

1197

SSA

HB 248

-

HB 590

1197

HB

248

COMMITTEE REPORT  
SENATE

FURTHER: Judiciary

3/8/79

Date: 2/20/80

Mr. President:

The Committee on STATE AFFAIRS has had HB 248  
relating to the merger of electric and telephone utilities

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
- and recommends \_\_\_\_\_  new title
- 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



Official Business

# Alaska State Legislature

Senate

Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

HB 248 - An Act relating to the merger of electric and telephone utilities; and providing for an effective date.

BY: House State Affairs Committee

As statutes now read, two telephone or electric cooperatives may merge and two telephone or electric corporations may merge. Statutes do not provide for the merger of a utility cooperative with a utility corporation. This bill would allow such mergers.

This bill has the support of the Rural Electric Association and the Alaska Public Utilities Commission.

1/15  
2/15  
3/15

Allison  
Richey

Rm 514  
Capital

Comments  
APUB  
HB 248

APUC Comments on HB 248

The APUC believes this Legislation is in the public interest and supports House Bill 248.

The Commission observes that this legislation does not effect a merger between a cooperative and non-cooperative electric or telephone utility. It merely facilitates that process. Ultimately, any negotiated merger agreement requires the approval of the APUC because inherently involved is the transfer of a cooperative's certificate of public convenience and necessity to serve its present service area to the non-cooperative utility; that transfer requires Commission approval AS 42.05.281; 3 AAC 48.640(a)(3)-(4).

This bill imposes no fiscal impact on this agency.

APUC Comments on HB 248

The APUC believes this Legislation is in the public interest and supports House Bill 248.

The Commission observes that this legislation does not effect a merger between a cooperative and non-cooperative electric or telephone utility. It merely facilitates that process. Ultimately, any negotiated merger agreement requires the approval of the APUC because inherently involved is the transfer of a cooperative's certificate of public convenience and necessity to serve its present service area to the non-cooperative utility; that transfer requires Commission approval. AS 42.05.281; 3 AAC 48.640(a)(3)-(4).

This bill imposes no fiscal impact on this agency.

BILL ANALYSIS

ASSIGNMENT DATE 2/27/79

UNASSIGNED

REALITY: Commerce MONITOR (PRINCIPAL): State Affairs BILL NO. HB 248.5

DEPARTMENT POSITION: ~~Request report on HB 248 include~~

DIVISION DIRECTOR: Carolyn S. Guess DATE: Commissioner: Alaska Public Utilities Commission DATE:

GOVERNOR'S OFFICE USE: [ ] POSITION NOTED [ ] POSITION APPROVED [ ] POSITION DISAPPROVED BY: DATE:

SUMMARY: (1) RELATED BILLS (SIMILAR OR CONFLICTING) (2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL: APUC (2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

(4) FISCAL IMPACT: [ ] NONE [ ] FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS:

OF COUNSEL  
M E MONAGLE

# ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

R E. ROBERTSON (1885-1961)  
F O. EASTAUGH  
J B. BRADLEY  
WILLIAM G. RUDDY  
L B. JACOBSON  
MICHAEL T. THOMAS  
JAMES F. CLARK  
PAUL M. HOFFMAN  
J P. TANGEN  
DEBORAH A. HOLBROOK  
D. ELIZABETH CUADRA  
HAROLD E. SNOW, JR.  
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February 4, 1980

Senator Robert Mulcahy, Chairman  
State Affairs Committee  
Pouch "V" Mail Stop 3100  
Juneau, Alaska 99811

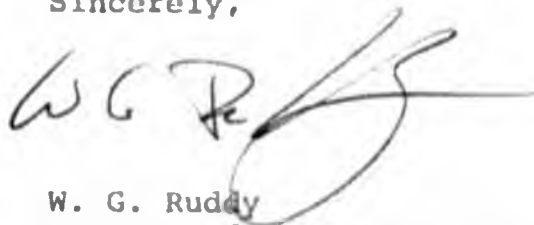
Re: HOUSE BILL 248

Dear Senator:

My client, the Glacier Highway Electric Association, would appreciate it if House Bill 248, which permits mergers between Rural Electrification Act Cooperatives and privately owned utilities, was moved along. The Bill was passed through the House last year and is a relatively straightforward piece of legislation.

Your help and assistance is greatly appreciated.

Sincerely,



W. G. Ruddy  
Attorney for Glacier Highway  
Electric Association

WGR:vb

HB 248

An act relating to the merger of electric and telephone utilities; and providing for an effective date.

House State Aff.

SUMMARY

This bill adds a new section to Ch. 5-ALASKA BUSINESS CORPORATION ACT entitled MERGER OF COOPERATIVE INTO A CORPORATION ORGANIZED UNDER THIS CHAPTER. It provides that a cooperative organized under the Electric and Telephone Cooperative Act (Ch.25) may merge into a corporation, organized under this chapter, that is engaged in business as and is certified as a telephone or electric utility. The corporation shall comply with provisions of this chapter insofar as they set out procedures for the merger of business corporations. Adds a new section to ELECTRIC AND TELEPHONE COOPERATIVE ACT (Ch. 25) stating the same as above and provides that the cooperative shall comply with provisions dealing with merger of cooperatives as set out in this chapter.

SUPPORTING INFORMATION

This bill was submitted at the request of Rural Electric Association representatives. REA's are cooperatives which are 100% federally funded under the U.S. Department of Agriculture and owned by the participating customers. As the law now reads, two REA's may merge and two private utility corporations may merge but REA's and private utilities may not merge. This bill would authorize such a merger. Bill Ruddy, Lobbyist for the Glacier Highway Electric Association which is an REA, stated that merger discussions are underway right now between Glacier Highway Electric Assoc. and Alaska Electric Light and Power Company, which is a private utility corporation. Under state law they cannot merge. This bill would make that possible if desired by both parties. He said the benefit would be a rate drop for Glacier Highway Electric customers and shareholders as AELP can provide services at approximately 40% lower rate than they are paying through GHEA now. AELP now provides electrical service to approximately 90% of the Juneau area. If they merged AELP would pick up the GHEA members.



AS OF 12/26/79 NEGOTIATIONS ARE STILL UNDERWAY. AELP SAYS IT LOOKS PROBABLE FOR MERGER VERY SOON

Carolyn Guess, Alaska Public Utilities Commission, stated that they support this bill. This type of merger would require the approval of APUC, who decide if it is in the public interest and issue the certificate. She stated that there would be no fiscal impact. (SEE APUC COMMENTS - ATTACHED TO BILL,

HB 248 was passed out of House State Affairs with all members recommending DO PASS. It passed the House on March 7, 39-0.

PREVIOUS LEGISLATION: Was CSHB 879 <sup>115 1978</sup> ~~1978~~ session (Commerce). It passed the House and died in Senate State Affairs. Mike Miller stated that he believed it died because of lack of time rather than any opposition to the bill.

FISCAL NOTE: None

RELATED LEGISLATION: None

INTERESTED PARTIES: House State Affairs (Sponsor)  
Alaska Public Utilities Commission  
Bill Ruddy-Glacier Highway Electric Assn.  
ALASKA ELEC. LIGHT & POWER (586-2222)

HB 248

An act relating to the merger of electric and telephone utilities; and providing for an effective date. State Affairs

SUMMARY

This bill adds a new section to statutes (CH. 05-ALASKA BUSINESS CORPORATION ACT) entitled MERGER OF COOPERATIVE INTO A CORPORATION ORGANIZED UNDER THIS CHAPTER. It states that a cooperative organized under the Electric and Telephone Cooperative Act (Ch. 25) may merge into a corporation, organized under this chapter, that is engaged in business as and is certificated as a telephone or electric utility. The corporation shall comply with provisions of this chapter insofar as they set out procedures for the merger of business corporations. Adds a new section to ELECTRIC AND TELEPHONE COOPERATIVE ACT (Ch. 25) stating the same as above and provides that the cooperative shall comply with provisions dealing with merger of cooperatives as set out in this chapter.

(COMMERCE)

Previous leg. was DCSHB 879 but ~~same~~  
Passed House. Died in Senate st. app.

Pr. name  
J.N. - name

Reliability Name  
Interest Parties - Commerce APUC -  
Bill Ruddy - Glacier Highway  
House STAFF

JB248

BILL RUDY 2/14/80

Dave Ness -

R.E.A.

Beyond B.H. Bridge - Elec. & cgh  
Elec. Assn. - 1948

Rate disparity large  
50% more - C-HEA -

Many <sup>present</sup> ~~former~~ <sup>propos</sup> - before merger  
can be accomplished

2 IBEW interests

Finance totally diff

R.E.A. advantages of C-HEA

A-CLP - provide, work & stabilization

who will have priority when merged

King St. Block - C-HEA to A-CLP  
at A-CLP rate, structure

No legal way now to merge.

Next 2 weeks

Mike Miller - Submit leg.

HB 248 permits merge with the way  
General applications all over state

Call Bill Ruddy when  
scheduled. O

April 29, 1979

W. G. Ruddy  
Robertson, Monagle,  
Eastaugh & Bradley  
Attorneys at Law  
P.O. Box 1211  
Juneau, Alaska 99802

Dear Mr. Ruddy:

It is too late to move House Bill 248 through this session. Early staff research indicated that the need that prompted the bill was no longer there. As we had received no particular interest in this bill we concentrated the short time we had on a number of other bills.

We will be looking at it first thing next session.

Sincerely,

Bob Mulcahy  
Senator

Copy filed in Committee HB 248 folders

mg

ROBERTSON, M'ONAGLE, EASTAUGH & BRADLEY

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F. O. EASTAUGH  
J. B. BRADLEY  
W. G. RUDDY  
L. B. JACOBSON  
R. B. BARER (ANCHORAGE)  
M. T. THOMAS  
L. J. BARKER (ANCHORAGE)  
J. F. CLARK  
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April 25, 1979

Senator Bob Mulcahy  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

Would it be possible to move House Bill 248 through the Senate this year? The Bill is non-controversial and merely permits the merger of privately owned and cooperatively owned utilities. It was endorsed by the Alaska Public Utilities Commission and has been approved by the Department of Commerce. Your assistance would be greatly appreciated.

Sincerely,

*Deborah A. Holbrook*  
for W. G. Ruddy

WGR:vb

HB

359

Original sponsor: Gardiner

Offered: 4/20/79  
Referred: Rules

*No  
repealed*

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 359

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to salmon enhancement."

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

8 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

9 (1) efficiently enhancing the salmon fisheries will result in a  
10 substantial contribution to increased food production and is an appropriate  
11 use of the resource;

12 (2) efficiently enhancing the common property salmon fisheries  
13 will result in a general benefit to the state and in a greater direct benefit  
14 to the commercial, subsistence, and sport fisheries;

15 (3) a direct economic benefit to the commercial fisheries results  
16 from efficient salmon enhancement and includes enhanced economic return to  
17 those persons commercially harvesting the resource;

18 (4) efficient salmon enhancement will result in increased economic  
19 benefit to the coastal and interior regions of the state;

20 (5) regional user involvement in salmon enhancement planning and  
21 production will promote maximum benefit to the users as well as maximum  
22 resource protection;

23 (6) fisheries commerce in the coastal and interior regions of the  
24 state overlap many local government boundaries, is not tied to local govern-  
25 ment boundaries, and is primarily in the unorganized borough;

26 (7) it is impracticable for the framework of local government in  
27 the state to be the vehicle for efficient aquaculture development;

28 (8) regional organizations comprised of user groups will effec-  
29 tively promote aquaculture development in the state;

16 - *Sheet of Fish & Game*  
10 - *Fisheries & Fisher Reg*

1 (9) the most equitable and nondiscriminatory method for providing  
2 revenues for regional salmon enhancement is to authorize regional associa-  
3 tions to assess percentage royalty shares against those persons commercially  
4 harvesting the resource within the region.

5 (b) It is the purpose of AS 16.10.375 - 16.10.620 to provide for con-  
6 tinuing efficient aquaculture development in the coastal and interior regions  
7 of the state in a manner which equally affects and benefits all persons  
8 similarly situated and to encourage the development of small, private, non-  
9 profit hatcheries that may provide important benefits to the state through  
10 increased employment, educational training, and research opportunities.

11 \* Sec. 2. AS 16.10.440(b) is amended to read:

12 (b) The Board of Fisheries may, after the issuance of a permit by  
13 the commissioner, amend by regulation adopted in accordance with the  
14 Administrative Procedure Act (AS 44.62), the terms of the permit re-  
15 lating to the harvest of broodstock fish by hatchery operators and the  
16 specific locations designated by the department for harvest. The Board  
17 of Fisheries may not adopt any regulations nor take any action regarding  
18 the issuance or denial of any permits required in (PROMULGATE REGULA-  
19 TIONS NECESSARY TO IMPLEMENT) AS 16.10.400 - 16.10.470.

20 \* Sec. 3. AS 16.10.510(9) is amended to read:

21 (9) make grants for organizational and planning purposes to  
22 qualified regional associations which have formed a nonprofit corpora-  
23 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
24 tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
25 ations which have an authorized royalty-assessment under AS 16.10.530 or  
26 AS 16.10.540. The state portion of the matching share shall be avail-  
27 able when a final vote for assessments is made under AS 16.10.530 or  
28 AS 16.10.540. This provision also applies to qualified regional asso-  
29 ciations which have formed a nonprofit corporation before June 24, 1977.

Fishery Enhancement

1 \* Sec. 4. AS 16.10.520(b) is amended to read:

2 (b) Loans for the total project costs may be made if the commis-  
3 sioner determines that the applicant has sufficient financial resources  
4 to insure the establishment of an equity position in the project equal  
5 to 10 per cent of the loan within six years or less, either through  
6 a royalty [AN] assessment levied under AS 16.10.530 or AS 16.10.540 or  
7 other means approved by the commissioner. For purposes of this subsec-  
8 tion, "total project costs" includes planning and construction costs for  
9 the facility and the cost of operations for not more than the first six  
10 years. The costs for operations shall be loaned on an annual basis.

11 \* Sec. 5. AS 16.10.520(c) is amended to read:

12 (c) All loans must be secured by collateral satisfactory to the  
13 commissioner, including but not limited to a first deed of trust,  
14 assignment of lease and leasehold improvements, sale of surplus fish  
15 from the hatchery, or royalty assessments from fishermen levied under  
16 AS 16.10.530 - 16.10.540.

17 \* Sec. 6. AS 16.10.530 is amended to read:

18 Sec. 16.10.530. ROYALTY ASSESSMENT ON SALE OF SALMON. (a) The  
19 commissioner, on request of the qualified regional association for the  
20 area in which the royalty assessment is to be levied, and after consul-  
21 tation with the commissioner of fish and game and after reaching any  
22 necessary agreements with local governments, shall establish areas in  
23 which a royalty [AN] assessment shall be levied on the sale of one or  
24 more species of salmon caught by persons holding entry permits [LICENSED]  
25 under AS 16.43.010 - 16.43.380 [AS 16.05.540 - 16.05.600], in the area  
26 in which the royalty assessment is to be levied. A request by the  
27 qualified regional association shall include a description of compliance  
28 with (e) of this section. The commissioner shall determine whether the  
29 procedural requirements under (e) of this section were followed and

1 whether the proposed assessment is reasonable. A royalty [AN] assess-  
2 ment levied under this section shall be for the purpose of providing  
3 revenue for the qualified regional association for the area in which the  
4 royalty assessment is made. The rate and conditions of royalty assess-  
5 ments, including species to be involved, shall be stated by the appro-  
6 priate qualified regional association in conjunction with the request to  
7 the commissioner under this subsection. The royalty assessment may be  
8 equal to either two or three per cent of the fair market value of the  
9 fish but may not exceed three per cent of the fair market value of the  
10 fish.

11 (b) (repealed)

12 (c) The commissioner and the appropriate qualified regional asso-  
13 ciation must agree on a means of collection of the royalty assessment  
14 and the commissioner may, by regulation, require its collection by  
15 buyers of the salmon upon the sale of which a royalty [AN] assessment is  
16 levied.

17 (d) The royalty assessment shall terminate

18 (1) upon request of the qualified regional corporation when  
19 all financial obligations relating to the royalty assessments have been  
20 met; or

21 (2) upon majority vote at an election held under (h) of this  
22 section, in the area in which the royalty assessment is levied either  
23 before any financial obligations relating to the royalty assessment  
24 have been incurred or after all financial obligations relating to the  
25 royalty assessment have been met.

26 (e) Before a royalty [AN] assessment is made under this section,  
27 the qualified regional association for the area in which the royalty  
28 assessment is to be levied shall hold an initial public meeting to  
29 explain and discuss the necessity for the royalty assessment and to

1 explain the registration procedure established under (f) of this sec-  
2 tion. Reasonable public notice of the meeting shall be sent to all  
3 limited entry permit holders actively participating in a fishery in the  
4 area, posted in at least three centrally located public places in the  
5 area, and published in at least one newspaper of general circulation at  
6 least one time a week for three consecutive weeks in the area, if one  
7 exists. The notice shall briefly state the amount of the royalty assess-  
8 ment and a short general description of the purposes for which the  
9 royalty assessment money will be used. A ballot shall be mailed to all  
10 limited entry permit holders actively participating in a fishery in the  
11 area at least 20 days before the initial public meeting and contain a  
12 copy of the notice and ask the question whether a royalty [AN] assess-  
13 ment shall be imposed. At the public meeting the returned ballots shall  
14 be counted by a special committee appointed by the regional association  
15 for that purpose, and a vote by written ballot shall be taken on the  
16 question from among the limited entry permit holders present at the  
17 initial public meeting. After the vote is taken at the initial meeting  
18 a second public meeting shall be held, upon the limited notice of publi-  
19 cation in a newspaper of general circulation, each day for five consecu-  
20 tive days and the mailing of personal notice to all limited entry permit  
21 holders who actively participate in a fishery in the area at least  
22 14 days before the second public meeting, to give those who did not vote  
23 by written ballot at the initial public meeting an opportunity to vote.  
24 These votes shall be counted with the votes counted at the initial  
25 meeting. A majority vote for the royalty assessment is required from  
26 the combined total of the returned ballots and the votes by ballot cast  
27 at both public meetings, before a royalty [AN] assessment may be im-  
28 posed. No person may vote twice.

29 (f) The qualified regional association shall establish standard

1 registration procedures for voting on royalty assessments under this  
2 section.

3 (g) A limited entry permit holder who would be qualified to vote  
4 on a royalty assessment levied by a regional corporation may request  
5 the commissioner to reduce or terminate a royalty assessment in the  
6 region. The commissioner may terminate or reduce the royalty assess-  
7 ment if he finds the royalty assessment to be unreasonable or to be no  
8 longer needed by the regional association to meet the purposes of  
9 AS 16.10.372 - 16.10.620.

10 (h) Upon receipt of a petition requesting termination of the  
11 royalty assessment and signed by not less than 10 per cent of the number  
12 of persons qualified to vote under (e) of this section in the election  
13 levying the royalty assessment in the area, the commissioner shall  
14 determine if there are any outstanding financial obligations relating  
15 to the royalty assessment. If the commissioner determines that there  
16 are no outstanding financial obligations relating to the royalty assess-  
17 ment, the commissioner shall notify the qualified regional association  
18 for the area of his determination. The qualified regional association  
19 shall, within two months after receiving notice of the commissioner's  
20 determination, hold public meetings and mail ballots in accordance  
21 with (e) of this section. The ballots shall ask the question whether  
22 the royalty assessment for the area shall be continued. Only a person  
23 who is qualified to vote in accordance with (e) of this section may  
24 receive and cast a ballot under this subsection.

25 \* Sec. 7. AS 16.05.540(a) is amended to read:

26 (a) In place of or in addition to an assessment levied under  
27 AS 16.10.530, an association of persons who hold entry permits (LI-  
28 CENSED) under AS 16.43.010 - 16.43.380 [AS 16.05.540 - 16.05.600], which  
consists of at least 51 per cent of the persons holding entry permits

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[SO LICENSED] and actively participating in a fishery to be benefited by a hatchery program, may levy and collect an assessment from among its members for the purpose of securing and repaying a loan made under AS 16.10.510.

\* Sec. 8. AS 44.62.330(a) is amended by adding a new paragraph to read:  
(46) Department of Commerce and Economic Development concerning the Fisheries Enhancement Loan Program (AS 16.10.500 - 16.10.620).

#3 359 <sup>more</sup> CARL Rosser

not just users involved.

#5 line 20 currently reads (3) <sup>to</sup> regional involvement in salmon enhancement planning and production will assure maximum economic return as well as maximum resource protection

regional user

split to  
commercial-dept.

#5

regional user involvement in salmon enhancement planning and production will promote maximum benefit to the users.

user controlled

Why: regional user verbiage <sup>will</sup> should include various groups that should be included in the planning, enhancement when regional involvement is too restrictive.

#8 line 28

on (8) user-controlled regional organizations will most effectively ensure efficient aquaculture development in the state.

to regional associations comprised of user groups will effectively promote aquaculture development in the state.

All the various groups represented  
Back to multiple interests

Why: Basically same reason as #5 change. regional associations comprised of user groups keeps door open for invol.

line 19  
page 6, Sec 8. AS 16.10.440(b)  
is repealed -

This entire line to be eliminated

~~delete this to Section~~

SECTION: 16.10.440(b) The Board of Fisheries  
may <sup>promulgate</sup> ~~adopt~~ regulations, ~~in accordance with~~  
~~the Administrative Procedure Act~~ necessary  
to implement AS 16.10.400 - 16.10.460  
[AS 16.10.400 - 16.10.470]

By repealing 16.10.440(b) The Board of  
Fisheries would no longer be involved  
in aquaculture. It would then be entirely  
left up to the Commissioner of Fish + Game.  
Repealing 16.10.440(b) would ~~rep~~ eliminate  
Bas involvement in.

16.10.400	Perm. to For Salmon Hatcheries
16.10.410	Hatchery Regs Permit Issuance
16.10.420	Conditions of Permit
16.10.430	Alteration, Suspension
16.10.440	Regulation
16.10.443	Department assistance in Egg Source.
16.10.475	<del>Inspection.</del>
16.10.450	Sale of Salmon + Salmon Eggs. by Hatchery.

16.10.460 Inspection of Hartney  
16.10.470 Annual Report.

MOST people feel it is desirable  
having the Bd oversee management  
of State Resources  
The management of the fishery should  
be in purview of the board. Limiting  
ating

A M E N D M E N T #1

Offered in the SENATE

By Kerttula

TO: SENATE CS FOR HOUSE BILL NO. 359

Page 1, line 6:

Delete "salmon"; after "enhancement" add the following: "of the salmon fishery through private hatchery development"

Page 7, between lines 4 and 5:

Insert the following new material:

"\* Sec. 8. AS 16.43 is amended by adding new sections to read:

ARTICLE 5B. SPECIAL HARVEST AREA ENTRY PERMITS.

Sec. 16.43.335. SPECIAL HARVEST AREA ENTRY PERMITS. (a) In addition to entry permits, interim-use permits, and educational permits, the commission may issue special harvest area entry permits to holders of private, nonprofit hatchery permits issued by the Department of Fish and Game under AS 16.10.400 - 16.10.475.

(b) The commission may issue special harvest area entry permits notwithstanding the establishment of maximum or optimum numbers under AS 16.43.240 and 16.43.290.

Sec. 16.43.337. TERMS AND CONDITIONS OF SPECIAL HARVEST AREA ENTRY PERMITS. (a) Special harvest area entry permits may be applied for on an annual basis and shall be issued for a term of one year. A permit is nontransferable.

(b) A special harvest area entry permit may only be issued for the applicable area designated by the Department of Fish and Game as a special harvest area.

(c) The annual fee for a special harvest area entry permit shall be specified by commission regulation under the authority of AS 16.43.-160.

Sec. 16.43.339. DISPOSITION OF FISH. Fish caught under the authority of a special harvest area entry permit are the property of the permit holder. The permit holder may sell the fish if the proceeds are used in the manner described in AS 16.10.450.

Sec. 16.43.341. AUTHORIZED GEAR. For the purposes of harvesting salmon, a special harvest area entry permit holder may employ any fishing gear designated as legal gear in the applicable special harvest area by the Board of Fisheries.

Sec. 16.43.343. ADOPTION OF REGULATIONS. (a) Use privileges granted under AS 16.43.335 - 16.43.341 are subject to the regulations of the Board of Fisheries.

(b) The commission, after consultation with the Department of Fish and Game, shall adopt regulations which are reasonably necessary to implement AS 16.43.335 - 16.43.341."

Renumber following section accordingly.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
507 455 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 24, 1979

SUBJECT: Sectional analysis - SCS HB 359  
(Work Order No. 7188)

TO: Senator Jalmar Kerttula

FROM: Kenneth E. Vassar, Legislative Counsel *KV*

You have requested a sectional analysis of the Senate Resources Committee's substitute for House Bill 359 (An Act relating to salmon enhancement).

The first section of the bill (page 1, lines 8 - 29, and page 2, lines 1 - 10) expresses various legislative findings relating to the benefits to be achieved by efficient salmon enhancement in the state. Subsection (c) of that section attributes certain purposes to AS 16.10.375 - 16.10.620 which relate to efficient aquaculture development in certain parts of the state to encourage the development hatcheries and provide employment, educational training, and research opportunities.

Section 2 of the bill (page 2, lines 11 - 19) amend AS 16.10.-440(b). The effect of the amendment would be to limit the regulatory power of the Board of Fisheries in relation to the provisions of AS 16.10.470 (these sections of the law relate to salmon hatchery permits). Currently, the Board of Fisheries has the power, under this section, to "promulgate regulations necessary to implement" these sections. The proposed amendment would limit the board's regulatory power in this specific area by allowing the board to adopt regulations amending the terms of permits issued under AS 16.10.-400 - 16.10.470 which relate to the harvest of broodstock fish by hatchery operators and to the specific locations designated by the department for harvest by the hatchery operators. The amendment would specifically provide that the board may not adopt regulations or take any action regarding the issuance or denial of a permit.

Sections 3 - 6 of the bill (page 2, lines 20 - 29, pages 3 - 5, and page 6, lines 1 - 24) insert the word "royalty" before "assessment" wherever the latter appears in AS 16.10.-500 - 16.10.620 (fisheries enhancement loan program). This is the only amendment provided in sections 3 - 5 of the bill (page 2, lines 20 - 29, and page 3, lines 1 - 16). AS 16.10.-500 - 16.10.620 establishes a loan program for hatchery operators. The purpose of the assessments is to secure and provide a means of repaying the loans made under those sections.

Section 6 of the bill (page 3, lines 17 - 29, pages 4 - 5, and page 6, lines 1 - 24) amends AS 16.10.530. In addition to adding the word "royalty" as mentioned above, the section would amend the following subsections of AS 16.10.530 in the following manner:

- (a) (1) requires qualified regional associations to reach "any necessary agreements with local governments" before levying assessments;
  - (2) replaces obsolete language by providing that the assessment is levied upon the sale of salmon caught by persons "holding entry permits" rather than persons "licensed under AS 16.05.540 - 16.05.600;
  - (3) restricts the amount of the assessment to either two or three per cent of the fair market value of the fish.
- (d) adds a new paragraph (2) which allows for the termination of a royalty assessment in accordance with procedures described in (h) of the section.

It also adds the following new subsections:

- (g) an entry permit holder who would be qualified to vote on the levy of the assessment may request the commissioner to reduce or terminate an assessment in the region; the commissioner may reduce or terminate the assessment if he finds it to be unreasonable or no longer necessary for the purposes of the hatchery;
- (h) alternatively, the assessment may be terminated by an election called by petition of 10 per cent of the persons qualified to vote for the levy of an assessment in a region. The commissioner will terminate the assessment only if there are no outstanding financial obligations relating to the assessment.

Section 7 of the bill (page 6, lines 25 - 29, and page 7, lines 1 - 4) amend AS 16.10.540(a) by replacing the obsolete language "persons licensed under AS 16.05.540 - 16.05.600" with "persons holding entry permits."

Section 8 (page 7, lines 5 - 8) amends AS 44.62.330(a) by adding a new paragraph (46). The effect of this amendment is to place the activities of the Department of Commerce and Economic Development relating to the Fisheries Enhancement Loan Program under the administrative adjudication provisions of the Administrative Procedure Act.

KEV:nem

March 27, 1979

RE: HB 359 Salmon Enhancement

A word on the above bill which is now in Senate Resources. While the first section of this bill contains a list of findings and purposes of dubious validity, I have no desire to argue the premises related to aquaculture. I am greatly disturbed, however, at the effect of the apparently innocuous Section 8 which simply states "AS 16.10.440 (b) is repealed."

This sub-paragraph reads as follows:

(b) The Board of Fisheries may promulgate regulations necessary to implement §§400-470 of this chapter.

✓ Deletion of this portion of the statute would put the Board of Fisheries out of the aquaculture business and leave it entirely up to the Commissioner. In testimony before the House Resources Committee, Speaker Gardiner stated that it had not been the original intent of the legislature that the Board be in a position to scrutinize matters relating to aquaculture.

I question this. ✓

Many years before Representative Gardiner attained to the Legislature, far-thinking lawmakers determined the desirability of having a Board to oversee the management of the State's fishery resources. Time has proven the value of this decision, though many of today's problems stem from failure of the Board to exercise close enough scrutiny over the activities of the Department, its top administrator, and lesser bureaucrats.

Aquaculture will, it is fervently hoped, contribute to the total salmon stocks available to the common property fishery. The management of this fishery is, without argument, within the purview of the Board. It seems strange to contend that the Board must manage but can have no voice in providing direction to efforts the result of which it must inevitably deal with.

Passage of this section would be a disastrous, precedent-setting action. It would place the Commissioner of Fish and Game (and the Department) another step further beyond the control of the Board and further imbalance a relationship originally intended (at least in part) to be a check-and-balance situation. I am disappointed to see Terry make this proposal. One should not speculate upon the existence of any possible quid pro quo's between the proponents of this legislation and members of the Department but I do believe strongly that Section 8 of this bill should be deleted by the Senate (preferably in the Resources Committee) or we can expect to find some foxes in the henhouse at some time in the future.

This is why our founding fathers provided for a Board.

HB

486

---

COMMITTEE REPORT  
SENATE

FURTHER: None

3/3/80

Date: \_\_\_\_\_

Mr. President:

The Committee on STATE AFFAIRS has had HB 486  
highway signs

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 <sup>HS follows</sup> without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Bob McLaughlin

Tom Kelly

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bob McLaughlin

CHAIRMAN

HOUSE STATE AFFAIRS

HAS NO BACKUP

ON HB 486.

**Oxford Pendastex**

STOCK No. 7531/3

3-5 1980 HOUR 2:20

TO Bob

**WHILE YOU WERE AWAY**

Rep. Jerry Martin

TELEPHONE

- CALLED TO SEE YOU
- TELEPHONED
- WILL CALL AGAIN
- PLEASE PHONE
- RETURNED YOUR CALL
- URGENT

REMARKS would like to testify on HB 486 when it comes up.

SIGNED SR

TOPS 4002





Official Business

# Alaska State Legislature

## Senate

### Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

HB 486 - An Act relating to highway signs; and providing for an effective date.

BY: House State Affairs Committee

HB 486 adds "directional signs and notices pertaining to schools" to a list of signs, displays and devices that may be erected or maintained within 660 feet of the nearest edge of the right-of-way and visible from the main-traveled way of the interstate, primary or secondary highways in this state. (Please see attached statute.)

The Department of Transportation and Public Facilities has no objection to this bill.

HP  
[Handwritten signature]

School Directional Signs - notified 4/2

Susan Sullivan 333-6412

Introduced: 4/28/79  
Referred: State Affairs

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 HOUSE BILL NO. 486  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to highway signs; and providing for an  
7 effective date."

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

9 \* Section 1. AS 19.25.105(a) is amended by adding a new paragraph to  
10 read:

11 (4) directional signs and notices pertaining to schools.

12 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
13 070(c).

14  
15  
16 *This bill adds:*  
17 *"directional signs & notices pertaining*  
18 *to schools"*  
19  
20 *to the list of signs, displays & ~~to~~ devices*  
21 *that may be erected or maintained*  
22 *within (60) feet of the nearest edge of*  
23 *the right-of-way and visible from the*  
24 *main-traveled way of the interstate,*  
25 *primary or secondary highways in*  
26 *this state.*  
27  
28  
29

STATE OF ALASKA  
RECEIVED  
MAR 17 '80

O'Malley School PTA  
SRA Box 20  
Anchorage, Alaska 99507

Mr. Terry Miller  
Pouch V  
Juneau, Alaska 99811

LIEUTENANT GOVERNOR


Re: House Bill #486

Dear Mr. Miller,

The O'Malley PTA Executive Board urges you to support House Bill #486. O'Malley Elementary School is located off a sideroad (Rockridge Dr.) off of O'Malley Road. The school is not visible from O'Malley Road. Currently, the only indication that there is a school in the vicinity is the school zone signs requiring motorists to slow to 20 MPH when children are present. The O'Malley PTA Executive Board feels strongly that directional signs are needed to inform the public of the location of our school. We are particularly concerned with the placement of a sign at the intersection of O'Malley Road and Rockridge Drive.

We thank you for the support of this measure.

Sincerely,



Frances Hannan - Vice President  
O'Malley PTA

To: Terry Miller  
Pouch V  
Juneau, Alaska 99811

Fr: O'Malley Elementary School PTA Executive Board  
Star Rt. A Box 20  
Anchorage, Alaska 99507

RE: HOUSE BILL #486

STATE OF ALASKA  
RECEIVED  
MAR 17 '80

LIEUTENANT GOVERNOR

The O'Malley PTA requests support for House Bill #486 with regard to signs.

Our school is located off the main highway and is rather difficult to find. We have many parents and substitute teachers who have been inconvenienced because they could not locate the school. We are also a voting precinct. Each election day we receive calls from people who cannot find us.

A bill allowing directional signs located on the main highway is much needed.

*Dorleen Frost - Principal, O'Malley School*  
*Nancy Harvey - Treasurer, O'Malley PTA*  
*Rita Shaw - President*  
*Francis Hannan - Vice President, O'Malley PTA*  
*Virginia B. Davlin*  
*Carol Long*  
*Dianne L. Olson*  
*Leona M. Cange*  
*Marlynn J. Engelke*  
*Nancy J. Fuerstenberg*  
*Nancy W. Heckart*  
*Sally Brook*  
*Jeanne Krasnowski*

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 2  
JUNEAU, ALASKA 99811  
(TELEX 45-328)

March 11, 1980  
000H


The Honorable Bob Mulcahy  
Alaska State Senator  
Chairman, Senate State Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

This is in response to your request of March 5, 1980 for this Department's position on House Bill 486 and Committee Substitute for House Bill 267 amended concerning highway advertising signs.

The Department of Transportation and Public Facilities has no objection to either Bill.

Sincerely,

  
Robert W. Ward  
Commissioner

# CH. 25 - PROTECTION & USE OF STATE HIGHWAYS & ROADS

## Article 3. Outdoor Advertising.

### Section

105. Limitations of outdoor advertising signs, displays and devices

110. Removal of nonconforming advertising

160. Definitions

**Sec. 19.25.105. Limitations of outdoor advertising signs, displays and devices.** (a) No outdoor advertising may be erected or maintained within 660 feet of the nearest edge of the right-of-way and visible from the main-traveled way of the interstate, primary, or secondary highways in this state except the following:

(1) directional and other official signs and notices which include, but are not limited to, signs and notices pertaining to natural wonders, scenic and historic attractions, which are required or authorized by law, and which shall conform to federal standards for interstate and primary systems;

(2) signs, displays and devices advertising the sale or lease of property upon which they are located or advertising activities conducted on the property.

(3) signs determined by the state, subject to concurrence of the United States Department of Transportation, to be landmark signs, including signs on farm structures, or natural surfaces, of historic or artistic significance, the preservation of which would be consistent with the provisions of this chapter.

(b) This section is subject to AS 07.15.340 as it applies to secondary highways.

(c) No outdoor advertising may be erected or maintained beyond 660 feet of the nearest edge of the right-of-way of the main traveled way of the interstate primary or secondary highways in this state with the purpose of their message being read from that travel way except those outdoor advertising signs, displays or devices allowed under (a) of this section. (§ 3 ch 155 SLA 1970; am 55 1, 2 ch 195 SLA 1975)

**Effect of amendment.** — The 1975 amendment, effective June 28, 1975, added paragraph (3) to subsection (a) and added subsection (c).



Official Business

# Alaska State Legislature

## Senate

### Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

HB 486 - An Act relating to highway signs; and providing for an effective date.

BY: House State Affairs Committee

HB 486 adds "directional signs and notices pertaining to schools" to a list of signs, displays and devices that may be erected or maintained within 660 feet of the nearest edge of the right-of-way and visible from the main-traveled way of the interstate, primary or secondary highways in this state. (Please see attached statute.)

The Department of Transportation and Public Facilities has no objection to this bill.

# CH. 25 - PROTECTION & USE OF STATE HIGHWAYS & ROADS

## Article 3. Outdoor Advertising.

### Section

105. Limitations of outdoor advertising signs, displays and devices

110. Removal of nonconforming advertising

160. Definitions

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(1) directional and other official signs and notices which include, but are not limited to, signs and notices pertaining to natural wonders, scenic and historic attractions, which are required or authorized by law, and which shall conform to federal standards for interstate and primary systems;

(2) signs, displays and devices advertising the sale or lease of property upon which they are located or advertising activities conducted on the property.

(3) signs determined by the state, subject to concurrence of the United States Department of Transportation, to be landmark signs, including signs on farm structures, or natural surfaces, of historic or artistic significance, the preservation of which would be consistent with the provisions of this chapter.

(b) This section is subject to AS 07.15.340 as it applies to secondary highways.

(c) No outdoor advertising may be erected or maintained beyond 660 feet of the nearest edge of the right-of-way of the main traveled way of the interstate primary or secondary highways in this state with the purpose of their message being read from that travel way except those outdoor advertising signs, displays or devices allowed under (a) of this section. (§ 3 ch 155 SLA 1970; am §§ 1, 2 ch 195 SLA 1975)

**Effect of amendment.** — The 1975 amendment, effective June 26, 1975, added paragraph (3) to subsection (a) and added subsection (c).

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH Z  
JUNEAU, ALASKA 99811  
(TELEX 45-328)

March 11, 1980  
000H

The Honorable Bob Mulcahy  
Alaska State Senator  
Chairman, Senate State Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Mulcahy:

This is in response to your request of March 5, 1980 for this Department's position on House Bill 486 and Committee Substitute for House Bill 267 amended concerning highway advertising signs.

The Department of Transportation and Public Facilities has no objection to either Bill.

Sincerely,

  
Robert W. Ward  
Commissioner

HB

590

COMMITTEE REPORT  
SENATE

FURTHER: Resources

3/20/80

Date: April 10, 1980

Mr. President:

The Committee on STATE AFFAIRS has had CSHB 590 am  
relating to herring

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
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back <sup>AS FOLLOWS:</sup> without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Bob Mulcahy*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*3 - No Pass*  
*Fat Keady*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Bob Mulcahy*  
CHAIRMAN



Official Business

# Alaska State Legislature

## Senate

### Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

CSHB 590 am - An Act relating to herring;  
and providing for an effective  
date.

BY: House Resources Committee

#### SECTION 1 - LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING

The Legislature finds that in certain circumstances herring stripping provides benefits to the state economy that may outweigh the waste involved in the process.

Legislative policy is that the disposal of herring carcasses is acceptable only if:

1. the herring population can support a stripping industry without substantially reducing the availability of herring for other uses; and
2. stripping is conducted in an area of the state where local industry either does not exist, or if it does, is insufficient to provide reasonable economic support of the residents.

#### SECTION 2 - HERRING STRIPPING

Authorizes herring stripping in the Bering Sea, effective September 1, 1980, until July 1, 1982. The Board of Fisheries shall adopt regulations regarding disposal of carcasses. Provisions of AS 46.03.100 (Waste Disposal Permit) attached, apply to the disposal of herring carcasses under this section.

#### SECTION 3 :

Amends AS 16.10 (Fisheries and Fishing Regulations, Herring Spawn) by adding a new section entitled, REMOVAL OF HERRING FROM STATE. Prohibits removal of herring from state before it has been frozen, iced, stripped or salted. However, roe herring (if 5+ per cent of the body weight consists of roe) may not be salted and exported from the state. Provides effective date of September 1, 1981, for this section.

EFFECTS OF CSHB 590 ON BERING SEA HERRING ROE FISHERY

Roe Herring Season	Local Stripping Allowed	Salting then Exporting Allowed
1978	Yes <sup>1</sup>	Yes
1979	No	Yes
1980	No	Yes
1981	Yes <sup>2</sup>	Yes
1982	Yes	No <sup>3</sup>
1983	No	No

1. Herring stripping was prohibited by AS 16.10.173 (attached) SLA 1977, in all areas of the state except Bering Sea as of 1/1/78. Prohibited in Bering Sea as of 1/1/79.
2. Provided by Section 2, CSHB 590 am, effective 9/1/80.
3. Provided by Section 3, CSHB 590 am, effective 9/1/81.

# Terry Gardiner

Box 6092, Ketchikan, Alaska 99901 Pouch V, Juneau, Alaska 99811

To: All House Members  
From: Representative Terry Gardiner  
Date: March 18, 1980  
Re: HB. 590

Dear Fellow House Members:

HB 590 is a good bill. It is a consensus bill of fishermen and processors and ADF&G over what is needed to build an economically healthy herring fishery.

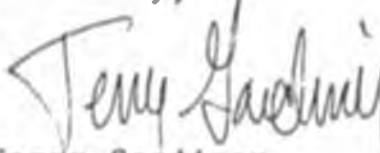
Right now herring is being harvested by foreign fleets. We want this fish to be harvested and processed by Alaskan fishermen and processors. Last year some fishermen directly exported whole herring onto foreign freighters. HB 590 will stop this. HB 590 will force processing of herring within Alaska, not on foreign vessels or soil.

The bill takes a realistic approach to phasing in the processing industry. A fishing industry cannot be built in one year. The bill changes nothing this present season. It allows salting and stripping of herring next year. For 3 years after it allows stripping. After 1984 all herring will be frozen or otherwise processed.

The buildup of the herring processing industry will provide a base of investment for other undeveloped fisheries. This is especially true in the Bering Sea area for which the exemption applies. This will not affect other areas of the state.

The end result will be many jobs and economic benefits to Alaska. British Columbia has already done this successfully. This phase-in alternative is better than the other two alternatives: 1) A foreign fleet and processors or 2) raw export of whole herring.

Sincerely,

  
Terry Gardiner

REFERS TO SEC. 3  
ONLY CSHB 590 AM

TG/mh

Original sponsors: Gardiner and Moss

Offered: 2/28/80  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 590

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to herring; and providing for an  
7 effective date."

8

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

9

\* Section 1. LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING. (a)

10

Notwithstanding AS 16.10.172, the legislature finds that in certain circum-

11

stances the processing technique described in AS 16.10.172(3), commonly

12

referred to as "stripping", provides benefits of such importance to the state

13

economy that the benefits <sup>may</sup> outweigh the waste involved in the process.

14

(b) It is the policy of the legislature that notwithstanding AS 16.-

15

10.173 the disposal of herring carcasses is acceptable only if

16

(1) the herring is taken from waters in which the herring popu-

17

lation is large enough to support a stripping industry without substantially

18

reducing the availability of the herring for other uses; and

19

(2) the stripping process is conducted in an area of the state

20

where local industry either does not exist or, if it does exist, it is in-

21

sufficient to provide reasonable economic support to the people who live in

22

the area.

23

\* Sec. 2. HERRING STRIPPING. (a) The legislature finds that the Bering

24

Sea is an area where the disposal of herring carcasses is acceptable under

25

the criteria established in sec. 1 of this Act.

26

(b) Notwithstanding AS 16.10.173 and until July 1, 1982, the stripping

27

of commercially taken herring for the purpose of removing and selling the roe

28

product is authorized if the herring is taken from and the carcass disposal

29

process occurs in the Bering Sea.

delete

1 (c) The Board of Fisheries shall adopt regulations in accordance with  
2 the Administrative Procedure Act (AS 44.62) regarding disposal of herring  
3 carcasses for each administrative area where disposal occurs.

4 (d) The provisions of AS 46.03.100 apply to the disposal of herring  
5 carcasses under this section.

6 \* Sec. 3. AS 16.10 is amended by adding a new section to article 3 to  
7 read:

8 Sec. 16.10.175. REMOVAL OF HERRING FROM STATE. (a) It is unlaw-  
9 ful for a person to remove herring from the state before the herring has  
10 been frozen or otherwise processed for shipment.

11 (b) In this section, "processed for shipment" includes, but is not  
12 limited to, icing, stripping or salting of the herring; however, it does  
13 not include salting of the herring if five percent or more of the body  
14 weight of the herring consists of roe.

15 \* Sec. 4. Sections 1, 2 ~~and 3~~ of this Act take effect September 1, 1980.  
16 Section 3 of this Act takes effect September 1, 1981.

17  
18 (H) RESOURCES COMMITTEE offered amendment deleting "and 4"  
19 line 15.

20  
21 PASSED HOUSE 24-13-3 3/17/80

22 RECONSIDERED.

23 PASSED HOUSE 26-12-0 3/19/80  
24  
25  
26  
27  
28  
29

CS HB 590 am

An Act relating to herring; and  
providing for an effective date

By (H) Resources

### Section 1. Legislative Findings and Policy on Herring Stripping

Legislature finds that ~~herring~~ in certain circumstances herring stripping provides benefits to the state economy that may outweigh the waste involved in the process. Stripping is described in the present statutes (AS 16.10.172(3)) as "deliberately permitting decomposition of the herring carcass to allow for the removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded."

Legislative policy is that ~~herring~~ disposal of herring carcasses is acceptable only if

- (1) the herring population can support a stripping industry without substantially reducing availability of herring for other uses; and
- (2) stripping is conducted in an area of the state where local industry either doesn't exist, or if it does, is insufficient to provide reasonable economic support to the residents.

### Section 2. Herring Stripping

Authorizes herring stripping in the Bering Sea, effective September 1, 1980, until July 1, 1982. Board of Fisheries shall adopt regulations regarding disposal of carcasses. Provisions of "waste disposal permit" ~~and~~ statutes apply to the disposal of herring carcasses.

### Section 3.

Amends AS 16.10, "Fisheries and Fishing Regulations, Herring Spawn" by adding a new section entitled, "Removal of herring from state."

Prohibits removal of herring from the state before it has been frozen, iced, stripped or salted. However roe herring may not be salted and exported from the state.

Effective September 1, 1981.

### Effect of CS HB 590 am on Bering Sea roe herring fishery

<u>Roe Herring Season</u>	<u>Local Stripping Allowed?</u>	<u>Salting, then Exporting Allowed?</u>
↑	↑	↑
1978	Yes	Yes
1979	No	Yes
1980	No	Yes
1981	Yes <sup>1</sup>	Yes
1982	Yes	No <sup>2</sup>
1983	No	No
↓	↓	↓

1 Provided by Sec. 2 CS HB 590

2 Provided by Sec. 3 CS HB 590

4/4/80

road food fuel

500-700

Dock Price

Oscar D - 486-3694 - W/Regay - No

Problem - <sup>no check</sup> this way  
260-350 8 willin  
285 up

Clyde

486-560<sup>07</sup>~~7~~

Kenn -

Allen B

486-3234

Ed Van Fleet

486-3266

Suett Shon

Bucki Paul -

Henry Crab - B B - Ken Alenead -

B x B 486-4112

Tom Major -

486-5789

486-5394

Bens - Penn

29

Buck Shurt

B B Red

22 lb -

2 7,999

33 mill 40 g

24 & Pink -

39 1/2 fuel 1829

And so, CSHB 586 passed the House.

CSHB  
586

Representative Meekins served notice of reconsideration on CSHB 586 on the next legislative day.

### THIRD READING OF HOUSE BILLS

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 590 amended (relating to herring; effective date) was read the third time. (Reconsideration was brought up and held until today's calendar, page 672 of the journal).

CSHB  
590  
am

Representative Eliason moved and asked unanimous consent that CSHB 590am be returned to second reading for the purpose of specific amendment.

Representative Miller objected and withdrew his objection. There being no further objection, it was so ordered.

Amendment No. 2 by Eliason and Halford:

Page 1, line 13

Between "benefits" and "outweigh"  
insert "may"

Page 1, lines 23 - 25

Delete all material starting with  
"(a)" through "Act."

Page 1, line 26

Delete "1983" and insert "1982"

Renumber following subsections.

Representative Eliason moved and asked unanimous consent that Amendment No. 2 be adopted. There being no objection, it was so ordered.

CSHB Mr. Anderson moved and asked unanimous consent that  
590 CSHB 590am be considered engrossed, advanced to third  
am reading and placed on final passage. There being no  
objection, it was so ordered.

CSHB 590am was read the third time.

The question to be reconsidered bein : "Shall CSHB 590am  
pass the House?" The roll was taken with the following  
result:

CSHB 590AM

Yeas:	28	Anderson, Belrne, Bettisworth, Brown, Buchholdt, Carney, Cotten, Duncan, Freeman, Fuller, Gardiner, Halford, Hayes, McKinnon, Malone, Meekins, Matcalfe, Miles, Miller, Moss, Munson, Osterback, Parker, Parr, Randolph, Rogers, Schaeffer, Smith
Nays:	12	Barnes, Branson, Chatterton, Eliason, Guy, Haugen, Hurlbert, Martin, Montgomery, O'Connell, Phillips, Zharoff
Not Voting:	0	

And so, CSHB 590am passed the House on reconsideration  
of the vote.

Mr. Anderson moved and asked unanimous consent that the  
roll call on the passage of CSHB 590am be considered  
the roll call on the effective date clause. There be-  
ing no objection, it was so ordered.

CSHB 590am was referred to the Chief Clerk for engross-  
ment.

CS Representative Rogers asked that the reconsideration  
MJR of the vote on COMMITTEE SUBSTITUTE FOR HOUSE JOINT  
20am RESOLUTION NO. 20 amended (proposing an amendment to  
the Constitution of the State of Alaska relating to

Section 1 - LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING.

The Legislature finds that in certain circumstances herring stripping provides benefits to the state economy that may outweigh the waste involved in the process.

Legislative ~~poli~~ policy is that the disposal of herring carcasses is acceptable only if:

1. the herring population can support a stripping industry without substantially reducing availability of herring for other uses; and
2. stripping is conducted in an area of the state where local industry either does not exist, or, if it does, is insufficient to provide reasonable economic support to the residents.

Section 2 - HERRING STRIPPING

Authorizes herring stripping in the Bering Sea, effective September 1, 1980 until July, 1982. The Board of Fisheries shall adopt regulations regarding disposal of carcasses. Provisions of AS 46.03.100 Waste & Disposal Permit apply to the disposal of herring carcasses under this section.

(ATTACHED)

Section 3 - Amends AS 16.10 "Fisheries and Fishing Regulations, Herring Spawn" by adding a new section entitled "Removal of Herring from State." Prohibits removal of herring from state before it has been frozen, iced, stripped or salted. However, roe herring (if 5%+ of body weight consists of roe) may not be salted and exported from the state. Provides effective date, this section, of September 1, 1981.

EFFECTS OF CSHB 590 am ON BERING SEA HERRING ROE FISHERY

ROE HERRING SEASON	LOCAL STRIPPING ALLOWED?	SALTING THEM EXPORTING ALLOWED?
1978	Yes <sup>1</sup>	Yes
1979	No	Yes
1980	No	Yes
1981	Yes <sup>1</sup>	Yes
1982	Yes	No <sup>2</sup>
1983	No	No

- 2 1. Provided by Sec. 2 CSHB 590 am, effective September 1, 1980
- 3 2. Provided by Sec. 3 CSHB 590 am, effective date September 1, 1981.

1. Herring stripping prohibited by AS 16.10.173 (ATTACHED) IN ALL AREAS OF STATE EXCEPT BERING SEA, EFF 1/1/78. Prohibited in Bering Sea, effective 1/1/79

## Background

CS HB 590 am <sup>Bering Sea</sup> is a response to two areas of concern regarding the herring roe fishery ~~in general~~, and ~~that fishery in the Bering Sea~~ ~~protection~~. The first of these is the practice of "stripping" the herring to remove the eggs, which ~~results in~~ produces a carcass that is unusable and must be discarded. The second is the export <sup>from the state</sup> of unprocessed, salted roe herring.

Legislative policy on utilization of herring, as adopted in 1977, states that stripping "is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible." Reacting to the mounting pressure against stripping, the Board of Fisheries prohibited by regulation <sup>effective for the 1979 season</sup> the stripping of herring. The result of this was that most of <sup>the</sup> herring <sup>from the Bering</sup> (ADF&G estimates 70%) ~~were~~ <sup>were</sup> lightly salted and shipped overseas, bypassing Alaskan processors ~~and labor~~ and labor altogether.

By prohibiting the export of unprocessed herring, CS HB 590 am ~~would~~ ~~the~~ ~~industry~~ would encourage the development of Alaska-based processing facilities. The two-year moratorium on the stripping ban would theoretically allow processors to ease into the requirement that the whole herring be utilized. According to the sponsor, "the bill takes a realistic approach to phasing in the processing industry."

After the ban on stripping is reinstated, effective beginning with the 1983 season, processors will have to find some use for the herring carcass. In practical terms this means the carcass will

\* when, effective everywhere?

have to be reduced— made into fish meal or fertilizer.— since this is about all that a herring carcass is good for after the roe extraction process. There presently are no reduction plants along the Bering Sea coast, the closest one being in Kodiak.

Section 1. Legislative Findings and Policy on Herring Stripping

Legislature finds that ~~herring~~ in certain circumstances herring stripping provides benefits to the state economy that may outweigh the waste involved in the process. Stripping is described in the present statutes (AS 16.10.172 (3)) as "deliberately permitting decomposition of the herring carcass to allow for the removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded."

Legislative policy is that ~~herring~~ disposal of herring carcasses is acceptable only if

- (1) the herring population can support a stripping industry without substantially reducing availability of herring for other uses; and
- (2) stripping is conducted in an area of the state where local industry either doesn't exist, or if it does, is insufficient to provide reasonable economic support to the residents.

Section 2. Herring Stripping

Authorizes herring stripping in the Bering Sea, effective September 1, 1980, until July 1, 1982. Board of Fisheries shall adopt regulations regarding disposal of carcasses. Provisions of "waste disposal permit" ~~and~~ statutes apply to the disposal of herring carcasses.

Section 3.

Amends AS 16.10, "Fisheries and Fishing Regulations, Herring Spawn" by adding a new section entitled "Removal of herring from state."

Prohibits removal of herring from the state before it has been frozen, iced, stripped or salted. However roe herring may not be salted and exported from the state. <sup>PF 5% of body weight above price of roe.</sup>

Effective September 1, 1981.

Effect of CS HB 590 am on Bering Sea roe herring fishery

<u>Roe Herring Season</u>	<u>Local Stripping Allowed?</u>	<u>Salting, then Exporting Allowed?</u>
↑	↑	↑
1978	Yes	Yes
1979	No	Yes
1980	No	Yes
1981	Yes <sup>1</sup>	Yes
1982	Yes	No <sup>2</sup>
1983	No	No
↓	↓	↓

1 Provided by Sec. 2 CS HB 590, effective Sept. 1, 1980.

2 Provided by Sec. 3 CS HB 590, effective Sept. 1, 1981.

Pennoyer 9210

Value of roe - 3~~00~~ x that  
for bait.

Board of Fish. prohib

Season starts ~ May 1

Salting 20% solution by volume  
Carcass must be reduced

Last yr. 10,000 m.t., this yr. could go 25-30,000 m.t. depending  
on weather. Little shore-based plants to handle this product

Foreign boats on hand to transport processed herring - ~70% of  
Togiak herring was salted.

Processing other than salting is more labor intensive - more  
beneficial.

Must use available surplus inshore or lose it.

Most herring sent to Orient for stripping. ~~So~~  
Bill doesn't eliminate salting immediately?

Next year both salting + stripping allowed, after that just  
stripping, then neither.

A.N.F.G. has no problems

Oscar — "More or less go along with it" probably going to happen

Natives wanted to get herring under that control. Cut out roe herring altogether. ~~5~~

Up north no way to utilize the whole body, reduction

~~Regarding the herring stripping provision~~

Oscar Dyson "more or less goes along with this bill" He feels it will probably happen sooner or later (the prohibition against herring stripping). The 1982 time limit will allow the processors to ease into the requirement that the whole herring be utilized. The main problem in the Bering Sea is that reduction plants are so far removed from the herring resource. He noted that other areas, such as Canada, are moving away from herring roe fisheries toward utilization of the entire fish.

Regarding removal of herring from the state, he says this resulted from last year's situation where roe herring was salted and immediately shipped to Japan, thus bypassing state labor altogether.

Lauber - No official comment.

Maybe this could be better handled by regulation

Must be processed before it goes on board a foreign vessel. Board put 20% salt solution.

Hasn't been much transporting out of the state - chilled seawater doesn't really work

Processors on both sides of the fence  
Closest reduction plant is in Kodiak

Positions on CS HB 590

Oscar Dyson - "more or less goes along with the bill" - 486-3694

U.F.A. - no position

Pacific Seafood Processors - no position (Rick Lauber)

Pac. Pearl Seafoods (Royal DeVaney) - no position 276-2181

Washington Fish & Oyster (Bill Hinkston) - Against provision allowing herring stripping in the Bering Sea. Said that wherever herring carcasses are dumped, you lose the herring in that area. Foresees problems with enforcement of dumping-control regulations  
206-245-6800

Hinkston - 206-285-6800

~~Conrad~~ - Clyde Lovett 486-2307 will ~~not~~ get bill & call back  
with comments

Shut Kodiak  
Call -

Ernie DeWaney - Pac. Forest

Not involved w/ herring

Could be detrimental to local fisherman

Comment on pollution only will this be a problem in  
shallow water dumped all at once - dumping 50-100 tons  
at a shot

Could be shipped out of ~~Kodiak~~ the Bay to Kodiak.

No great freezing capacity there

Not that great of quality - frozen ice herring

Larry Cotter

interested parties:

Tom Waterer - Salamatof Seafoods  
Anchorage ~~772-4294~~  
283-7000

Alan Otness - Icicle Seafoods  
d.A. Petersburg 772-4294  
fishing

Larry Cotter 586-6642  
I.L.U. Juneau

~~GFA~~ 586-2820



Official Business

# Alaska State Legislature

## Senate

### Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

CSHB 590 am - An Act relating to herring;  
and providing for an effective  
date.

BY: House Resources Committee

#### SECTION 1 - LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING

The Legislature finds that in certain circumstances herring stripping provides benefits to the state economy that may outweigh the waste involved in the process.

Legislative policy is that the disposal of herring carcasses is acceptable only if:

1. the herring population can support a stripping industry without substantially reducing the availability of herring for other uses; and
2. stripping is conducted in an area of the state where local industry either does not exist, or if it does, is insufficient to provide reasonable economic support of the residents.

#### SECTION 2 - HERRING STRIPPING

Authorizes herring stripping in the Bering Sea, effective September 1, 1980, until July 1, 1982. The Board of Fisheries shall adopt regulations regarding disposal of carcasses. Provisions of AS 46.03.100 (Waste Disposal Permit) attached, apply to the disposal of herring carcasses under this section.

#### SECTION 3 :

Amends AS 16.10 (Fisheries and Fishing Regulations, Herring Spawn) by adding a new section entitled, REMOVAL OF HERRING FROM STATE. Prohibits removal of herring from state before it has been frozen, iced, stripped or salted. However, roe herring (if 5+ per cent of the body weight consists of roe) may not be salted and exported from the state. Provides effective date of September 1, 1981, for this section.

EFFECTS OF CSHB 590 ON BERING SEA HERRING ROE FISHERY

Roe Herring Season	Local Stripping Allowed	Salting then Exporting Allowed
1978	Yes <sup>1</sup>	Yes
1979	No	Yes
1980	No	Yes
1981	Yes <sup>2</sup>	Yes
1982	Yes	No <sup>3</sup>
1983	No	No

1. Herring stripping was prohibited by AS 16.10.173 (attached?) SLA 1977, in all areas of the state except Bering Sea as of 1/1/78. Prohibited in Bering Sea as of 1/1/79.
2. Provided by Section 2, CSHB 590 am, effective 9/1/80.
3. Provided by Section 3, CSHB 590 am, effective 9/1/81.

**Sec. 46.03.100. Waste disposal permit.** (a) A person who conducts an operation which results in the disposal of solid or liquid waste material or heated process or cooling water into the waters or onto the land of the state must procure a permit from the department before disposing of the waste material or water. The permit must be obtained for direct disposal and for disposal into publicly operated sewerage systems.

(b) This section does not apply to a person discharging only domestic sewage into a sewerage system. (§ 3 ch 120 SLA 1971; am § 3 ch 220 SLA 1976)

**Effect of amendment.** — The 1976 amendment in the first sentence of subsection (a), substituted "an operation" for "a commercial or industrial operation," inserted "or heated process or cooling water" and "or onto the land," and added "or water" to the end of the sentence.

**Sec. 46.03.110. Waste disposal permit procedure.** (a) An application for a permit shall be made on forms prescribed by the department or on forms prescribed by the United States Environmental Protection Agency and shall contain the name and address of the applicant, a description of his operations, the quantity and type of waste material sought to be disposed of, the proposed method of disposal, and any other information considered necessary by the department. Application for permit shall be made at least 60 days before commencement of a proposed discharge.

(b) Upon receipt of a proper application the department shall publish notice of the application in two separate publications of a newspaper of general circulation within the general area in which the disposal of waste material is proposed to be made. The notice may also be published in other appropriate information media. The notice shall include a statement that a person who wants to present his views to the department in regard to the application may do so in writing to the

department within 30 days of the second publication of the notice. The written response entitles the writer to a copy of the application.

(c) When the department receives an application, the commissioner shall immediately send copies of the application to the commissioner of fish and game, the commissioner of natural resources, the commissioner of commerce and economic development and the commissioner of health and social services.

(d) The department may specify in a permit the terms and conditions under which waste material may be disposed of. The terms and conditions shall be directed to avoiding pollution and to otherwise carry out the policies of this chapter. No permit may be effective for a period in excess of five years from the date of issuance.

(e) If the department has certified a National Pollutant Discharge Elimination System permit under sec. 401 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. sec. 1341), and the United States Environmental Protection Agency has issued that permit to a person, the department may waive the requirements of this section, and adopt the federal permit as the permit required under § 100 of this chapter. (§ 3 ch 120 SLA 1971; am § 6 ch 104 SLA 1971; am § 116 ch 218 SLA 1970; am §§ 4, 5 ch 220 SLA 1976)

**Effect of amendments.** — The first 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of economic development" in subsection (c).

The second 1976 amendment inserted "or on forms prescribed by the United States Environmental Protection Agency" in the first sentence of subsection (a) and added subsection (e).

### Article 3. Herring Spawning.

Section  
140 — 170. [Repealed]  
172. Legislative policy on utilization of  
herring

Section  
173. Utilization of commercially taken  
herring

Secs. 16.10.140 — 16.10.170.  
Repealed by § 2 ch 91 SLA 1970.

Sec. 16.10.172. Legislative policy on utilization of herring. The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature declares that the process referred to in (3) of this section is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Sec. 16.10.173. Utilization of commercially taken herring. (a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, or round herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and § 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56° North Latitude, until January 1, 1979. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

# Terry Gardiner

Box 6092, Ketchikan, Alaska 99901 Pouch V, Juneau, Alaska 99811

To: All House Members  
From: Representative Terry Gardiner  
Date: March 18, 1980  
Re: HB 590

Dear Fellow House Members:

HB 590 is a good bill. It is a consensus bill of fishermen and processors and ADF&G over what is needed to build an economically healthy herring fishery.

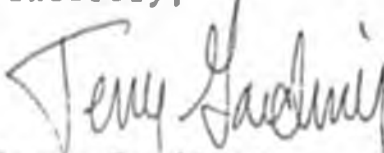
Right now herring is being harvested by foreign fleets. We want this fish to be harvested and processed by Alaskan fishermen and processors. Last year some fishermen directly exported whole herring onto foreign freighters. HB 590 will stop this. HB 590 will force processing of herring within Alaska, not on foreign vessels or soil.

The bill takes a realistic approach to phasing in the processing industry. A fishing industry cannot be built in one year. The bill changes nothing this present season. It allows salting and stripping of herring next year. For 3 years after it allows stripping. After 1984 all herring will be frozen or otherwise processed.

The buildup of the herring processing industry will provide a base of investment for other undeveloped fisheries. This is especially true in the Bering Sea area for which the exemption applies. This will not affect other areas of the state.

The end result will be many jobs and economic benefits to Alaska. British Columbia has already done this successfully. This phase-in alternative is better than the other two alternatives: 1) A foreign fleet and processors or 2) raw export of whole herring.

Sincerely,

  
Terry Gardiner

REFERS TO SEC. 3  
REFERS HB 590 Am.

TG/mh

THE FOLLOWING PAGES WERE TREATED AS  
A UNIT IN THE ORIGINAL FILE.

# Salamatof Seafoods, Inc.



P. O. Drawer 4220

Kenai, Alaska 99611

Phone: (907) 283-7000

March 18, 1980

Honorable Bob Mulcahy, Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Sir:

Enclosed for your review is recent correspondences and information that we have instituted to particular interested parties regarding HB 590. We feel that this Bill is of such great consequence that you should be made aware of the matters of concern as we see them.

At stake is the philosophy of how our fisheries will be developed and whether or not they will be developed in the best interest of Alaskans. It is being suggested as an argument that some operations, whether of outside or foreign interests, should be given consideration because of the economic hardship of not being allowed to proceed with their schemes of removing product from the State. However, if they are allowed, it will be a direct economic hardship to the resident processors and other economic sectors within the State.

Currently there is a mounting effort for floating processors and shore plants to process a new season's catch within the State's jurisdiction. Without some protection, these operations will not be given the emphasis or likelihood of success that they desperately need now.

Thank you for your consideration of these matters.

Cordially,

SALAMATOF SEAFOODS, INC.

*Tom Waterer*  
Tom Waterer, President

TW:dle  
Enclosures

PROPOSED CHANGES

HB 590

Original sponsors: Gardiner and Moss

IN THE HOUSE

BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 590

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to herring; and providing  
for an effective date."

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

\*Section 1. LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIP-  
PING.

(a) Notwithstanding AS 16.10.172, the legislature finds that in certain circumstances the processing technique described in AS 16.10.172(3), commonly referred to as "stripping", provides benefits of such importance to the state economy that the benefits outweigh the waste involved in the process.

(b) It is the policy of the legislature that notwithstanding AS 16.10.173 the disposal of herring carcasses is acceptable only if

(1) the herring is taken from waters in which the herring population is large enough to support a stripping industry without substantially reducing the availability of the herring for other uses; and

(2) the stripping process is conducted in an area of the state where local industry either does not exist or, if it does exist, it is insufficient to provide reasonable economic support to the people who live in the area, or insufficient meal or reduction facilities exist within a 100-mile radius.

AS FOLLOWS:

\*Section 2. HERRING STRIPPING

(a) The legislature finds that the Bering Sea is an area of fish origin for which[where] the disposal of herring carcasses is acceptable under the criteria established in sec. 1 of this Act.

(b) Notwithstanding AS 16.10.173 and until July 1, 1983, the stripping of commercially taken herring for the purpose of removing and selling the roe product is authorized if the herring is taken from[and the carcass disposal process occurs] in the Bering Sea.

(c) The Board of Fisheries shall adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) regarding disposal of herring carcasses for each administrative area where disposal occurs.

(d) The provisions of AS 46.03.100 apply to the disposal of herring carcasses under this section.

\*Section 3. AS 16.10 is amended by adding a new section to article 3 to read:

Section 16.10.175. REMOVAL OF HERRING FROM STATE.

(a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, icing, stripping or salting of the herring; however, it does not include salting or icing of the herring if five percent or more of the body weight of the herring consists of roe.

\*Section 4. Sections 1, 2 and 4 of this Act take effect [September 17, 1980.] April 15, 1980. Section 3 of this Act takes effect [September 17, 1981.] April 15, 1980.

PROPOSED CHANGES

HB 590

Original sponsors: Gardiner and Moss

IN THE HOUSE

BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 590

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to herring; and providing for an effective date."

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

\* Section 1. LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING.

(a) Notwithstanding AS 16.10.172, the legislature finds that in certain circumstances the processing technique described in AS 16.10.172(3), commonly referred to as "stripping", provides benefits of such importance to the state economy that the benefits outweigh the waste even if discard of the carcass is involved in the process.

(b) It is the policy of the legislature that the stripping process wherein the carcass is discarded is acceptable only if the herring is taken from waters in which the herring population is large enough to support a stripping industry [without substantially reducing the availability of the herring for other uses], and only if the [stripping] discarding process is conducted in an area of the state where in which adequate meal or local [industry either does] reduction facilities do not exist within a 50-mile radius or, if it does exist, is insufficient to provide reasonable economic support to the people who live in the area.

WE PREFER SECTION 2 TO BE DELETED, HOWEVER, IF INCLUDED SHOULD READ AS FOLLOWS:

\* Section 2. HERRING STRIPPING.

(a) The legislature finds that the area of purchase described in (b) of this section is an area where the ~~[stripping]~~ purchase of herring for roe is acceptable under the criteria established in sec. 1 of this Act.

(b) Notwithstanding AS 16.10.173 and until July 1, 1981, or 1982 or 1983, \*(options) ~~[the stripping of commercially taken herring for the purpose of removing and selling the roe product]~~ discard is authorized if the herring is taken from ~~[ and the stripping process occurs within]~~ an area north of 58 degrees latitude, south of 60 degrees latitude; east of 162 degrees 10 minutes 30 seconds longitude; and west of 158 degrees 53 minutes 30 seconds longitude.

\* Section 3. AS 16.10 is amended by adding a new section to article 3 to read:

Section 16.10.175. REMOVAL OF HERRING FROM STATE.

(a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, ~~[icing]~~ no stripping or salting of the herring; however, it does not include salting of the herring if five percent or more of the body weight of the herring consists of roe. Such salted herring should be packed in cartons no larger than 200 lbs. net, as is consistent with packaging requirements for food products.

\* Section 4. This Act allows easier enforcement and takes effect immediately in accordance with AS 01.10.070(c).



March 11, 1980

Honorable Terry Gardiner  
Speaker of the House  
House of Representatives  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Sir:

This letter is sent for your consideration of specific problems which I see in the wording and format of HB 590 as offered on 2/28/80. Philosophically, I request that you and other representatives of the State consider with utmost dispatch what might be done to, first, effect the maximum legislation of value added for our fishery resources within the State's jurisdiction by creation of in-State processing and; second, once realizing the benefit of such a goal, do whatever is possible to encourage the survival of in-State processors and the continuation of their resident ownership. If such a direction is not taken, it is likely that in ever greater percentages the impact and survival of in-State processors will cease. The current state of economics of the Alaskan fisheries is such that the continuation of Alaskan processors must be encouraged by whatever measures possible.

The effect of HB 590 if implemented to require in-State processing will add tremendously to the in-State impact of our seafood harvest, especially as it relates to herring. This is accomplished through the impact of Alaskan employment, capital investment, and related sectors.

Whatever forms HB 590 takes, it should not be forgotten that the goal is to create in-State processing of herring to the state of maximum value added at the earliest possible date.

Secondary to that goal is the problem of how and whether such a goal will reasonably be effected. In the most recent draft of HB 590, I take special note of the time factor proposed of September 1, 1980, whereby in-State stripping with carcass discard can be effected. The suggestion thereby is that during the 1980 production season in-State processors will not be afforded the privilege of processing the expanding Bristol Bay herring harvest as they best see feasible, and yet foreign interests are given the opportunity to receive roe herring and export them out of the State lightly salted and used in any manner that they deem fit. This generally correlates to exactly what processors are wishing to do during the 1980 production season within the State's jurisdiction whenever the fish are not frozen.

Honorable Terry Gardiner  
Speaker of the House  
March 11, 1980  
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I urgently request that the last item of the Bill, Section 4, take effect April 15, 1980, to preclude such unfair disadvantage given to in-State processors. I note also that under Section 4 reference to Section 3 is postponed until September 1, 1981, thereby allowing these foreign and non-resident interests to continue their operations through both the 1980 and 1981 production seasons. I suggest that the time factor of implementation by April 15, 1980, so that the 1980 production season be included.

Additional to the above information, I would wish to suggest that in-State processing can be effected in such a manner that the possibility of handling the proposed Bristol Bay harvest in 1980 can be effected within the State's jurisdiction. The possibility of this being effected increases dramatically as stripping with carcass discard is allowed on an interim period until July 1, 1983, as is proposed in the Bill. However, such provision should not be restricted to the Bering Sea areas, but rather to all processing areas within the State where insufficient meal or reduction facilities do not exist within a 100-mile radius. This is a very important consideration that the stripping and discard processes be allowed not only in the Bering Sea areas, but wherever in the State the product is processed, since much of the product will not be processed in the Bering Sea area.

In the case of our company's goals, we are wishing to freeze as much Bering Sea herring as is possible. However, if we are unable to process some fish by freezing, we then wish to be afforded the opportunity to strip herring at our plant in Kenai and discard the carcasses. Our waste disposal system is used for salmon and halibut wastes and includes a large sophisticated macerating grinder which ultimately pumps a fine mash into deep water where it is rapidly dispersed.

In conclusion, I would like to reemphasize that the objective of HB 590 should be to insure the survival of in-State processing and processors by providing for preferential access to the herring resources they are capable of handling. This further has the substantial benefit by way of enhancing the economic well-being of the processors and the impact of the tremendous payroll dollars for processing labor as well as dollars injected to the transportation and related industries.

The condition of Alaska's resident seafood processing industry is such that it needs immediate assistance in 1980. The only possible negative factor regarding the issue of HB 590 is whether or not the industry can adequately handle the harvest. The stripping provision, however, if extended to the processing sector state wide, should help remove such questions.