 2/20

with CSHRB159 changing \$20,000,000 to \$5,000,000
and adding section asking that a progress report
from the bank's bd. of directors be submitted to
the legislature by Feb. 1, 1980

COMMITTEE REPORT

HOUSE

February 8, 1979

FURTHER: FINANCE

Feb 20 1979

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 159

"An Act making a special appropriation to the Dept. of Revenue for the purchase of shares of the Commercial Fishing & Agriculture Bank; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for ~~HB 159~~ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Handwritten signatures and scribbles]

(not) [unclear] - [unclear]

[unclear]

[unclear]

[unclear]

[Handwritten signatures and scribbles]

CHAIRMAN

HB 159

Board of Directors of
Commercial Fishing and Ag. Bank:

Bob Thorstenson
Dale Pullman
Paul Huppert
Byron Mallet
Frank Homan

STATE OF ALASKA
THE LEGISLATURE

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99801
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 6, 1979

SUBJECT: Commercial Fisheries and Agriculture Bank (CFAB)
(Work Order # 6338)

TO: Representative Al Osterback

FROM: John Williams, Policy Analyst

HB
159

You have asked that we briefly explain the intended functions of the Commercial Fisheries and Agriculture Bank (ch. 159, SLA 1978). The bank is fashioned after the federal farm credit system, in that it is a member owned and operated financial intermediary initially capitalized via governmental purchase of preferred stock (in this case, the State of Alaska.)

The bank is empowered to make loans for activities involving any aspect of Alaska's commercial fishing or agricultural industries. The law specifically mentions harvesting, processing, and marketing. To be eligible for a loan from the bank, the applicant must be a resident Alaskan (if a business, the majority of the owners and a majority of the voting stock) and involved in commercial fishing or agriculture. All loan recipients are required to participate in the bank, e.g., a minimum amount of stock must be held, usually expressed as a percentage of the loan principal. The initial preferred stock purchase by the state is to be repaid within 20 years.

CFAB is classified as a cooperative for purposes of the Bank for Cooperatives (a part of the farm credit system) and as an "other financial institution" for purposes of the Federal Intermediate Credit Bank (another portion of the farm credit system). Thus, the bank is eligible to sell its debt instruments to the farm credit system through either of these institutions. Additionally, it is expected that the bank will participate with the lending programs of the National Marine Fisheries Service, the state loan programs, and private financial institutions.

The Commissioner of Revenue is empowered to purchase \$2 million of preferred stock in the bank during FY 79 (the funds will come from the renewable resources fund account). Presently, the Department of Commerce and Economic Development is contracting with Earl Coombs, Inc., to complete a financial needs analysis of the bank. That study is scheduled to be completed in May, 1979. Additionally, the firm of Wohlforth and

Representative Al Osterback

-2-

February 6, 1979

Flint has completed a set of bylaws and Articles of Incorporation for the bank (under contract from the Department of Commerce & Economic Development).

Please let us know if we may be of further assistance.

JW:lmk

For
HB 159

(b) For the purpose of the initial funding of the bank's operations, the board of directors shall issue nonvoting, preferred shares of stock in the bank and shall determine the value of each share. The State of Alaska, through appropriate agencies, shall purchase the nonvoting, preferred shares initially issued by the bank. Shares purchased by the state shall be repurchased by the bank within 20 years after their purchase. If the bank fails to repurchase the shares within 20 years, the commissioner of commerce and economic development may dissolve the bank.

(c) After the board of directors has completed the necessary organizational matters described in §§ 30 and 40 of this chapter, the commissioner of revenue may purchase with funds from the general fund up to \$2,000,000 of preferred stock of the bank during fiscal year 1979 at such time and with terms agreed upon by the commissioner and the board. (§ 3 ch 159 SLA 1978)

Sec. 44.54.020. Board of directors. The bank shall be managed by a board of directors consisting of five members. Initial appointments to the board shall be made by the governor. Thereafter, board members shall be elected by the shareholders. The board members shall annually elect a chairman from among themselves. The purpose of the board is to manage the assets of the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.030. Articles of incorporation. Not later than November 1, 1978, the board of directors shall file with the commissioner of commerce and economic development articles of incorporation as provided in AS 10.15.340 — 10.15.355 except that any filing fees shall be waived. (§ 3 ch 159 SLA 1978)

Sec. 44.54.040. Bylaws. The board of directors shall adopt the initial bylaws of the bank. The power to alter, amend or repeal the bylaws is vested in the board of directors. The bylaws may contain provisions for the regulation and management of the affairs of the bank not inconsistent with this chapter or other provisions of law. (§ 3 ch 159 SLA 1978)

Sec. 44.54.050. Membership meetings. Upon filing the articles of incorporation, the board of directors, with the assistance of the commissioner of commerce and economic development or his designee, may hold public meetings throughout the state for the purpose of explaining to members of the commercial fishing and farming industries the functions of the bank and to encourage membership in the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.060. Membership stock. (a) The board of directors shall issue shares of membership stock in the bank in the amounts and with the value determined by the board and state in the articles of incorporation.

(b) Loans made to shareholders of the bank under the provisions of

Agenda - Tues. Feb. 20

Call to Order

HB 49 Fishermen's Fund

Refer to new things in all folders:

- 1) Back-up information from Labor Dept.
- 2) Suggested re-wording of retroactive clause.

(In Alvin and Chat's folders - Workmen's Comp. statutes which may be useful in finding new wording if other suggested CSHB49 is not satisfactory).

To testify: Grace Wilson, Admin. of Fishermen's Fund

HB 229 King Salmon & Trout sport fishing fee

In all folders: Fiscal note provided by Fish and Game
(In Alvin's file: Copies of statutes referred to in bill)

To testify: Fish and Game Dept.

HB 159 Fishing and Ag. Bank

In all folders: Analysis of bill by John Williams
(In Alvin's file - Copy of statute referred to in bill)

To testify:

~~Pete Bushery, Dept. of Revenue, Deputy
Commissioner in Charge of Treasury~~

Dick Eakins, Commerce Dept. Director
of Div. of Economic Enterprise