

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

4250

SRES

SB

164

1180

Education of fisherman } LABOR

Federal ~~law~~
avenue being
explored } LABOR

LABOR

- ① 5yrs to Long
 - ② CLAIM - QUALIFY
(JUDGEMENT) check
w/LABOR.
-

BLAKE - UFA

DON'T RESTRICT
SMALL NEW PROCESSORS

Try stepped Approach

WHAT ABOUT THE
BUYER / PROCESSORS WHO
BUY OR PROCESS FISH
PRODUCTS FROM THEIR
OWN FISHERMAN
OWNED COOPS

Jim
Elmer

Sterling Eide is on line in
Anchorage. He can answer
Sen. Halpern's question

Eide is with Fish & Game's
Game Division

He looks like a fish buyer
who would skin out of state
with the profits.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Revenue	DIVISION Public Services	BILL NUMBER HB227 / SB164	SPONSOR Binkley
DEPARTMENT POSITION Neutral			
PREPARED BY Sally Smith <i>Sally Smith</i>	DATE 2-27-85	COMMISSIONER'S SIGNATURE <i>Henry G. Stedman</i>	DATE 3/4/85

SUMMARY

OTHER AGENCIES AFFECTED BY BILL The Department of Labor	CONSTITUENT GROUP(S) AFFECTED BY BILL Fisheries Businesses
ORGANIZATIONAL SUPPORT FOR BILL unknown	ORGANIZATIONAL OPPOSITION TO BILL Unknown

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

Unknown

ANALYSIS OF BILL/PROGRAM EFFECTS

This bill raises the bond amount on the fisheries surety bond which guarantees wages for processing workers and the purchase price of fish to fishermen.

The raise in bonding amount will raise the bond premium which could adversely impact smaller fisheries.

AMENDMENTS PROPOSED

We suggest that the bond amount be based on a percentage of the dollar amount of fish purchases. This could be set on the prior year purchases or current year estimate.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Revision Date: _____

REQUEST

Bill/Resolution No.: HB227
 Title: An Act relating to fish processors and primary fish buyers
 Sponsor: Binkley
 Requestor: HSC on Fisheries
 Date of Request: 2-27-85

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Revenue Collections and Management
 BRU, Program or Subprogram(s) Affected: Public Services - Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Sally Smith, Director Phone: 465-2392
 Division: Public Services Date: February 27, 1985

Approved by Commissioner: [Signature] Date: 3/2/85
 Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS**

DEPARTMENT Fish and Game	DIVISION Commercial Fisheries	BILL NUMBER SB 164	SPONSOR Coghill
DEPARTMENT POSITION Neutral			
PREPARED BY Robert C. Clasby	DATE 3/4/85	COMMISSIONER'S SIGNATURE <i>Steven Penney</i>	DATE 3/5/85

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Dept. of Labor	CONSTITUENT GROUP(S) AFFECTED BY BILL Commercial Fishermen Unknown
ORGANIZATIONAL SUPPORT FOR BILL Unknown	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

There have been some complaints that the present bond level is no longer adequate to cover owned wages or purchases, particularly with increased wages and ex-vessel fish prices. The bill seems to be an attempt to rectify the problem.

ANALYSIS OF BILL/PROGRAM EFFECTS

The bill will have no program effects on ADF&G.
The \$100,000 limit may not be high enough to cover owed monies by larger processors and excessive for small processors.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

ALASKA LEGAL SERVICES CORPORATION

MARK ANDREWS

12/20/84

LEGISLATIVE CONTACTS: DON COOPER, CHIEF COUNSEL (276-6282)
MICHEAL STURM, CONTROLLER
ROBERT DICKERSON, EXECUTIVE DIRECTOR (DOES LOBBYING)
ISSUES: (REFER TO LETTER)

1. RESTRICTION ON FISH BUYERS.

THERE IS A PROBLEM WITH FISH BUYERS NOT PAYING THE FISHERMEN IN QUINHAGAK AND ELIM.

THERE ARE 42 FISHERMEN IN QUINHAGAK--\$16,000 EST. OWED TO FISHERMEN

\$4,000 -- \$5,000 OWED TO 20 EMPLOYEES WHO ARE PAID
COMMISSIONS/SALARIES/RENT.

THERE ARE 15-16 FISHERMEN IN ELIM -- \$9,000 TO \$11,000 OWED TO FISHERMEN

SOME WAGES ARE ALSO OWED TO EMPLOYEES.

FISH BUYERS BOND SHOULD COVER THE ENTIRE FISHING SEASON. PREMIUMS SHOULD BE FOR THE WHOLE CALENDAR YEAR.

2. PERMIT HOLDER INHERITANCE -- ONE HEIR.

3. PERMIT HOLDER INHERITANCE -- TWO OR MORE HEIRS.

THERE ARE 5 CASES (#2 ABOVE), 3 CASES (#3 ABOVE) BEING PROCESSED BY THE BETHEL ALS OFFICE.

THE LIMITED ENTRY COMMISSION IS NOT DEALING WITH THE PROBLEM. THE PERMIT IS BEING HELD AND IS NOT ABLE TO BE USED. SOMEONE IN THE FAMILY SHOULD BE ABLE TO USE IT DURING THE SEASON.

FOR MINORS, THE PROBLEM IS HAVING TO HANDLE THE CASE UNTIL THE MINOR COMES OF AGE.

DETERMINE THE IMPACT ON THIS PROBLEM IN OTHER AREAS OF THE STATE (ACQUIRE STATISTICS FROM OTHER ALS OFFICES.) LOOK AT THE RESTRICTIONS ON LIMITED ENTRY PERMITS (AS16.43.140-182, 20AAC05.700-770) REFER TO RESEARCH AGENCY ON THE LEGAL ASPECTS ON THE LIMITATIONS ON THE PERMITS.

OPERATING NEEDS:

1. MAINTAIN 3RD ATTORNEY POSITION.

CURRENTLY HAS 3 ATTORNEYS PLUS ONE PART-TIME. 180-210 CASES ARE BEING PROCESSED AT ANY GIVEN TIME. THE OFFICE HANDLES 1800 NATIVE ALLOTMENT OPEN CASES. BETHEL ALS IS LOSING ONE ATTORNEY POSITION. NO MONEY TO JUSTIFY IT. THE FAIRBANKS AND BETHEL OFFICES ARE IN TIGHT SITUATIONS. (DETERMINE ORGANIZATIONAL STRUCTURE--STAFFING & EQUIPMENT PRIORITIES.) THE CASE LOAD CAN JUSTIFY KEEPING THE 3RD ATTORNEY POSITION.



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS**

DEPARTMENT Revenue	DIVISION Public Services	BILL NUMBER HB227 / SB164	SPONSOR Binkley
DEPARTMENT POSITION Neutral			
PREPARED BY Sally Smith <i>Sally Smith</i>	DATE 2-27-85	COMMISSIONER'S SIGNATURE <i>William A. Jindale</i>	DATE 3/4/85

SUMMARY

OTHER AGENCIES AFFECTED BY BILL The Department of Labor	CONSTITUENT GROUP(S) AFFECTED BY BILL Fisheries Businesses
ORGANIZATIONAL SUPPORT FOR BILL Unknown	ORGANIZATIONAL OPPOSITION TO BILL Unknown

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

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ANALYSIS OF BILL/PROGRAM EFFECTS

This bill raises the bond amount on the fisheries surety bond which guarantees wages for processing workers and the purchase price of fish to fishermen.

The raise in bonding amount will raise the bond premium which could adversely impact smaller fisheries.

AMENDMENTS PROPOSED

We suggest that the bond amount be based on a percentage of the dollar amount of fish purchases. This could be set on the prior year purchases or current year estimate.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Introduced: 2/19/85
Referred: Resources and
Finance

1 IN THE SENATE

BY COGHILL AND SACKETT

2

SENATE BILL NO. 164

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment."

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

9 * Section 1. AS 16.10.290(b) is amended to read:

10 (b) The amount of the bond shall be \$100,000 [\$10,000]. In lieu
11 of the surety bond the fish processor or primary fish buyer may file
12 with the commissioner a cash deposit or other negotiable security
13 acceptable to the commissioner in the amount specified for the bond.
14 If no claim is asserted under this section within two years from the
15 date the bond, cash deposit or other security is filed, the term of
16 the bond, cash deposit or other security shall be two years; if a
17 claim has been asserted within two years, the term of the bond, cash
18 deposit or other security shall be for five years.

19 * Sec. 2. AS 16.10.290(c) is amended to read:

20 (c) A person applying for a license as a fish processor or
21 primary fish buyer who has less than \$100,000 [\$10,000] in lienable
22 property in the state, with proof of the property satisfactorily made
23 to the commissioner, shall file with the application a bond or other
24 security as specified in this section. A [NO] bond is not required if
25 the fish processor or primary fish buyer has more than \$100,000
26 [\$10,000] in lienable property as specified in this subsection.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

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400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

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FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Sally Smith, Director Phone: 465-2392
 Division: Public Services Date: February 27, 1985
 Approved by Commissioner: [Signature] Date: 3/21/85
 Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

ANSWER TO SEN ELIASON LTR.
ON STREAMLINING FISHERIES Bonding
LICENSE, AND PERMITS.

APR 11 1985

Fisheries Mini-Cabinet

April 10, 1985

Greg Baker, Director
Office of Commercial Fisheries
Development

Statutes regarding
Fisheries Industry

The Senate Resources Committee has contacted me regarding the continuing need to streamline statutes and regulations related to the fisheries industry -- such things as the freezing of fish on board a fishing vessel, the purchase of fresh fish by a restaurant, related labor bonds, fisheries taxation, and so on.

Several senators working on past legislation have emphasized that deciding who needs what licenses and bonds is confusing and that many of the requirements on the books are pointless. Many were drawn up to get at some specific problems but were made so broad in scope as to encompass types of operations for which the particular requirement is totally unnecessary. As a state, we have devoted tremendous amounts of time and money to fisheries and marketing enhancement, to business and overall economic development and to promote quality control and sales promotion. The State has offered courses in fisheries, has established programs aimed at development of the industry and then has allowed the very individuals and businesses we claimed to be encouraging to be stymied by the maze of requirements on our books.

I agree with the senators regarding these observations. It is obvious that many changes are needed to make our fisheries statutes and regulations appropriate to the goals at which they are aimed. They need to be reworked to serve as protective measures for the public rather than as thorns in the sides of the businesses we wish to stimulate and support.

The changes will be needed in numerous departments including Commerce and Economic Development, Environmental Conservation, Fish and Game, Labor, and Revenue; but they cannot be done effectively if done piecemeal. I believe we need to look at the big picture of fisheries business regulation; including everything from licensing to sanitation, labor standards to fish tickets, and taxation to interstate transport.

Because this matter requires major statutory changes, interagency coordination and effort, and because I do not believe any one office has the time, personnel or funding to undertake this task individually, I propose the mini-cabinet address this issue on a priority basis and provide the Resources Committee with an action plan prior to the end of this session. ←

SB/v10153b
41085A

cc: Senator Arliss Sturgulewski
Senator Richard Eliason

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

LABOR AND COMMERCE COMMITTEE, CHAIRMAN
RESOURCES COMMITTEE
JUDICIARY COMMITTEE
FISHERIES SUB-COMMITTEE



P.O. BOX 143
SITKA, ALASKA 99835
FOUCH V
JUNEAU, ALASKA 99811
(907) 465-4916

May 15, 1984

Gregg Baker, Director
Office of Commercial Fisheries Development
Department of Commerce and Economic Development
Pouch D
Juneau, AK 99811

Dear Gregg;

As you probably recall, my office has been involved over the last several years, in working on a number of issues revolving around the need to streamline the laws governing such things as the freezing of fish on board a fishing vessel, the purchase of fresh fish by restaurants, the related labor bonds, fisheries taxation, and so on.

Once again I am hearing from small-scale processors about problems that they encounter with the state's ridiculous labor bonding requirements and licensing procedures. It is time that someone take on a full-fledged study of the entire area of what is required of fishing vessels and fish processors, documentation of what purpose each requirement serves, and where we can streamline and revamp these things to make them serve the real needs of the public, both the consumers and the industry.

Certainly the labor bonds required of processors are too small to be of any real help to those working or fishing for big companies, and are too large to be feasible for the very small operator who may not even have a payroll. Definitions of who is a processor have not kept up with advances in technology and our increasing emphasis on quality fish, as evidenced by the fact that we define those who freeze their catch in lieu of icing, as processors. (I did get legislation through to at least exempt these individuals from paying fisheries business taxes but, as I understand it, they still must jump through all the processor hoops).

Figuring out who needs what licenses and bonds, and so on,

is always confusing, but my big objection is that so many of the requirements on our books are so pointless. Many were drawn up to get at some specific problem but were made so sweeping as to encompass types of operations for which the particular requirement is totally unnecessary. I am particularly concerned about the small processors and buyers, fishermen themselves, and those who are trying innovative marketing techniques. As a state, we give lots of lip service to fisheries and marketing enhancement, to business and overall economic development. We spend millions on ASMI's budget to promote quality control and sales promotion. We offer courses in fisheries, establish offices and programs aimed at development of the industry, and offer loan guarantees when the processors are in financial trouble. And then we turn around and allow the very individuals and businesses we claim to be encouraging, to be stymied by the maze of requirements on our books.

It is obvious that many changes are needed to make our fisheries statutes and regulations appropriate to the goals they are aimed at. They need to be reworked to serve as protective measures for the public, rather than as thorns in the sides of the very businesses that we need to stimulate and support. These changes will be needed in many departments including Labor, Commerce, Revenue, Fish and Game, etc. But they cannot be done effectively if they are done piecemeal. We have tried that approach and it is simply not effective. We cannot continue to make little stabs at specific problems as constituents bring them to us.

It is time for someone to sit down and look at the big picture of fisheries business regulation; the whole gambit from licensing to sanitation, from labor bonds to fish tickets, from taxation to inter-state transport. I believe that the only office with that kind of "across the board jurisdiction" and a general goal of fisheries development is yours. I respectfully request that you consider pursuing this project with the goal of developing a package of proposed reforms to the Legislature so that we can at last take a broad look at what needs to be done in this area.

If you would like to discuss the types of problems I am interested in studying, or have any ideas or suggestions about how this task might best be accomplished, please give me a call. I do hope that you and Commissioner Lyon will give the need for such a project some serious consideration. I look forward to talking and working with you on this.

Sincerely,

Senator Dick Eliason

cc: Commissioner Dick Lyon

The GAME of FISH and the DEPARTMENTS

To Frank
This article is
from the Alaska
Fisherman's Journal
April, 1984

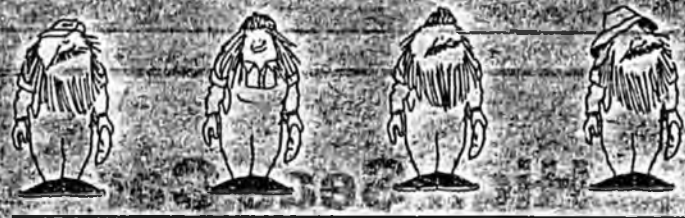
DEPT. OF REVENUE
WANTS RAW
FISH TAX.
LOSE
1 TURN.

YOUR BEARD
GETS
CAUGHT
IN GRINDER
LOSE
1 TURN
FOR
PLASTIC SURGERY!

PROCESSING
DEFINITION
ARGUED.
MOVE BACK
1.

DEPT. OF LABOR
WAIVER
GIVEN
ADVANCE 2.

UNCLE
DIES.
YOU
INHERIT
\$10,000
FOR
SURETY
BOND.
JUMP
AHEAD
2.



THE PLAYERS

NO D.E.C.
NUMBER ON
CONTAINER.
3,000 lb. SHIPMENT
SEIZED IN L.A.
LOSE YOUR SHIRT.

CAUGHT WITHOUT
PORTA-POTTY.
LOSE 1 TURN.

YOU PURCHASE
LIABILITY BOND
FOR TWICE
AMOUNT.
MOVE ON UP
1 SPACE.

BIRD DROPPINGS
COLLAPSE YOUR
CANVAS COVERING.
LOSE 1 TURN.

TERMS IN ORDER
RESTAURANT SIGNS
CONTRACT THIS SEASON

FLEET ON STRIKE
SEATTLE BUYERS
CRYING FOR
PRODUCTS
COLLECT
\$50,000.



YOU PASSED
DEPT. OF ENVIRON-
MENTAL CONTROL
WATER SAMPLING
TEST.
JUMP FOR JOY!

BEDNER-IN-LAW
COMES THROUGH
AT REVENUE
DEPT. OBTAIN
WAIVER. JUMP
AHEAD

YOU DEVELOP
ULCERS
FROM STRESS
TOD MUNCH MORE
BREAD. LOSE
1 TURN.

HEATHER MARKS 1984

A permitting guide for small boat processors

Bill Wason has fished in Alaska for three years, two on crabbers in Kodiak and Dutch Harbor, one year on a gillnetter in Bristol Bay. Currently, he's involved with a group of Bristol Bay fishermen in the formation of a co-op that intends to fly fresh kings and silvers out of the Bay this season. As a part of that effort, Wason has extensively researched the permit requirements for gillnetters as catcher/processors. He is also working on grant proposals at the village, state, and federal levels for the development of community freezing and fish handling facilities. The Journal presents Mr. Wason's narrative as a service to other small fishermen who find themselves adrift in the sea of red tape.

by Bill Wason

How many times have you gone to a fish store and looked at the silver salmon steaks in the window display case: "SPECIAL \$5.99/lb" and remembered that summer when the cannery insisted that it could afford to pay you only 85¢/lb for the same fish? If you decided that you couldn't take it any longer, and investigated selling fish directly to the public, you were probably sent a permit information packet by the

state that was 10-plus pages long, took a lawyer to understand and a millionaire to put into practice. End of effort.

This article will attempt to look at how some fishermen have dealt with the task of becoming legal catcher/processors in Alaska. There is no doubt that at first glance it appears a very complicated and expensive proposition. But surprisingly, many bond requirements can be waived if you work with the same crew and sell only your own fish. Licensing, although complicated, can be relatively inexpensive, even in Alaska.

The Alaska paper mill begins at the Department of Fish and Game. We're all familiar with the ins and outs of obtaining vessel licensing, permits and crew licenses. Becoming a catcher/processor is a bit more of the same, but it involves a few more agencies (see chart page 16).

Don't let those big numbers (\$10,000-\$50,000) scare you. There are waivers for everything, if you can persuade the bureaucrats to consider your case. Starting at the Department of Fish and Game, you'll get an information packet that lists the names and phone numbers of all the people you have to contact. Unfortunately, most of the paperwork was developed for large processing operations, and it takes lots of patience to get sympathy, given the size of your boat and your general level of poverty as a small boat fisherman at the beginning of the season.

In looking through the intent to operate manual from Fish and Game it's important to read over the pages that define categories of fishermen and processors requiring the permit.

They define two categories that are important to small boat fishermen who want to process fish: **Catcher/Processor** and **Catcher/Exporter**.

A catcher/processor is someone who harvests and processes fish. Processing means "changing the physical condition of the fish by decapitating, filleting, freezing, salting, or canning. Processing does not include certain activities which maintain the quality of the raw fish, such as gutting, gilling, skinning, icing, or chill brining."

If you gut and gill and export out of the state you are labeled catcher/exporter. This distinction becomes important when you are trying to obtain waivers from the Department of Labor or Department of Environmental Conservation.

The Department of Labor
The distinction between a catcher/exporter and a catcher/processor may have an effect on your ability to obtain a surety bond waiver. A fisherman surety bond is required by anyone

who processes or buys fish. It is meant to insure that buyers and processors pay off their fishermen and employees before going belly up. A great idea in this risky business. The only problem is that while \$10,000 is peanuts in the daily operation of a large cannery, it's a prohibitive cost to a small cash buyer or fisherman who just wants to market a few fish. It requires that you put up \$10,000 in cash or securities (long term bonds), or offer as collateral \$10,000 in equity in land in Alaska. Another option is to work with a bonding agency. They will require that you put up about three times the equity in unencumbered collateral to obtain a bond.

In addition, you will need to obtain workmen's compensation and unemployment insurance for all your employees. Fortunately, there is a waiver. If you do not hire any employees or buy fish, you shouldn't need a bond. (Since you hired your crew to catch fish, not just to clean fish, and because they all have deck hand licenses that make them independent contractors, they shouldn't be considered as employees.) You're over the first hurdle, as long as you don't buy anyone else's fish.

Now the next problem: All processors are required to have a surety bond. Are you a processor? According to Fish and Game, you can avoid becoming a processor if you only gut and gill. Unfortunately, the Department of Labor bases its definition of "processing" on what the Department of Revenue labels you. Revenue's main concern is that you pay your raw fish tax. If you ship fish out of the state, processed or gutted and gilled, you have to put up a processor's tax liability bond or pre-pay your tax. Thus, you could be considered a processor. It's a problem that hasn't been entirely resolved. Fortunately, the Department of Labor supervisor in Juneau, who decides about waivers, is very sympathetic to the problems of small boat fishermen. He seems very willing to work with you on obtaining a waiver, if this bond becomes your major obstacle. His name and telephone number is Jim O'Connor (907) 465-4870.

is calculated by estimating the total volume you expect to ship and multiplying it by 6% of the average wholesale price (average wholesale price for sockeye = \$1.50/lb x .06 = 7 1/4¢/lb in tax). Leftover funds can be applied to the next year or refunded at the end of the year.

You will need to obtain a Fisheries Business license, or a regular business license if you are buying fish (\$25). If you are an out of state resident you will need to fill out an income affidavit, but because there is no income tax, no bond is required. You might also consider incorporating, since this lessens personal financial risk and liability if you go bankrupt.

Department of Environmental Conservation

The most complex agency to deal with is the Department of Environmental Conservation. A permit to operate a processing plant is required of anyone processing fish, on land or water, unless you are only gutting and gilling and selling to individuals, not restaurants, within the state. There is currently a policy shift that is occurring in the department that has not been finalized, but looks very promising. Current regulations allow fishermen to gut, gill, and ice fish for sale to individuals within the state, or to preserve quality. The change would allow troll fishermen to gut, gill, and box the fish for export to out of state customers, using much less demanding criteria. This regulation change is currently meant only for troll fishermen, who have traditionally gutted, gilled, and iced their fish and work with very small catches at once. Gillnet or seine boats will still be required to go through the same D.E.C. permitting process.

A simplified D.E.C. permit process, or a waiver for gutted and gilled fish would certainly be a big help to all fishermen considering direct marketing. But sidestepping a D.E.C. permit has some possible negative consequences:

- 1) You may be in a more liable position if your fish are contaminated and you do not have a D.E.C. permit.



The surety bond is a good idea in this risky business, but might be too costly for the small buyer.

Department of Revenue

Perhaps the most frightening figure you've seen so far is the \$50,000 bond for fisheries tax liability or exporting salmon in the round. Fortunately, the regulations allow small boat fishermen who process on board and export out of the state to waive the bonding requirement by paying in cash the amount of the expected tax. An alternative is to purchase a bond for twice the amount of the expected tax, or put up as collateral three times the value of your expected tax in Alaskan property. Estimated tax

- 2) You may have trouble with buyers without a health inspection.
- 3) You may have trouble with health inspectors in other states or countries.
- 4) You have the additional weight of the head to consider in shipping.

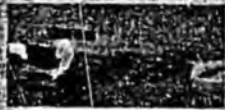
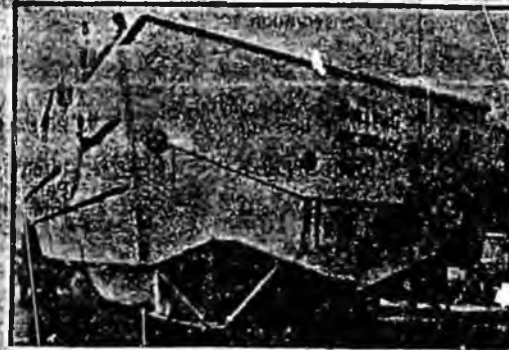
D.E.C. Vessel Inspections

Regardless of whether the regulations are relaxed, you should consider getting a D.E.C. inspection. Although it is a time consuming process, it may not cost you a lot of

Gullwing 32

SUCCESSFUL SEA TRIALS

SPEED: 18 KNOTS LIGHT AT 18,040 LBS.
12 KNOTS LOADED W. 23,740 LBS. FISH.
LIGHT LOAD DRAFT ONLY 24"
COME AND SEE IT IN ALASKA



32' ALUMINUM GILLNETTER

- 3-point twin screw or single-point, single screw
- Full protection for propellers & rudders
- Built-in roll control, added stability
- Maneuverability, backwards and forwards
- Low construction costs compared to turnels
- Great fore-aft structural strength

Design: Nils Lucander

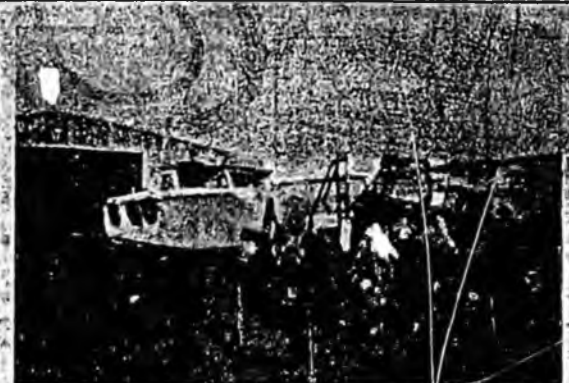
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AGENCY	REQUIREMENT	COST	NEEDED BY
Dept. of Labor	Fisheries Surety Bond	\$10,000	Fish Buyers/Processors
Dept. of Revenue	Fisheries Tax Bond	up to \$50,000	Processors
	Business License Affidavit	\$25.00 \$0	Buyers/Processors Out of State residents
Dept. of Environmental Conservation	Operating Permit	up to \$3,000 (depends on boat)	All Catcher/Processors who dehead or export salmon out of the state (this may change soon)
U.S. Environmental Protection Agency	E.P.A. Water Quality Permit for grinding	varies	Processors doing over 5,000 lbs/day
Dept. of Fish & Game	Intent to Operate Permit, Fish Tickets, Interim Use Permit	\$25 \$25	Fish Buyers Catcher/Processors Catcher/Exporters (gut/gill)
	Dept. of Weights & Measures	Check Scales	\$0 Fish Buyers



money. Most of the requirements are common sense sanitation practices that are required for anyone handling food. Boats may be required to ice fish or have refrigeration in the next 5 to 10 years anyway.

You have to start with a cleanable boat. Aluminum and fiberglass boats present no problems in this regard. Wood boats need to be painted with a good coat of nonpermeable, non-toxic paint or fiberglassed.

You have to figure out how you are going to clean the fish without creating a bloody mess. This means you will probably need a cleaning

trough of the type used by trollers and a cleaning table covered with a non-permeable surface (stainless steel, or a removable piece of hard plastic). You will need a place to store clean and dirty utensils, a place to store the roe, and a place to put the fish while they are bleed'ng or before final icing. You will need to figure out what to do with the guts. If you are processing more than 4,000 lbs of fish/day you will need to hook up a grinder. It is also recommended in areas where your guts are likely to end up in someone else's net. You will need a cover over the whole processing area to

keep out bird droppings. Canvas is OK. You will need to draw a flow diagram that shows where the fish have gone from the moment they came on board until they are boxed and ready to ship. You will need to include a diagram that shows the location of fresh and saltwater sources, sink, head, engine, plumbing, hoses, pumps, etc.

Water Systems

The sanitary use of water for drinking, cleaning hands, cleaning fish, and cleaning the boat is sometimes complicated considering

the current design of troll or gillnet boats. First problem: Wash-down pumps are often interconnected with bilge pumps, so that bilge water could contaminate the wash-down hose. You either have to rig up one-way connectors or you have to install a separate wash-down pump. You will need to install a small sink and built in water supply if you do not already have one. This is for drinking water and washing hands. You will also need fresh water for a chlorine rinse of your processing area between cleanings. Batch chlorination can be as simple as putting a cup of bleach in a 5 gallon

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1982	40M hp	\$1499

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bucket of water. Most of the cleaning will be done with your wash-down hose, which would be much more effective if it were fitted with a high pressure nozzle. The D.E.C. will carefully look at where you draw your ocean water for cleaning. It is important that your wash-down water is not contaminated by your bilge water or effluent outlets. This may require that you move suction or outlet pipes so they draw and drain water from different water levels.

Icing

One modification that is essential to processing is a method of refrigerating the cleaned fish. This usually involves icing, a well-developed skill among trollers. Inexperienced fish cleaners would be advised to read Chuck Gore's article in *National Fisherman*, Dec. '83. It is important to place the fish in the ice with their heads lower

than the tails so the blood will drain out the head. Any bins that hold cleaned fish or ice must have a sealed cover so that wash-down water doesn't contaminate the ice or cleaned fish. Trollers often have watertight holds, but gillnetters may need to use totes (hopefully sized to fit inside their bins).

Refrigerating cleaned fish is an essential for inexperienced fish cleaners to learn.



Mechanical Refrigeration

Other common refrigeration techniques, especially in Western Alaska, involve using champagne ice or spray brine, or refrigerated sea water systems to cool the catch. Small commercial systems have

been designed by several manufacturers like Thermal Tec, for application in 30-40 ft. boats. Home-built systems can also work well. They are much less expensive, but require more time to install in your boat. A thorough review of icing and refrigerated sea water systems has been done by *Alaska Fisherman's Journal* in their February and March issues.

An interesting article in *National Fisherman*, Nov. '83 describes how to construct a chill tank using evaporator coils made out of surplus stainless steel piping. The refrigeration unit is an automobile air conditioning compressor. I had an opportunity to visit the author, Brad Posey, in California and I was impressed by the simplicity of the system. It was originally designed for about 2,000 lbs. capacity, but hooking up compressors in series could possibly increase that. Brad Posey is interested in offering his advice and he will even assemble

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Telex: 32-0246

The bottom line of this whole process comes down to dollars and sense. Does it pay? Is it even worth the trouble? It is hard to say in what cases it is going to be worth the trouble. But it seems many trollers are being forced to consider direct marketing of their fish, especially when the price at the dock doesn't even pay for the fuel they need to find them. In the last two years the number of boats that have become legal processors has increased dramatically. Somebody must be making some money, or the idea would have died right away.

Even gillnetters would do well to consider this as an option for their boats, especially during periods of "scratch fishing." The important word to consider here is "option." Fishermen have often resorted to long devastating strikes when they were unhappy with the price. If those same fishermen, say in Bristol Bay, had all been legally licensed to process and market fish, they all could have been fishing during the strike, and still refused to sell to buyers or canneries.

Marketing a few kings during the early part of the season will give you a good idea of whether you're being offered a fair price for your reds. I'd hate to clean fish during the peak of a Bristol Bay run, but having that as an option makes a lot of economic sense. If we want to make more money off a limited number of fish (especially in bad seasons) we are just going to have to assume more risk. If we take that chance, we will have one more card to play out in the continuing battle between the fisherman and processor.

Direct marketing, of course, is more than just risk. It's a difficult enterprise that requires lots of planning, patience, and luck. It would take another article just to outline the first steps. Best to work with a group of other fishermen, or through a broker, or get professional advice in setting up.

To achieve the capacity for vertical integration on any large scale will require some support from the state, both financially and legally. This, of course, will require some organizing and lobbying, something fishermen are not usually very good at. The following changes might help:

- 1) Streamline the permitting process, so that all of the agencies agree on the definition of a catcher/processor, and apply health requirements and revenue control with some consideration for the size and budgets of these smaller efforts.
- 2) Set up a loan program for quality improvement measures on fishing boats, especially refrigeration. In this same loan packet allow money to be spent for setting up as a catcher/processor, and for expenses spent on setting up direct markets.
- 3) Encourage the use of village economic development funds for providing the necessary infrastructure for freezing and flying out fish.

I'm sure it will take a long time for the legislature to see the value of catcher/processors or direct marketing as an option. For now, we are on our own in a risky business that makes fishing just one step riskier, though perhaps two or three steps more profitable. Don't drown in the paperwork!

Those interested in contacting Mr. Watson directly may write Box 110373, Anchorage, AK 99511, or call (907) 345-1318. □

251 fishermen seek loan extensions

The state Division of Accounting and Collections has approved 92% of the requests it has received for repayment extensions on state subsidized vessel and permit loans.

In exact numbers, that means 236 requests were approved and 16 were declined in 1983-84. In addition, five more were received recently and are still being considered.

The breakdown for salmon fishermen by region is: Alaska Peninsula/Aleutian Chain, 14 approved; Bristol Bay, 17 approved, one rejected; Chignik, five approved; Cook Inlet, 21 approved, one rejected; Kodiak, 56 approved, six rejected; Prince William Sound, 42 approved, five rejected, one outstanding; and Southeast, 52 approved, three rejected and one outstanding. Extension requests also have been granted for two

the division received 138 extension requests and approved 70% of them. Currently, about one-third of all the recipients of loans made under the Commercial Fishing Loan Program in the Department of Commerce and Economic Development are having trouble making the payments. Most have been granted extensions. The problem is attributed to the depressed fish prices of recent seasons.

About 17% of the state's 1,700 vessel and permit loans are in default. The division is just now starting to process the latest batch of default notices. If no satisfactory repayment plan can be worked out, the division turns the case over to the Department of Law to institute foreclosure proceedings.

As of mid-March, the division had one vessel left out of the three that had been foreclosed on and put up for sale. The 120-foot *Orion*, a pleasure yacht converted to a processor, sold for \$125,000 in

Meanwhile, a deal fell through for the 60-foot crabber *Tina*, located in Juneau. The boats were repossessed after the owners failed to make payments in 1981 and 1982.

Division director Maggie Hamley said the state recovered approximately 23 cents on the dollar from the transactions. "The sense is that we're not getting as much as we did in the past," she said.

Hamley said repossessed boats are difficult to sell these days. One problem is that the division is not allowed to provide refinancing on repossessed vessels unless certain conditions are met. A bill is pending in the legislature that would loosen this restriction.

A second problem is that the seafood markets are depressed right now. Hamley's impression is that when fish prices are better, bankers are more inclined to make loans for vessels. Also, fishermen seem reluctant at the present time to go into debt for a new boat. □



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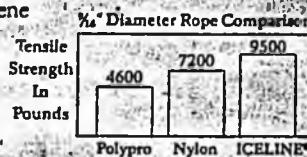
Turning your crab pots into pots of gold has never been easy. Crabs can be difficult to locate as sunken treasure. And so can your traps when their buoys are pulled under by currents dragging your rope down.

Of course, the real drag is going crabless, potless and profitless. At Tubbs, we thought it was time to put control back into your hands. So we created a revolutionary new rope: ICELINE®.

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Best of all, because ICELINE is lightweight and floats, it stands up to the ocean's currents and won't allow your buoy marker to get sucked under. Plus, ICELINE lets you set your traps far deeper than other crab ropes allow.

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Douglas Pope

Lawyer

Juneau Law Office

526 Main St., 99801

(907) 586-4151

March 5, 1985

Hon. Arliss Sturgulewski
Chair
Senate Resources Committee
State of Alaska
State Capitol Building
Juneau, Alaska 99801

Re: SSSB 164
An Act relating to surety for collection of wages and
payment

Dear Senator Sturgulewski:

The purpose of this letter is provide written material supporting my testimony on the above-referenced bill. I submit these comments as an interested citizen, and as a partner in the Ketchikan based company, Silver Lining Seafoods. Silver Lining was established in 1981. Sales in 1984 exceeded \$3.5 million. The company buys fish in southeast Alaska, Prince William Sound, Cook Inlet and Kodiak. It produces fresh and frozen salmon, halibut, cod, lingcod, rockfish, abalone, prawns, clams and scallops for export to American markets. The finfish and flatfish are sold head-on, head-off and filleted vacuum packaged portions. In addition, the company produces smoked salmon, hooligan and sablefish, as well as lox, and raw and processed roe. Company plans include purchasing Arctic whitefish for smoking and Yukon salmon strips for vacuum packing and export. Finally, the company provides custom processing services to certain buyers.

This brief history should illustrate that Silver Lining Seafoods is both a "fish processor" in southeast Alaska, as well as a "primary fish buyer" in other areas of Alaska. The company supports the intent of the bill to require the bond specified for buyers and processors with a short history in the marketplace.

For reasons which I will illustrate during my oral presentation, Alaska workers, fishermen and processors have often been at the mercy of the occasional unscrupulous fish buyer or broker with no attachable or lienable assets other than this bond. Cash buyers on the fishing grounds may offer a price contingent upon a later settlement which is never seen. Undercapitalized processors and brokers buy fish for export without adequate cash reserves to guarantee later payment.

The law as written is for the benefit of fishermen and persons supplying labor. I believe that definition includes custom processing, but none of the other products or services that Silver Lining provides. This is an anomaly since, with

Douglas Pope

Lawyer

Juneau Law Office

526 Main St., 99801

(907) 586-4151

custor. processing, the company doesn't own the product, and can hold it as security for payment. In virtually all other situations, Silver Lining pays cash for the raw product. When it sells in the marketplace it must wait 15-45 days for payment. Each year, between one and two percent of our sales are lost in bad debts to brokers who do business in Alaska, but do not fit the definition of a primary fish buyer. These brokers do business in Alaska yet have no employees or investment here. They buy almost exclusively from local processors and buyers.

Our company believes that an amendment to the law which adds a promise to pay other fish processors or primary fish buyers for fisheries resources sold, and expands the law to include brokers, will add a measure of protection for all processors and buyers in Alaska without compromising the interests of workers or fishermen. Brokers do not hire workers as a rule and do not buy directly from fishermen.

Thank you for the opportunity to present these comments.

Sincerely,

A large, stylized handwritten signature in black ink that reads "Douglas Pope". The signature is written over the typed name "Douglas Pope" and extends significantly to the right.

Douglas Pope

cc. Senator Coghill
Senator Sackett

11 April, 85

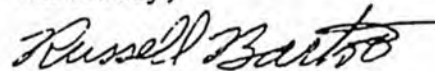
Dept. of Environmental Conservation
Division of Environmental Health
Seafood Permit Section
437 E. Street, Suite 200
Anchorage, Alaska 99501

Dear Sir;

This letter is my answer to your refusal to process my permit application. First, did you really read my application or are you just blindly following regulations? Let me point out to you that I am not processing fish. I am doing nothing more than any other fisherman. The only difference between my operation and any other, is in who I intend to sell to. Unless you plan to require every fisherman to disinfect, have a covered processing area, sanitized utensils, plus hot & cold running water, then what you are requiring of me is unreasonable. I repeat, the only difference between me and any other fisherman is in who I intend to sell my fish to. Your request for detailed plans of a deck view and side view seem to show that you have never seen a 36' gillnet fishing boat before, when you've seen one you've seen them all.

In conclusion, I would like to state that your regulations do not fit my type of operation. Any concerns you have about the quality of my fish have no recourse, since whether you process this application or not, you haven't changed one iota the methods and procedures used in handling my fish. What you have accomplished is to delay the consumer from getting fresh fish, and making him pay more to get something that has laid around for a while. I suggest that either you change your regulations or that I will have to walk up on the hill here in Juneau and see about changing things for you.

Sincerely,



Russell Bartoo
Box 847
Juneau, Alaska 99802

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF ENVIRONMENTAL HEALTH - SEAFOOD PERMIT SECTION
477 "E" STREET, SUITE 200, ANCHORAGE, ALASKA 99501

Telephone: (907)
Address:

274-2533

April 8, 1985

Russell R. Bartoo
Bartoo Enterprises
Box 847
Juneau, Ak 99802

SUBJECT: Seafood Processors Permit Application for F/V Marg

Dear Mr. Bartoo

We have received and reviewed your Seafood Processors Permit Application, however, we can not complete the review process as some items were either left blank or require clarification. All items must be properly completed so all segments of the operation may receive an adequate review.

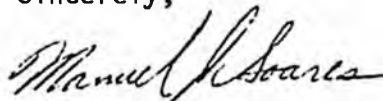
The following items require completion:

1. At least the final rinse/wash water used on the product must be disinfected. This may be accomplished in several ways, one of which is batch chlorination (specify method).
2. On disposal of process waste on the application you indicated no processing waste discharge, however, in your narrative you indicated the fish are immediately cleaned.
3. Provide detailed (to scale) plans/sketches of the vessel showing both a deck view and side view to include covered processing area, hand washing facilities, hot and cold outlets, hose connections, method and chemical used for cleaning and sanitizing utensils and equipment, plumbing plan showing intakes and outfall (points of discharge), etc.

Upon receipt of your completed application we will complete the review process and issue your Permit To Operate if everything is in order.

If you have any questions or we can be of assistance, please contact this office.

Sincerely,



Manuel J. Soares
Seafood Permit Coordinator

MJS:rpm

Enclosure



RECEIVED

MAR 20 1984

STATE OF ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION REGION II

SEAFOOD PROCESSORS PERMIT APPLICATION

Incomplete Applications will NOT be accepted. Insert N/A if not applicable.

Form with sections: A. 1. GENERAL INFORMATION, 2. Principals/Owners, 3. Location, 4. Vessel Information, 5. Permits/Authorizations Previously Issued. Includes handwritten entries like 'Bartoo Enterprises', 'F/V MARG', 'None', 'Russell R. Bartoo', 'AK 5172 C', and '36'.

CONTINUED ON FOLLOWING PAGE

16 march, 85

Seafood Permit Coordinator
Division of Environmental Conservation
437 E Street, Suite 200
Anchorage, Alaska 99501

Sirs:

My operation consists of gutting fish at sea while fishing, on an as caught basis.

Facilities used are a fiberglass cleaning box with the blood and guts immediately falling overboard. Cleaning & clean up are provided by both a salt water hose & deck bucket wash down. Rubber rain gear, rubber boots, rubber gloves, and a hat are worn at all times.

Fish are stored in a fiberglass insulated, well iced fish hold that is scrubbed after each delivery. This hold also serves as the live tank for crab.

Fish are sold on a prior order basis and are delivered fresh with no processing involved.

Crab are sold live.


Russell Bartoo

F. 12. WASTE DISPOSAL 1

Check method for disposal of sewage (toilet, shower, kitchen and bathroom sink waste):

- Septic System (Describe) _____
- Package Treatment Plant (Type) _____
- Lagoon (Describe) _____
- Municipal System (Name) _____
- USCG Approved System (Type) _____
- Holding Tank (Size) 10 gal Distance From Shore When Discharging to city system
- Depth of Discharge (if Applicable) _____
- Other (Describe) _____

Check method(s) for disposal of process waste (gurry, fish heads and entrails, carcasses, shells, etc.)

- No Treatment (Describe) fish cleaned a few at a time while boat is drifting in deep water
- Grinder (Type) _____ To what size is waste ground _____
- Depth of Discharge Below Mean Lower Low _____
- Screen Waste Reduction Plant Barge to Approved Dumping Site
- No Processing Waste Discharge Other (Describe) _____

Check method of disposal of domestic solid waste (kitchen wastes, cardboard, damaged cans)

- Incinerator — Rated Capacity, lbs./hr. _____
Describe Construction _____
- Municipal Solid Waste Facility (Name and Location) Tuneau
- Private Solid Waste Facility (Name and Location) _____
- Other (Describe) _____

G. 13. ICE AND REFRIGERATION

Identify method(s) used to maintain or reduce temperature of product upon receipt at facility: _____

- chilled sea water or ice packed
- If ice, ice production capabilities (tons/24 hours) 0 Source of ice Tuneau Cold Storage
- Storage capacity for ice (tons or cubic feet) 2T
- Method of storage insulated hold

H. 14. SUBMITTALS

Check Additional Information being submitted

- Facility Plans and Specifications (Part 2 a-e of Instructions)
- Narrative Description of the Processing Operation (Part 2f of Instructions)
- Can/Package Code Sheet (Part 2g and Section B of Application)
- Copy of this Application has been submitted to the Environmental Protection Agency (Part 4 of instructions)

I. 15. SIGNATURE

I certify that the information contained herein is true and correct to the best of my knowledge.

Signature of Responsible Official/Principal Owner (see item #2) <u>Russell R. Bartoo</u>	Date <u>15 March 85</u>
Printed or Typed Name <u>Russell R. Bartoo</u>	Title <u>Owner Operator</u>

Mail completed application and any supporting documents to: Seafood Permit Coordinator, Division of Environmental Health Department of Environmental Conservation 437 "E" Street, Suite 200, Anchorage, Alaska 99501 Telephone (907) 274-2533 for further information or assistance.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION SOUTHEAST REGIONAL OFFICE

Telephone: (907)

Address:

789-3151

P.O. Box 2420

Juneau, Alaska 99801

April 24, 1985

Russell R. Bartoo
Bartoo Enterprises
P.O. Box 847
Juneau, AK 99802

Re: Waste Disposal, Sewage Disposal, and
Fresh Water for F/V Marg for 1985

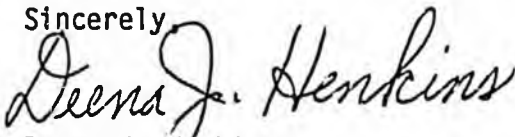
Approval for the waste disposal for your seafood processing facility is based upon your processing less than five tons of raw product per day and your seafood waste discharge meeting the following minimum restrictions:

1. The discharge of seafood waste shall be in marine waters at least one half mile offshore or in waters at least forty feet deep at MLLW.
2. The discharge of seafood waste is prohibited in protected coves or harbors.
3. The discharge of seafood wastes within three hundred yards of any other vessel is prohibited.
4. The discharge of seafood wastes shall not violate the State of Alaska Water Quality Standards 18 AAC 70.020(b).

If you will be unable to comply with the aforementioned restrictions, or anticipate any changes in your operations, contact the Department at (907) 789-3151.

Fresh water for drinking should be taken from a public supply which is in compliance with Alaska Drinking Water Regulations, 18 AAC 80, or the water chlorinated as it is taken aboard by adding 3 ounces of chlorine bleach per 100 gallons of water.

Sincerely,



Deena J. Henkins,
Regional Environmental Supervisor

cc: ADEC, SCRO, M. Soares

Species of Fish and Shellfish
Caught, Purchased or Processed
(Mark X in all that apply ___):

Type of Processing
(Mark X in all that apply ___):

1. Salmon
 2. Herring
 3. Crab
 4. Shrimp
 5. Other Shellfish (please specify)
Coral
 6. Groundfish (please specify)
Rockfish
Cod
 7. Miscellaneous Finfish (please specify)
 8. Halibut

1. Fresh (Butchering)
 2. Cooking
 3. Freezing
 4. Drying
 5. Canning
 6. Salting
 7. Pickling
 8. Smoking
 9. Other (please specify)

Marketing Information for Raw Fish and Shellfish

Please indicate locations in Alaska (town or city) and outside Alaska (town, state and country) where raw fish and shellfish are sold.

Juneau, Alaska
Seattle, Wash.
San Francisco, Cal.
Los Angeles, Cal.
Phoenix, Ariz.

Certification of Company Officer responsible for the contents of this
Intent to Operate:

"I Russell R. Bartoo (signature), certify under
penalty of perjury that I have reviewed all information contained in this report,
and that it is true and complete to the best of my knowledge.

Your Printed Name Russell R. Bartoo

Your Title Owner & Operator

Date signed: 05/22/85

For further information contact:

Alaska Department of Fish and Game
Division of Commercial Fisheries
Computer Services Section
P.O. Box 3-2000
Juneau, Alaska 99802
Tel.: (907) 465-4150

Mail with remittance to:
 Department of Revenue
 Pouch SA
 Juneau, Alaska 99811-0400

ALASKA DEPARTMENT OF REVENUE
 FISHERIES BUSINESS LICENSE APPLICATION
 AS 43.75.011-140

Initial Fee \$25.00
 for each plant or location

064

1. Individual and/or Firm Name <i>BARTOO ENT.</i>		4. New <input checked="" type="checkbox"/> Application <input type="checkbox"/> Renewal	5. License Year <i>1985</i>
2. Street or P.O. Box Number <i>BOX 847</i>		6. Federal Employer Identification or Social Security No. <i>165-26-2421</i>	
3. City, State and Zip Code <i>JUNEAU, AK. 99802</i>	Daytime Telephone Number <i>()</i>	7. Total Estimated Taxes (See Reverse Side) <i>\$ 1,000 =</i>	
<p>8. IMPORTANT. The total estimated taxes computed on this application must be secured by one of the following methods. Please check the box beside the form of tax liability security you will use and follow the instructions.</p> <p><input type="checkbox"/> A. Fisheries Business Tax Bond, in a sum equal to twice the total estimator's tax. (Complete Revenue form 04-062 and attach to application.)</p> <p><input type="checkbox"/> B. Prepayment of total estimated tax. (Enclose a check payable to the Alaska Department of Revenue in an amount equal to the total estimated tax you have computed.)</p> <p><input checked="" type="checkbox"/> C. Lienable real property in the State of Alaska, owned by the applicant, the value of which is equal to three times the total estimated tax. (Complete lines 15 - 22 on the reverse side.)</p>			
<p>9. NOTE: Under AS 16.10.290, fish processors or primary fish buyers (except for restaurants, grocery stores and established fish markets) are required to file with the Commissioner of Labor, Wage and Hour Division, P.O. Box 630, Juneau, Alaska 99811, a surety bond worth \$10,000, or provide a legal description of at least \$10,000 worth of lienable property to be posted as security in place of a bond. Fishermen who process their catch must also comply with this requirement. Those operations that do not purchase fish or hire employees are eligible, as of December 31, 1981, to apply for a waiver from the \$10,000 security requirements of the law. (The Department of Labor will notify the Department of Revenue when this requirement has been either fulfilled or waived.)</p> <p>CHECK THE APPROPRIATE BOX:</p> <p><input type="checkbox"/> Exempt from Labor bond because business is: (check one)</p> <p><input type="checkbox"/> Restaurant <input type="checkbox"/> Grocery Store <input type="checkbox"/> Established Fish Market</p> <p><input checked="" type="checkbox"/> Not exempt from Labor bond</p>			
<p>10. List the name(s) and address(es) of the business owner(s). If the business is a corporation, list the names and addresses of its principal officers. List the information on an attachment if more space is needed.</p> <p><i>RUSSELL BARTOO</i> <i>ABOVE</i></p> <div style="text-align: right;"> <p>RECEIVED MAR 18 1985 DEPARTMENT OF REVENUE PUBLIC SERVICES DIVISION JUNEAU</p> </div>			
<p>11. CHECK LIST. The Department of Revenue will not issue the Alaska Fisheries Business License unless the following requirements are met. Please check if you have:</p> <p><input checked="" type="checkbox"/> Enclosed \$25.00 with this application?</p> <p><input checked="" type="checkbox"/> Completed both sides of application?</p> <p><input checked="" type="checkbox"/> Provided Fisheries Business tax liability security?</p> <p><input checked="" type="checkbox"/> Completed or exempt from the Department of Labor bonding requirement?</p> <p><input type="checkbox"/> Non-Residents only: Filed Affidavit and Tax Liability Bond? Non residents, in addition to their fisheries tax security, must file an affidavit (form 04-654) and Tax Liability Bond (form 04-655) with the Alaska Department of Revenue, Bonds and Affidavits Section,</p> <p><input type="checkbox"/> Exporters of Salmon in the Round: A \$50,000 bond is required if salmon is to be exported in the round unless the applicant owns at least \$50,000 of lienable real property in the State of Alaska (form 04-063). This security is in lieu of other security required under AS 43.75.055.</p> <p>Pouch SA, Juneau, Alaska, 99811-0400, as required by AS 43.10.160. This affidavit and bond provides security for other Alaska taxes for which the non-resident fisheries business may become liable.</p>			
<p>IMPORTANT: THE FOLLOWING MUST BE COMPLETED TO ALLOW FOR ALLOCATION OF REVENUE BACK TO LOCAL GOVERNMENTS</p>			
12. Name of Cannery, Plant, Vessel or Business <i>MARG</i>		13. Physical Location of Cannery, Plant, Vessel or Business <i>JUNEAU</i>	
<p>CHECK ONLY ONE: <input type="checkbox"/> Within incorporated city limits <input type="checkbox"/> Outside city but within organized borough <input type="checkbox"/> Outside all cities and boroughs</p> <p>I declare under penalty of perjury that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.</p>			
Printed Name of Applicant <i>Russell R. Bartoo</i>		Signature of Applicant <i>Russell R. Bartoo</i>	Date <i>18 March 85</i>
OFFICE USE ONLY License Number <i>5-6584</i>		OFFICE USE ONLY	
Year <i>1985</i>	Date Issued <i>3/18/85</i>		

Alaska Fisheries Business License Application (continued)

THIS SIDE MUST BE COMPLETED

LICENSEABLE REAL PROPERTY. Complete lines 15-22 only if you checked box 8C on the front of this application.

If the security for the total estimated tax is real property, on lines 15-22 please describe the property and list its actual value in excess of all liens against it. The description of the land, buildings or wharves should include the street address, or other general location of the real property, its legal description, the extent or percentage of ownership by the applicant, its actual and reasonable market value, the names of anyone holding a lien against the property and the amount of their lien. Deduct the total of the liens from the value and show the lienable amount which remains. If applicable, attach copies of current property tax assessments. If more space is needed, attach a separate sheet of paper. Be sure this attachment is signed and dated by the applicant.

THE SCHEDULE BELOW MUST BE COMPLETED

15. Real Property Address or Location <i>10491 Ann</i>			
16. Legal Description			
17. Lienholder ----- Lienholder			18. Amount of Lien \$ ----- Amount of Lien \$ -----
19. % of Ownership	20. Market Value \$ -----	21. Less Total Liens \$ -----	22. Lienable Amount \$ -----

PLEASE USE THIS SCHEDULE TO ESTIMATE THE AMOUNT OF YOUR FISHERIES BUSINESS TAX. REFER TO THE INSTRUCTIONS ON THE OPPOSITE PAGE FOR SPECIFIC INFORMATION.

		1. Fisheries resources that will be processed by your company.	2. Fisheries resources that will be custom processed for your company, or fisheries resources you will custom process for someone other than a licensed fisheries business.	3. Salmon to be exported in the round. (A \$50,000 bond is required unless the applicant owns at least \$50,000 worth of lienable real property in the State of Alaska.)	4. Unprocessed fisheries resources to be sold outside Alaska, or to be transported outside Alaska for subsequent processing or sale. (Do not include salmon exported in the round.) AS 43.75.100(A)(1)(2)	5. Estimated Total Value (Add columns 1-4)	6. Tax Rate	7. Total Estimated Taxes (Multiply each amount in column 5 by the percentage rate in column 6)	8. FOR FISHERMEN ONLY WHO QUALIFY FOR TAX EXCLUSION. Frozen resources to be sold to a licensed fisheries business. AS 43.75.017
ESTABLISHED COMMERCIAL FISHERIES									
A	SALMON CANNED AT A SHORE-BASED CANNERY AS 43.75.015(a)(1)	POUNDS							
		TOTAL VALUE				\$	4½% (.045)	\$	
B	SHORE-BASED FISHERIES EXCEPT SALMON CANNED AT A SHORE-BASED CANNERY AS 43.75.015(a)(2)	POUNDS							
		TOTAL VALUE				\$	3% (.03)	\$	
C	FLOATING FISHERIES AS 43.75.015(b)(3)	POUNDS			10,000				Pounds Established
		TOTAL VALUE			20,000	\$ 20,000	5% (.05)	\$ 1,000	Value
DEVELOPING COMMERCIAL FISHERIES*									
D	SHORE-BASED FISHERIES AS 43.75.015(b)(1)	POUNDS							
		TOTAL VALUE				\$	1% (.01)	\$	
E	FLOATING FISHERIES AS 43.75.015(b)(2)	POUNDS							Pounds Developing
		TOTAL VALUE				\$	3% (.03)	\$	Value

* In the space below, please list the Developing Commercial Fisheries you intend to process or export in your fisheries business. (See attached list of allowable Developing Commercial Fisheries as designated by the Commissioner of the Alaska Department of Fish and Game.)

1. 3. 5. 7.

9. TOTAL ESTIMATED TAXES (Add column 7. Enter here and in box no. 7 on front of application.)
\$ 1,000

State Agencies:

INTENT TO Operate

DIV OF COMM FISH - F+G

FISHERIES BUSINESS LICENSE APPLICATION
PUBLIC SERVICES DIV - Rev

SURETY BOND

DEPT of LABOR

Seafood Processors Permit Application
DEPT of ENV. CONS.

REQUEST FOR FISH TICKETS
- DEPT of F+G.

CENTRALIZED permit process
- DEC / OMB

INFORMATION / EDUCATION

- Off COMM FISH - DCED

PROPOSED AMENDMENTS TO CSHB 227 (Fisheries)
January 27, 1986

*Sec. 2. AS 16.10.290 (b) is amended to read:

(b) The amount of the bond shall be \$10,000 unless, during the preceding five years, that amount was insufficient to satisfy a final judgment resulting from a claim asserted against the bond, cash deposits, or other security filed under this section. If \$10,000 was insufficient, the bond shall be \$50,000; if \$50,000 was insufficient, the bond shall be \$100,000. If the commissioner determines that during the preceding five years, a fish processor or primary fish buyer (1) has engaged in the business of fish processor or primary fish buyer in the state, but not in compliance with this section and (2) has not yet satisfied a final judgment entered against the processor or fish buyer for payment of labor furnished to, or raw fishery resources purchased by, the processor or fish buyer, then the amount of the bond for the processor or fish buyer shall be \$100,000. In lieu of the surety bond the fish processor or primary fish buyer may file with the commissioner a cash deposit or other negotiable security acceptable to the commissioner in the amount specified for the bond. If no claim is asserted under this section within two years from the date the bond, cash deposit or other security is filed, the term of the bond, cash deposit or other security shall be two years; if a claim has been asserted within two years, the term of the bond, cash deposit or other security shall be for five years.

Add a new Sec. 4, and renumber accordingly:

* Sec. 4. AS 16.10.290 is amended by adding a new subsection to read:

(h) A fish processor or primary fish buyer shall file a surety bond in the amount required under (b) of this section for each location for which the processor or buyer is to be licensed.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

465-3603

October 15, 1985

The Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, AK 99811

Re: Fish Processors' Bonds

Dear Senator Fischer:

You have asked about the need for legislation, such as SB 164, to alleviate the problems addressed by AS 16.10.290, which requires that before a fish processor or fish buyer may be issued a license by the Department of Revenue, the person must file a surety bond with the Department of Labor for \$10,000. The bond is conditioned upon the fish processor's or buyer's promise to pay persons who provide labor or sell fish to him. SB 164 would raise the amount of the bond from \$10,000 to \$100,00.

As you are no doubt aware, the amount of the required surety bond is problematic. \$10,000 is inadequate to cover all but the smallest claims, and especially if more than one claim is filed during the period of the bond (two years), it is not at all unlikely that the bond will not cover all of the claims filed. A bond of \$100,000 would, of course, cover many more claims, but still could, in some instances, be inadequate. Moreover, small businesses would probably find it impossible to operate under such a bond requirement. A possible solution might be to have the amount of the bond tied to the size of the business.

As you have noted, once a claim is filed against fish processor or buyer, he or she may continue to operate pending the outcome of a suit filed to collect upon the bond. During this period, more claims may be filed against the person, as there is no authority for the state to revoke the person's license while the suit is pending. It is unlikely that a statute which authorized such action could survive judicial scrutiny, as serious due process problems would result from depriving a person of such a license without affording him or her an opportunity to contest the claims.

Honorable Vic Fischer
Senator
Re: Fish Processors' Bonds

October 15, 1985
Page 2

Once the claims are adjudicated, and assuming they are paid from the bond, the processor or buyer is not automatically or necessarily put out of business. As long as the condition of filing a \$10,000 bond (or cash deposit or other negotiable security) is satisfied, the processor may remain in business. However, after a processor's bond has been taken by claims once or twice, obtaining the required surety bond could become very difficult, and the processor would then have to come up with \$10,000 for a cash deposit or other negotiable security, and this could be prohibitive for some businesses, essentially putting them out of business.

In any event, new legislation would be required to effect any changes in the law as it is written. If you have any further questions with which we may assist you, please let us know.

Sincerely yours,

HAROLD M. BROWN
ATTORNEY GENERAL

By: *Linda Scoccia*
Linda Scoccia
Assistant Attorney General

LS:bap

SB 164

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF

POUCH V
JUNEAU, ALASKA. 99811
(907) 485-4907



Senate Committee on Resources

April 8, 1985

Lennie Boston
Special Staff Assistant
Office of the Governor
Pouch A
Juneau, AK 99811

Dear Ms. Boston:

The Senate Resources Committee has held two public hearings on SB 164 dealing with bonding for fish buyers and primary fish processors. What has emerged from those hearings is the real need to streamline and update the state's laws and regulations dealing with this subject.

Senator Eliason has brought to the committee his attempts to find a solution to this problem as presented in his attached letter dated May 15, 1984 to Gregg Baker, Director of the Office of Commercial Fisheries Development. However, the issue involves several state departments and needs a high level coordination effort.

The committee felt that in your position as coordinator for the Fisheries Cabinet Council you might be able to assist in finding a solution. The Senate Resources Committee would like to invite you to meet with them on April 12 at 1:30 p.m. in the Butrovich Room to discuss ways which might be explored to assist Alaskan fishermen and processors in dealing with the various governmental agencies.

Thank you.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arliss".

Senator Arliss Sturgulewski
Chairman, Senate Resources Committee

Enclosure

Susan Brayley - DET - Seafood inspector

Permit Coordination Section

Joan Hughes - 789-3151

Seafood Processors Checklist

Small Catcher Tack Issue
Recommendations .

8-29

^{Det.}
Checklist for Seafood Processing - DEC

DEC - Seafood tosh force report

Bond-
Education / Enforcement

Permitting / Licensing

Catcher

LEGISLATIVE AFFAIRS AGENCY

File

MEMORANDUM

January 24, 1986

SUBJECT: CSSB 164 (Resources), fish buyer bond

TO: Sen. Arliss Sturgulewski
Chairman, Senate Resources Committee

FROM: Ed Hein, Legislative Counsel *EH*

Enclosed is another draft of CSSB 164 (Resources). After discussing with you the change I suggested to section 2 of the bill, I mentioned to Rodger Painter that the same change would be appropriate to CSHB 227 (Fisheries). He agreed, and then pointed out that perhaps we didn't even need the first sentence in (c), except for the language that indicated the bond is to be posted at the time a fish buyer applies for a license. I agreed, and suggested that we put that last provision in subsection (a) and add that to the bill. He agreed. We both thought it wise to run the whole thing by Jim O'Conner at Dept. of Labor. Jim said it was a good idea and would not create any problems. Since Frank Homan was unavailable Friday (today), I took the liberty of making the additional changes to the bill. I asked Betty Hargrave to relay this to you and to have someone from your office call me if you have any questions.

If you



Official Business

Alaska State Legislature

House of Representatives

Special Committee on Fisheries

Pouch V
Juneau, Alaska 99811

Phone:
(907) 465-4924

M E M O R A N D U M

February 4, 1986

TO: Irene Cashen
Chief Clerk

FROM: Representative Peter Goll
Chairman, House Special Committee on Fisheries

SUBJECT: Letter of Intent for CS HB227 (Fisheries)

LETTER OF INTENT CSHB 227 (Fisheries)

This legislation is designed to help ensure that Alaska fishermen have some recourse when a fish processor or primary fish buyer fails to make promised payments for the delivery of raw fisheries resources. The effectiveness of this surety bond program is questionable unless fishermen are aware of how the program works.

The Fourteenth Alaska Legislature respectfully requests the Alaska Department of Labor to work closely with the Office of Commercial Fisheries Development, Alaska Department of Commerce and Economic Development in the development of an educational program for the surety bond program. These agencies should work through the Alaska Marine Advisory Program, commercial fishermen's organizations, Native groups, fish and game advisory committees and the news media reaching coastal Alaska and the fishing fleets.

No

A M E N D M E N T

#1

Offered in the HOUSE

TO: CSHB 227(Fisheries)

Page 2, line 17 through line 20, delete all material and insert:

"Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. A fish processor or primary fish buyer is exempt from the bonding requirements of AS 16.10.290 - 16.10.296 if

(1) the processor or fish buyer does not purchase fish or hire employees; or

(2) the processor or fish buyer has operated lawfully in the state in each of the preceding 10 years, and during that period a final judgment has not been entered against

(A) the bond, cash deposits, or other security filed under AS 16.10.290; or

(B) the processor or fish buyer for payment for labor furnished to, or raw fishery resources purchased by, the processor or fish buyer."

No

Hein

A M E N D M E N T

#2

Offered in the HOUSE

TO: CSHB 227(Fisheries)

Page 1, after line 8, insert a new bill section to read:

"* Section 1. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.285. NOTICE OF OPERATORS REQUIRED TO FILE INCREASED BOND. At the beginning of each commercial fishing season, the department shall compile a list of fish processors and primary fish buyers that have been required to file a bond covering the season in an amount exceeding \$10,000. The department shall publish the list in a newspaper of general circulation that serves each area of the state in which the fish processors and primary fish buyers have stated an intent to operate."

Page 1, line 9, delete "Section 1" and insert "Sec. 2."

Renumber remaining bill sections accordingly.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: SB164
 Title: An Act relating to surety for collection of wages and payments
 Sponsor: Coghill and Sackett
 Requestor: Resources
 Date of Request: February 21, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Revenue Collections and Management
 BRU, Program or Subprogram(s) Affected: Public Services - Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Sally Smith, Director
 Division: Public Services

Phone: 465-2392
 Date: February 25, 1985

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 2/26/85

Fiscal Note SB164
February 25, 1985
Page 2

MAR 1 1985

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



Adopted

February 5, 1986

TO: All Members of the Resources Committee

FROM: Senator John B. Coghill

SUBJECT: Letter of intent for CSSB 164

This legislation is designed to increase protections for Alaskan fishermen who are left unpaid by fish processors or primary fish buyers. To help ensure that fishermen throughout the state receive the maximum benefit from this program it is important that fishermen are made aware of how the program works.

The Resources Committee requests the Department of Labor to work closely with the Office of Commercial Fisheries Development in the development of an educational program for the surety bond program. These agencies should work with the Commercial Fisheries Entry Commission, Alaska Marine Advisory Program, commercial fisherman's organizations, Native groups, fish and game advisory committees and the news media to educate as many fishermen as possible.

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



February 5, 1986

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*Let's
Entry Committee*

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
V'C FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4907

Senate Committee on Resources

M E M O R A N D U M

January 27, 1986

TO: All Members
Senate Resources Committee

FROM: Staff^W
Senate Resources Committee

RE: SB 164 "An Act relating to surely for collection
of wages; and providing for an effective date"

The CSSB 164 is a refinement of the original bill that was before the committee last year.

Over the interim, considerable work was done on this bill, and the CS appears to meet earlier objections.

Section 1 clarifies 16.10.290(a) by stating that the person applying for a fisheries license from the Department of Revenue must meet the surely requirements of the Department of Labor.

Section 2 states that the bond is \$10,000 unless there have been judgments against a previous bond exceeding \$10,000, then the bond is \$50,000. If judgments have exceeded \$50,000, then the bond is \$100,000.

Section 3 is a rewrite of 16.10.290(c) stating that no bond is required if proof of lienable property satisfies the Commissioner of Labor.

Section 4 allows those operators who do not purchase fish or hire employees to be exempt from this bond requirement.

1-27/Page 2

Section 5 will allow this new bonding requirement to become effective immediately.

The new title will provide for an immediate effective date.

Enclosures:

Position paper from Department of Labor
Zero fiscal note from Department of Labor
Memo from Senator Coghill

Bill No. Committee Substitute for Senate Bill No. 164
(Resources)

Date January 24, 1986

Title "An Act relating to surety for collection
of wages and payment."

Contact: Eileen Plate
465-2700
Robert J. Bacolas
465-4870

This bill provides for an increase in the bonding requirements for fish processors and primary fish buyers if the processors or buyers previous bonding was insufficient to satisfy judgments against it. Basically, the bill provides for bonding commensurate with the processor's or buyer's track record during the previous bonding period.

The provisions of this bill, therefore, appear to be an equitable solution to the fish processor and buyer bonding problem in that they provide for the increased bonding sanction to only be imposed on those processors and buyers who fail to meet their obligations.

This legislation would not have a fiscal impact on the Department of Labor.

APPROVED:



Jim Robison, Commissioner
Department of Labor

POSITION PAPER/Department of Labor

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill Resolution No. : CS for SB 164
 Title : "An Act relating to surety
 for collection of wages..."

Sponsor : Coghill and Sackett
 Requestor : Senate Resources
 Date of Request : 1/24/86

FISCAL DETAIL

Agency Affected : Labor
 BRU : Labor Standards & Safety
Wage & Hour Administration

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : . Attach a separate page if necessary

Prepared by : Robert J. Bacolas *by RJB* Phone : 465-4870
 Division : Labor Standards & Safety Date : 1/24/86
 Approved by Commissioner : Jim Robison *Jim Robison* Date : 1/24/86
 Agency : Labor

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



January 28, 1986

TO: All Resources Committee Members

FROM: Senator Coghill

RE: SB 164

A large, stylized handwritten signature in black ink, appearing to read "J. Coghill", written over the "FROM" and "RE" lines of the letterhead.

I introduced the original SB 164 to address concerns of fishers on the Interior rivers. They brought to my attention that there were fish buyers out there who defrauded them of payment and there was no way to catch up with them once they left the state. Many times the surety bonds were inadequate to pay the claims of multiple defrauded fishers.

I agree with and support the restructuring of the bonding requirements as written by the Resource Committee. The bond of a fish buyer or processor should reflect its past performance in the industry.

I think it is important that a coordinated effort be implemented between the Department of Labor and the Department of Revenue to investigate whether a unscrupulous fish buyer or processor is operating under a new corporate name and hence, getting around a bonding increase.

I compliment the Resources Staff for all the hours devoted to designing this bill so it will be equitable to all involved.

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4907

Senate Committee on Resources

MEMORANDUM

March 5, 1985

TO: All Members
Senate Resources Committee

FROM: Staff *H*
Senate Resources Committee

RE: Sponsor Substitute for Senate Bill 164 "An Act relating to surety for collection of wages and payment."

Sponsor Substitute for Senate Bill 164 would amend AS 16.10.290 and raise the surety bond for fish processors and primary fish buyers from the present \$10,000.

The bill raises the bond to \$20,000 for fish processors and primary fish buyers who have been licensed for five years. For those who have held a license for less than five years, the bond would be raised from \$10,000 to \$100,000.

The Department of Labor states that the bond would apply to all fish buying locations; therefore, one company with multiple locations would be required to have a bond for each location. A floater/processor would be required to have two bonds - one for buying fish and one for processing fish.

The surety bond running to the State of Alaska is designed to protect (1) all persons furnishing labor to a fish processor or primary fish buyer, including contractual employee benefits; and (2) independent registered commercial fisherman for the price of the raw fishery resource purchased from them.

Upon certification by the commissioner of the Department of Labor that the person applying has met the requirements of AS 16.10.290, the Department of Revenue may issue a license (AS 43.75.020) to that person to engage in the business of fish processing or primary fish buyer. Following these two steps, the Department of Fish and Game may issue the fish tickets.

A similar, although not identical bill (HB 227), has been introduced in the House.

There is a zero fiscal note from the Department of Revenue.

Included in the packet are:

1. A Department of Labor bill analysis and fiscal note;
2. A Department of Revenue bill analysis and fiscal note;
3. A Department of Fish and Game bill analysis;
4. An Alaska Legal Services Corporation letter discussing need for higher bond limit; and
5. An Alaska Legal Services Corporation memo discussing problems of Quinhagak and Elim fishermen.

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4907

Senate Committee on Resources

February 5, 1986

COMMITTEE ON RESOURCES LETTER OF INTENT FOR CSSB 164

This legislation is designed to increase protections for Alaskan fisherman who are left unpaid by fish processors or primary fish buyers. To help ensure that fishermen throughout the state receive the maximum benefit from this program, it is important that fishermen are made aware of how the program works.

The Resources Committee requests the Department of Labor to work closely with the Office of Commercial Fisheries Development in the development of an educational program for the surety bond program. These agencies should work with the Commercial Fisheries Entry Commission, Alaska Marine Advisory Program, commercial fishermen's organizations, Native groups, fish and game advisory committees, and the news media to educate as many fishermen as possible.

APR 11 1985

Fisheries Mini-Cabinet

April 10, 1985

Greg Baker, Director
Office of Commercial Fisheries
Development

Statutes regarding
Fisheries Industry

The Senate Resources Committee has contacted me regarding the continuing need to streamline statutes and regulations related to the fisheries industry -- such things as the freezing of fish on board a fishing vessel, the purchase of fresh fish by a restaurant, related labor bonds, fisheries taxation, and so on.

Several senators working on past legislation have emphasized that deciding who needs what licenses and bonds is confusing and that many of the requirements on the books are pointless. Many were drawn up to get at some specific problems but were made so broad in scope as to encompass types of operations for which the particular requirement is totally unnecessary. As a state, we have devoted tremendous amounts of time and money to fisheries and marketing enhancement, to business and overall economic development and to promote quality control and sales promotion. The State has offered courses in fisheries, has established programs aimed at development of the industry and then has allowed the very individuals and businesses we claimed to be encouraging to be stymied by the maze of requirements on our books.

I agree with the senators regarding these observations. It is obvious that many changes are needed to make our fisheries statutes and regulations appropriate to the goals at which they are aimed. They need to be reworked to serve as protective measures for the public rather than as thorns in the sides of the businesses we wish to stimulate and support.

The changes will be needed in numerous departments including Commerce and Economic Development, Environmental Conservation, Fish and Game, Labor, and Revenue; but they cannot be done effectively if done piecemeal. I believe we need to look at the big picture of fisheries business regulation; including everything from licensing to sanitation, labor standards to fish tickets, and taxation to interstate transport.

Because this matter requires major statutory changes, interagency coordination and effort, and because I do not believe any one office has the time, personnel or funding to undertake this task individually, I propose the mini-cabinet address this issue on a priority basis and provide the Resources Committee with an action plan prior to the end of this session.

GB/v10153b

41085A

cc: Senator Arliss Sturgulewski
Senator Richard Eliason

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

LABOR AND COMMERCE COMMITTEE, CHAIRMAN
RESOURCES COMMITTEE
JUDICIARY COMMITTEE
FISHERIES SUB-COMMITTEE



P.O. BOX 143
SITKA, ALASKA 99835
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4916

May 15, 1984

Gregg Baker, Director
Office of Commercial Fisheries Development
Department of Commerce and Economic Development
Pouch D
Juneau, AK 99811

Dear Gregg;

As you probably recall, my office has been involved over the last several years, in working on a number of issues revolving around the need to streamline the laws governing such things as the freezing of fish on board a fishing vessel, the purchase of fresh fish by restaurants, the related labor bonds, fisheries taxation, and so on.

Once again I am hearing from small-scale processors about problems that they encounter with the state's ridiculous labor bonding requirements and licensing procedures. It is time that someone take on a full-fledged study of the entire area of what is required of fishing vessels and fish processors, documentation of what purpose each requirement serves, and where we can streamline and revamp these things to make them serve the real needs of the public, both the consumers and the industry.

Certainly the labor bonds required of processors are too small to be of any real help to those working or fishing for big companies, and are too large to be feasible for the very small operator who may not even have a payroll. Definitions of who is a processor have not kept up with advances in technology and our increasing emphasis on quality fish, as evidenced by the fact that we define those who freeze their catch in lieu of icing, as processors. (I did get legislation through to at least exempt these individuals from paying fisheries business taxes but, as I understand it, they still must jump through all the processor hoops).

Figuring out who needs what licenses and bonds, and so on,

is always confusing, but my big objection is that so many of the requirements on our books are so pointless. Many were drawn up to get at some specific problem but were made so sweeping as to encompass types of operations for which the particular requirement is totally unnecessary. I am particularly concerned about the small processors and buyers, fishermen themselves, and those who are trying innovative marketing techniques. As a state, we give lots of lip service to fisheries and marketing enhancement, to business and overall economic development. We spend millions on ASMI's budget to promote quality control and sales promotion. We offer courses in fisheries, establish offices and programs aimed at development of the industry, and offer loan guarantees when the processors are in financial trouble. And then we turn around and allow the very individuals and businesses we claim to be encouraging, to be stymied by the maze of requirements on our books.

It is obvious that many changes are needed to make our fisheries statutes and regulations appropriate to the goals they are aimed at. They need to be reworked to serve as protective measures for the public, rather than as thorns in the sides of the very businesses that we need to stimulate and support. These changes will be needed in many departments including Labor, Commerce, Revenue, Fish and Game, etc. But they cannot be done effectively if they are done piecemeal. We have tried that approach and it is simply not effective. We cannot continue to make little stabs at specific problems as constituents bring them to us.

It is time for someone to sit down and look at the big picture of fisheries business regulation; the whole gambit from licensing to sanitation, from labor bonds to fish tickets, from taxation to inter-state transport. I believe that the only office with that kind of "across the board jurisdiction" and a general goal of fisheries development is yours. I respectfully request that you consider pursuing this project with the goal of developing a package of proposed reforms to the Legislature so that we can at last take a broad look at what needs to be done in this area.

If you would like to discuss the types of problems I am interested in studying, or have any ideas or suggestions about how this task might best be accomplished, please give me a call. I do hope that you and Commissioner Lyon will give the need for such a project some serious consideration. I look forward to talking and working with you on this.

Sincerely,

Senator Dick Eliason

cc: Commissioner Dick Lyon

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

LABOR AND COMMERCE COMMITTEE, CHAIRMAN
RESOURCES COMMITTEE
JUDICIARY COMMITTEE
FISHERIES SUB-COMMITTEE



P.O. BOX 143
SITKA, ALASKA 99835
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4916

May 15, 1984

Gregg Baker, Director
Office of Commercial Fisheries Development
Department of Commerce and Economic Development
Pouch D
Juneau, AK 99811

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Figuring out who needs what licenses and bonds, and so on,

is always confusing, but my big objection is that so many of the requirements on our books are so pointless. Many were drawn up to get at some specific problem but were made so sweeping as to encompass types of operations for which the particular requirement is totally unnecessary. I am particularly concerned about the small processors and buyers, fishermen themselves, and those who are trying innovative marketing techniques. As a state, we give lots of lip service to fisheries and marketing enhancement, to business and overall economic development. We spend millions on ASMI's budget to promote quality control and sales promotion. We offer courses in fisheries, establish offices and programs aimed at development of the industry, and offer loan guarantees when the processors are in financial trouble. And then we turn around and allow the very individuals and businesses we claim to be encouraging, to be stymied by the maze of requirements on our books.

It is obvious that many changes are needed to make our fisheries statutes and regulations appropriate to the goals they are aimed at. They need to be reworked to serve as protective measures for the public, rather than as thorns in the sides of the very businesses that we need to stimulate and support. These changes will be needed in many departments including Labor, Commerce, Revenue, Fish and Game, etc. But they cannot be done effectively if they are done piecemeal. We have tried that approach and it is simply not effective. We cannot continue to make little stabs at specific problems as constituents bring them to us.

It is time for someone to sit down and look at the big picture of fisheries business regulation; the whole gambit from licensing to sanitation, from labor bonds to fish tickets, from taxation to inter-state transport. I believe that the only office with that kind of "across the board jurisdiction" and a general goal of fisheries development is yours. I respectfully request that you consider pursuing this project with the goal of developing a package of proposed reforms to the Legislature so that we can at last take a broad look at what needs to be done in this area.

If you would like to discuss the types of problems I am interested in studying, or have any ideas or suggestions about how this task might best be accomplished, please give me a call. I do hope that you and Commissioner Lyon will give the need for such a project some serious consideration. I look forward to talking and working with you on this.

Sincerely,

Senator Dick Eliason

cc: Commissioner Dick Lyon

SB. 164

OK LABOR James J O'Connor.

\$ 10,000 WAS INSUFFICIENT IN 75% OF CASES

MANY FISH PROCESSORS MAY NOT QUALIFY FOR \$ 100,000

REVENUE Sally Smith.

SMALLER FISHERIES COULD BE ADVERSELY IMPACTED

FISH + GAME

\$ 100,000 NOT HIGH ENOUGH FOR LARGE PROCESSORS

\$ 100,000 EXCESSIVE FOR SMALL PROCESSORS

John
Q. ARE PEOPLE BUYING FISH IN THE STATE WITHOUT A BOND OF ANY KIND? HOW DOES THAT HAPPEN?

Q. WHAT ARE THE REQUIREMENTS OF BONDING AND WHO CAN QUALIFY?

Q. HOW CAN WE PROTECT THE FISHERMAN WITHOUT ADVERSELY IMPACTING THE LEGITIMATE THE SMALLER PROCESSORS?

needs
admission

WITNESSES: DEPT OF LABOR, DEPT OF REV, DEPT OF FTG
CASS - UFA, RICK LAUBER - SEAFOOD PROCESSORS,

Douglas Pope

Lawyer

Juneau Law Office

526 Main St., 99801

(907) 586-4151

March 5, 1985

Hon. Arliss Sturgulewski
Chair
Senate Resources Committee
State of Alaska
State Capitol Building
Juneau, Alaska 99801

Re: SSSB 164
An Act relating to surety for collection of wages and
payment

Dear Senator Sturgulewski:

The purpose of this letter is provide written material supporting my testimony on the above-referenced bill. I submit these comments as an interested citizen, and as a partner in the Ketchikan based company, Silver Lining Seafoods. Silver Lining was established in 1981. Sales in 1984 exceeded \$3.5 million. The company buys fish in southeast Alaska, Prince William Sound, Cook Inlet and Kodiak. It produces fresh and frozen salmon, halibut, ccd, lingcod, rockfish, abalone, prawns, clams and scallops for export to American markets. The finfish and flatfish are sold head-on, head-off and filleted vacuum packaged portions. In addition, the company produces smoked salmon, hooligan and sablefish, as well as lox, and raw and processed roe. Company plans include purchasing Arctic whitefish for smoking and Yukon salmon strips for vaccuum packing and export. Finally, the company provides custom processing services to certain buyers.

This brief history should illustrate that Silver Lining Seafoods is both a "fish processor" in southeast Alaska, as well as a "primary fish buyer" in other areas of Alaska. The company supports the intent of the bill to require the bond specified for buyers and processors with a short history in the marketplace.

For reasons which I will illustrate during my oral presentation, Alaska workers, fishermen and processors have often been at the mercy of the occasional unscrupulous fish buver or broker with no attachable or lienable assets other than this bond. Cash buyers on the fishing grounds may offer a price contingent upon a later settlement which is never seen. Undercapitalized processors and brokers buy fish for export without adequate cash reserves to guarantee later payment.

The law as written is for the benefit of fishermen and persons supplying labor. I believe that definition includes custom processing, but none of the other products or services that Silver Lining provides. This is an anomoly since, with

Douglas Pope

Lawyer

Juneau Law Office

526 Main St., 99801

(907) 586-4151

custom processing, the company doesn't own the product, and can hold it as security for payment. In virtually all other situations, Silver Lining pays cash for the raw product. When it sells in the marketplace it must wait 15-45 days for payment. Each year, between one and two percent of our sales are lost in bad debts to brokers who do business in Alaska, but do not fit the definition of a primary fish buyer. These brokers do business in Alaska yet have no employees or investment here. They buy almost exclusively from local processors and buyers.

Our company believes that an amendment to the law which adds a promise to pay other fish processors or primary fish buyers for fisheries resources sold, and expands the law to include brokers, will add a measure of protection for all processors and buyers in Alaska without compromising the interests of workers or fishermen. Brokers do not hire workers as a rule and do not buy directly from fishermen.

Thank you for the opportunity to present these comments.

Sincerely,

A handwritten signature in cursive script that reads "Douglas Pope". The signature is written in black ink and is positioned below the word "Sincerely,".

Douglas Pope

cc. Senator Coghill
Senator Sackett

Hein
4/10/85

Original sponsors: Coghill and Sackett

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IN THE SENATE

BY THE RESOURCES COMMITTEE

CS FOR SENATE BILL NO. 164 (Resources)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to surety for collection of wages
and payment."

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

* Section 1. AS 16.10.290(b) is amended to read:

(b) The amount of the bond shall be \$20,000, except that the amount of the bond shall be \$60,000 for (1) a fish processor or primary fish buyer who has engaged in the business of fish processor or primary fish buyer in the state but not in compliance with this section; or (2) a fish processor or primary fish buyer who, during any of the three years immediately preceding the year for which the bond is due, has been required as a result of a final judgment to satisfy a claim filed during those years against the bonds, cash deposits, or other security filed under this section [\$10,000]. In lieu of the surety bond the fish processor or primary fish buyer may file with the commissioner a cash deposit or other negotiable security acceptable to the commissioner in the amount specified for the bond. If no claim is asserted under this section within two years from the date the bond, cash deposit or other security is filed, the term of the bond, cash deposit or other security shall be two years; if a claim has been asserted within two years, the term of the bond, cash deposit or other security shall be for five years.

* Sec. 2. AS 16.10.290(c) is amended to read:

(c) A person applying for a license as a fish processor or primary fish buyer who has less than the amount of the bond [\$10,000]

1
 2 in lienable property in the state, with proof of the property satis-
 3 factorily made to the commissioner, shall file with the application a
 4 bond or other security as specified in this section. A [NO] bond is
 5 not required if the fish processor or primary fish buyer has more than
 6 the amount of the bond [\$10,000] in lienable property as specified in
 7 this subsection.

8 * Sec. 3. AS 16.10.293(a) is repealed and reenacted to read:

9 (a) The following are exempt from the bonding requirement of
 10 AS 16.10.290 - 16.10.295:

- 11 (1) restaurants;
- 12 (2) grocery stores;
- 13 (3) established fish markets; and
- 14 (4) fish processing operations that do not purchase fish
 15 and do not hire employees.

16 * Sec. 4. AS 16.10.291 is repealed.

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Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment."

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

9 * Section 1. AS 16.10.290(b) is amended to read:

10 (b) The amount of the bond shall be \$20,000, except that the
11 amount of the bond shall be \$100,000 for (1) a fish processor or
12 primary fish buyer who has engaged in the business of fish processor
13 or primary fish buyer in the state but not in compliance with this
14 section; (2) a fish processor or primary fish buyer who, during any of
15 the three years immediately preceding the year for which the bond is
16 due, has been required to satisfy a claim filed during those years
17 against the bonds, cash deposits, or other security filed under this
18 section; (3) a nonresident fish processor or nonresident primary fish
19 buyer who is applying for a license to engage in the business of fish
20 processor or primary fish buyer for the first time in the state; or
21 (4) a nonresident fish processor or nonresident primary fish buyer who
22 has engaged in the business of fish processor or primary fish buyer in
23 the state in compliance with this section for only the year or two
24 years immediately preceding the year for which the bond is due
25 [\$10,000]. In lieu of the surety bond the fish processor or primary
26 fish buyer may file with the commissioner a cash deposit or other
27 negotiable security acceptable to the commissioner in the amount
28 specified for the bond. If no claim is asserted under this section
29 within two years from the date the bond, cash deposit or other

1 security is filed, the term of the bond, cash deposit or other securi
2 ty shall be two years; if a claim has been asserted within two years
3 the term of the bond, cash deposit or other security shall be for five
4 years.

5 * Sec. 2. AS 16.10.290(c) is amended to read:

6 (c) A person applying for a license as a fish processor or
7 primary fish buyer who has less than the amount of the bond [\$10,000
8 in lienable property in the state, with proof of the property satis
9 factorily made to the commissioner, shall file with the application
10 bond or other security as specified in this section. A [NO] bond is
11 not required if the fish processor or primary fish buyer has more than
12 the amount of the bond [\$10,000] in lienable property as specified in
13 this subsection.
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MUST PROVE
NON RES ARE
PROBLEM.

⊗ INSERT FINDING
TO PROTECT CHALLENGE

Bond shall be the lesser of

\$100,000 for processor with no prior bonding record
or with bond claims in the past 3 years

\$20,000 for processors with out claims for 3 bonded
years

10,000 for processors w/o bond violation and
with total purchases and payroll of less than
\$100,000

~~0 for processors w/o purchases or payroll~~

~~Waiver requirement~~

4839

Fisherman who buys fish? yes
Each buying station? yes
Waiver for host? No
- ALL CASH BUYER -

Hein
3/29/85

Original sponsors: Coghill and Sackett

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment."

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

9 * Section 1. AS 16.10.290(b) is amended to read: 3-1

ALL
STATION

10 (b) The amount of the bond shall be \$20,000, except that the
11 amount of the bond shall be \$100,000 for (1) a fish processor or
12 primary fish buyer who has engaged in the business of fish processor
13 or primary fish buyer in the state but not in compliance with this
14 section; (2) a fish processor or primary fish buyer who, during any of
15 the three years immediately preceding the year for which the bond is
16 due, has ^{Had a judgement entered against} (been required to satisfy a claim filed) during those years
17 against the bonds, cash deposits, or other security filed under this
18 section; (3) a nonresident fish processor or nonresident primary fish
19 buyer who is applying for a license to engage in the business of fish
20 processor or primary fish buyer for the first time in the state; or
21 (4) a nonresident fish processor or nonresident primary fish buyer who
22 has engaged in the business of fish processor or primary fish buyer in
23 the state in compliance with this section for only the year or two
24 years immediately preceding the year for which the bond is due
25 [\$10,000]. In lieu of the surety bond the fish processor or primary
26 fish buyer may file with the commissioner a cash deposit or other
27 negotiable security acceptable to the commissioner in the amount
28 specified for the bond. If no claim is asserted under this section
29 within two years from the date the bond, cash deposit or other

Residents? Criminal to work for fish

1 security is filed, the term of the bond, cash deposit or other securi-
2 ty shall be two years; if a claim has been asserted within two years,
3 the term of the bond, cash deposit or other security shall be for five
4 years.

5 * Sec. 2. AS 16.10.290(c) is amended to read:

6 (c) A person applying for a license as a fish processor or
7 primary fish buyer who has less than the amount of the bond [\$10,000]
8 in lienable property in the state, with proof of the property satis-
9 factorily made to the commissioner, shall file with the application a
10 bond or other security as specified in this section. A [NO] bond is
11 not required if the fish processor or primary fish buyer has more than
12 the amount of the bond [\$10,000] in lienable property as specified in
13 this subsection.
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LATEST CS
SAME LANGUAGE
AS HOUSE

Hein
2/5/86 ✓

Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment; and providing for an effective date."

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

9 * Section 1. AS 16.10.290(a) is amended to read:

10 (a) A person applying for a license as a fish processor or
11 primary fish buyer shall file with the commissioner of labor a surety
12 bond running to the State of Alaska conditioned upon the promise to
13 pay (1) all persons furnishing labor to a fish processor or primary
14 fish buyer, including contractual employee benefits; and (2) indepen-
15 dent registered commercial fishermen for the price of the raw fishery
16 resource purchased from them. The suret, or sureties shall be satis-
17 factory, in the determination of the commissioner.

18 * Sec. 2. AS 16.10.290(b) is amended to read:

19 (b) The amount of the bond shall be \$10,000 unless, during the
20 preceding five years, that amount was insufficient to satisfv a final
21 judgment resulting from a claim asserted against the bond, cash depos-
22 its, or other security filed under this section. If \$10,000 was
23 insufficient, the bond shall be \$50,000; if \$50,000 was insufficient,
24 the bond shall be \$100,000. If the commissioner determines that
25 during the preceding five years, a fish processor or primary fish
26 buyer (1) has engaged in the business of fish processor or primary
27 fish buyer in the state while not in compliance with this section and
28 (2) has not yet satisfied a final judgment entered against the pro-
29 cessor or fish buyer for payment for labor furnished to, or raw

1 fishery resources purchased by, the processor or fish buyer, then the
2 amount of the bond for the processor or fish buyer shall be \$100,000.

3 In lieu of the surety bond the fish processor or primary fish buyer
4 may file with the commissioner a cash deposit or other negotiable
5 security acceptable to the commissioner in the amount specified for
6 the bond. If no claim is asserted under this section within two years
7 from the date the bond, cash deposit or other security is filed, the
8 term of the bond, cash deposit or other security shall be two years;
9 if a claim has been asserted within two years, the term of the bond,
10 cash deposit or other security shall be for five years.

11 * Sec. 3. AS 16.10.290(c) is repealed and reenacted to read:

12 (c) A bond is not required if the fish processor or primary fish
13 buyer has more than the amount of the bond in lienable property in the
14 state and provides proof of the property satisfactory to the commis-
15 sioner.

16 * Sec. 4. AS 16.10.291 is repealed and reenacted to read:

17 Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. A fish
18 processor or primary fish buyer that does not purchase fish or hire
19 employees is exempt from the bonding requirements of AS 16.10.290 -
20 16.10.296.

21 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

Hein
01/15/86

Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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9 * Section 1. AS 16.10.290(b) is amended to read:

10 (b) The amount of the bond shall be \$10,000, except that the
11 amount of the bond shall be \$50,000 for a fish processor or primary
12 fish buyer who, during the three-year period immediately preceding the
13 year for which the bond is due, has been required as a result of a
14 final judgment to satisfy a claim filed during those years against the
15 bonds, cash deposits, or other security filed under this section, and
16 \$100,000 if more than one judgment has been entered against the bond
17 during that period. In lieu of the surety bond the fish processor or
18 primary fish buyer may file with the commissioner a cash deposit or
19 other negotiable security acceptable to the commissioner in the amount
20 specified for the bond. If no claim is asserted under this section
21 within two years from the date the bond, cash deposit or other securi-
22 ty is filed, the term of the bond, cash deposit or other security
23 shall be two years; if a claim has been asserted within two years, the
24 term of the bond, cash deposit or other security shall be for five
25 years.

26 * Sec. 2. AS 16.10.290(c) is amended to read:

27 (c) A person applying for a license as a fish processor or
28 primary fish buyer who has less than the amount of the bond [\$10,000]
29 in lienable property in the state, with proof of the property

1 satisfactorily made to the commissioner, shall file with the applica-
2 tion a bond or other security as specified in this section. A [NO]
3 bond is not required if the fish processor or primary fish buyer has
4 more than the amount of the bond [\$10,000] in lienable property as
5 specified in this subsection.

6 * Sec. 3. AS 16.10.290 is amended by adding a new subsection to read:

7 (h) A fish processor or primary fish buyer shall file a bond in
8 the amount required under (b) of this section for each of five or
9 fewer stations at which fish is to be purchased by the processor or
10 buyer.

11 * Sec. 4. AS 16.10.291 is repealed and reenacted to read:

12 Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. An opera-
13 tion that does not purchase fish or hire employees is exempt from the
14 bonding requirements of AS 16.10.290 - 16.10.296.

DEC 23 1985

Hein ✓
12/20/85

Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment."

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

9 * Section 1. AS 16.10.290(b) is amended to read:

10 (b) The amount of the bond shall be \$10,000, except that the
11 amount of the bond shall be \$50,000 for a fish processor or primary
12 fish buyer who, during the three-year period immediately preceding the
13 year for which the bond is due, has been required as a result of a
14 final judgment to satisfy a claim filed during those years against the
15 bonds, cash deposits, or other security filed under this section, and
16 \$100,000 if more than one judgment has been entered against the bond
17 during that period. In lieu of the surety bond the fish processor or
18 primary fish buyer may file with the commissioner a cash deposit or
19 other negotiable security acceptable to the commissioner in the amount
20 specified for the bond. If no claim is asserted under this section
21 within two years from the date the bond, cash deposit or other securi-
22 ty is filed, the term of the bond, cash deposit or other security
23 shall be two years; if a claim has been asserted within two years, the
24 term of the bond, cash deposit or other security shall be for five
25 years.

26 * Sec. 2. AS 16.10.290(c) is amended to read:

27 (c) A person applying for a license as a fish processor or
28 primary fish buyer who has less than the amount of the bond [\$10,000]
29 in lienable property in the state, with proof of the property

1 satisfactorily made to the commissioner, shall file with the applica-
2 tion a bond or other security as specified in this section. A [NO]
3 bond is not required if the fish processor or primary fish buyer has
4 more than the amount of the bond [\$10,000] in lienable property as
5 specified in this subsection.

6 * Sec. 3. AS 16.10.290 is amended by adding a new subsection to read:

7 (h) A fish processor or primary fish buyer shall file a bond in
8 the amount required under (b) of this section for each of five or
9 fewer stations at which fish is to be purchased by the processor or
10 buyer.
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Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment; and providing for an effective date."

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

9 * Section 1. AS 16.10.290(a) is amended to read:

10 (a) A person applying for a license as a fish processor or
11 primary fish buyer shall file with the commissioner of labor a surety
12 bond running to the State of Alaska conditioned upon the promise to
13 pay (1) all persons furnishing labor to a fish processor or primary
14 fish buyer, including contractual employee benefits; and (2)
15 independent registered commercial fishermen for the price of the raw
16 fishery resource purchased from them. The surety or sureties shall be
17 satisfactory, in the determination of the commissioner.

18 * Sec. 2. AS 16.10.290(b) is amended to read:

19 (b) The amount of the bond shall be \$10,000 unless, during the
20 immediately preceding term for which the bond was filed, that amount
21 was insufficient to satisfy a final judgment resulting from a claim
22 filed during that term against the bond, cash deposits, or other
23 security filed under this section. If \$10,000 was insufficient, the
24 bond shall be \$50,000; if \$50,000 was insufficient, the bond shall be
25 \$100,000. In lieu of the surety bond the fish processor or primary
26 fish buyer may file with the commissioner a cash deposit or other
27 negotiable security acceptable to the commissioner in the amount
28 specified for the bond. If no claim is asserted under this section
29 within two years from the date the bond, cash deposit or other

1 security is filed, the term of the bond, cash deposit or other securi-
2 ty shall be two years; if a claim has been asserted within two years,
3 the term of the bond, cash deposit or other security shall be for five
4 years.

5 * Sec. 3. AS 16.10.290(c) is repealed and reenacted to read:

6 (c) A bond is not required if the fish processor or primary fish
7 buyer has more than the amount of the bond in lienable property in the
8 state and provides proof of the property satisfactory to the
9 commissioner.

10 * Sec. 4. AS 16.10.291 is repealed and reenacted to read:

11 Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. An opera-
12 tion that does not purchase fish or hire employees is exempt from the
13 bonding requirements of AS 16.10.290 - 16.10.296.

14 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Hein ✓
01/21/86

Original sponsors: Coghill and Sackett

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 164 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to surety for collection of wages
7 and payment."

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

9 * Section 1. AS 16.10.290(b) is amended to read:

10 (b) The amount of the bond shall be \$10,000 unless, during the
11 immediately preceding term for which the bond was filed, that amount
12 was insufficient to satisfy a final judgment resulting from a claim
13 filed during that term against the bond, cash deposits, or other
14 security filed under this section. If \$10,000 was insufficient, the
15 bond shall be \$50,000; if \$50,000 was insufficient, the bond shall be
16 \$100,000. In lieu of the surety bond the fish processor or primary
17 fish buyer may file with the commissioner a cash deposit or other
18 negotiable security acceptable to the commissioner in the amount
19 specified for the bond. If no claim is asserted under this section
20 within two years from the date the bond, cash deposit or other securi-
21 ty is filed, the term of the bond, cash deposit or other security
22 shall be two years; if a claim has been asserted within two years, the
23 term of the bond, cash deposit or other security shall be for five
24 years.

25 * Sec. 2. AS 16.10.290(c) is amended to read:

26 (c) A person applying for a license as a fish processor or
27 primary fish buyer who has less than the amount of the bond [\$10,000]
28 in lienable property in the state, with proof of the property satis-
29 factorily made to the commissioner, shall file with the application a

1 bond or other security as specified in this section. A [NO] bond is
2 not required if the fish processor or primary fish buyer has more than
3 the amount of the bond [\$10,000] in lienable property as specified in
4 this subsection.

5 * Sec. 3. AS 16.10.291 is repealed and reenacted to read:

6 Sec. 16.10.291. EXEMPTION FROM BONDING REQUIREMENTS. An opera-
7 tion that does not purchase fish or hire employees is exempt from the
8 bonding requirements of AS 16.10.290 - 16.10.296.

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