

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4933 HRES HB 108 (FILE 2)

8672

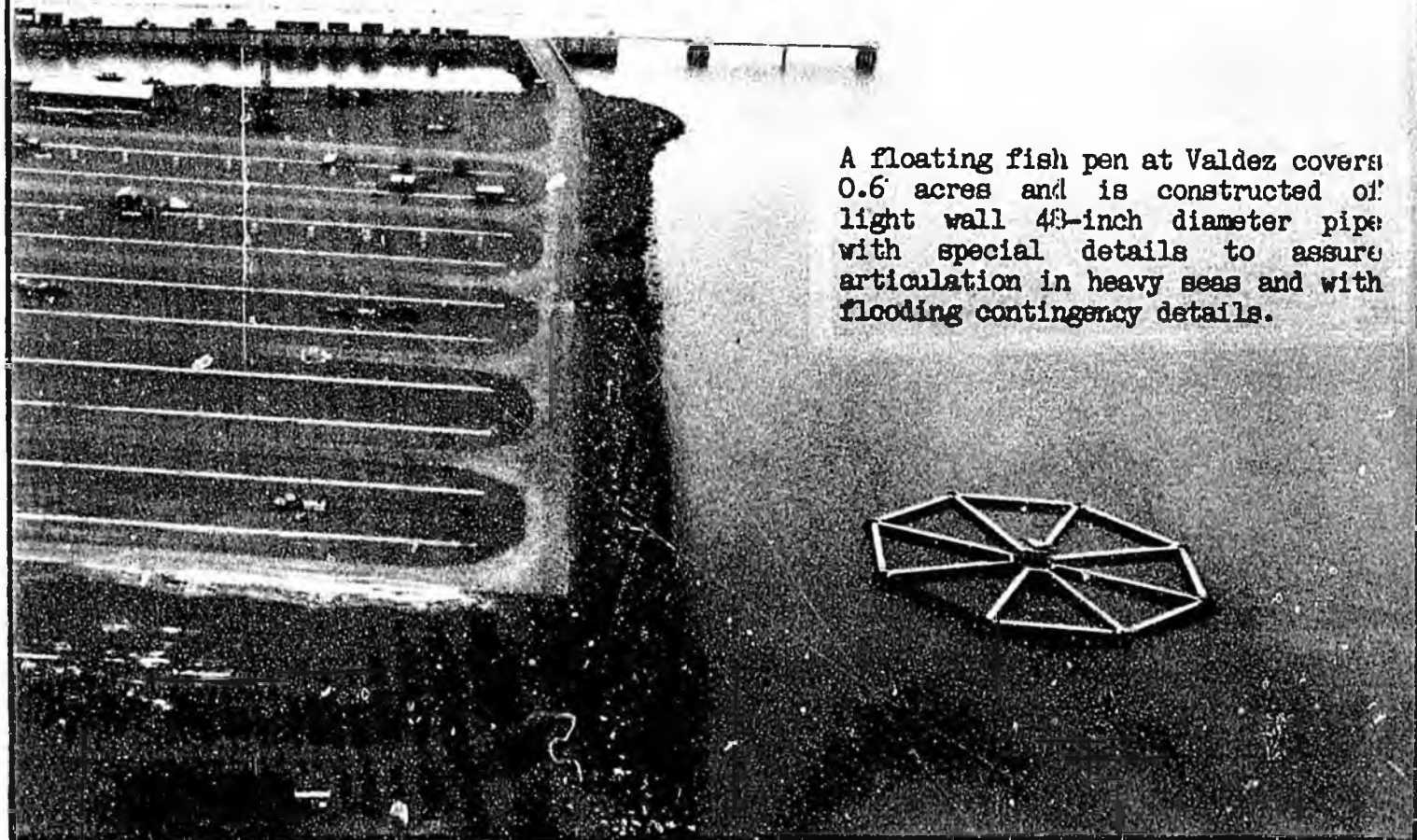


MARINE CONCEPTS: ● SILTATION CONTROL ● FISH EXCLUSION ● FISH CONTAINMENT

Peratrovich, Nottingham & Drage, Inc. has been involved with development of marine components and structures serving to isolate silty water from fish habitat or to isolate fish. These developments to date have been in the form of floating fish rearing pens and filter fabric silt curtains with combinations possible.



The potential to perform in rough water, light ice environments, and limited currents are features that have application to many situations.

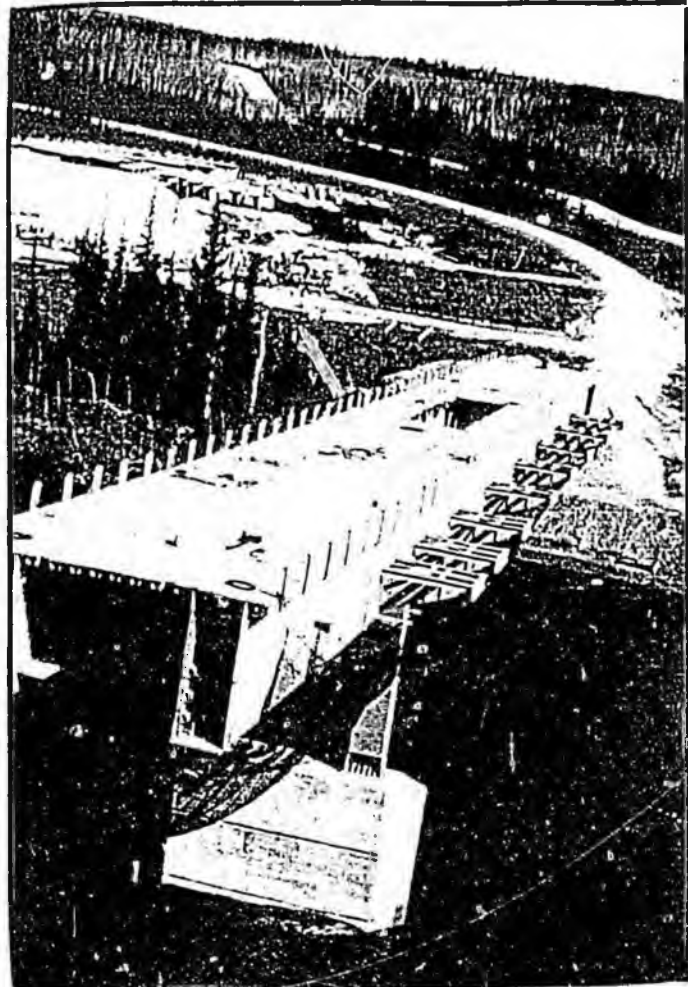
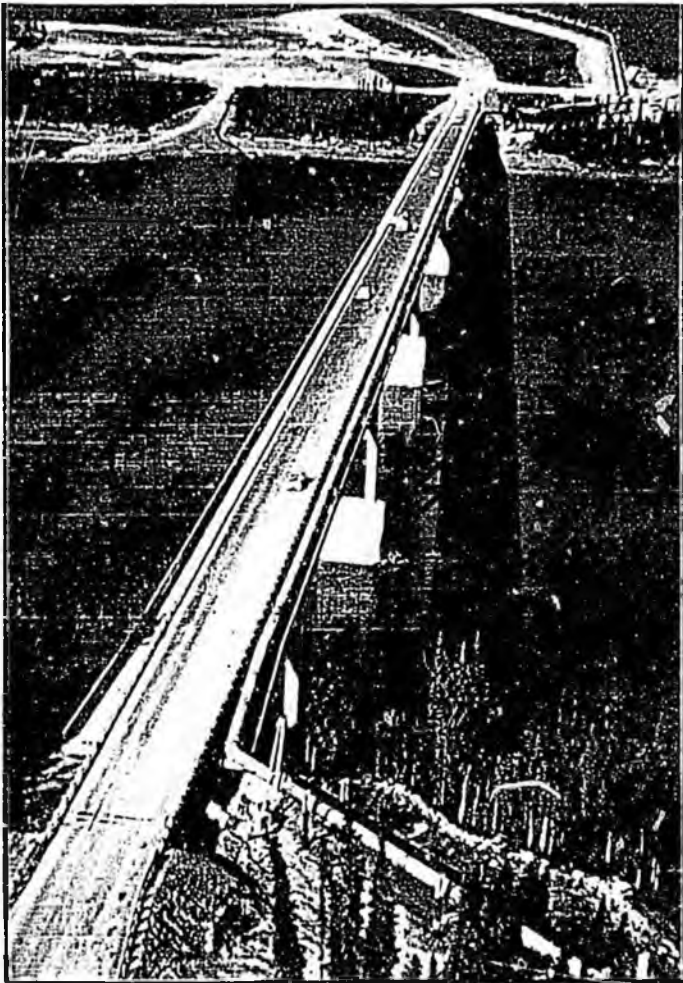


A floating fish pen at Valdez covers 0.6 acres and is constructed of light wall 48-inch diameter pipe with special details to assure articulation in heavy seas and with flooding contingency details.



BOX GIRDER BRIDGES

Modern welding procedures allow the creation of bridges with remarkable stability and redundancy features by utilizing steel box girders. These bridges can take many forms as are shown on the accompanying photos. PN&D has extensive Alaskan experience with box girder bridges and continues to develop this technology.



YUKON RIVER BRIDGE (NEAR FAIRBANKS)

This award winning design spanning the Yukon River is a steel orthotropic structure that carries both the Trans-Alaska Pipeline and vehicular traffic. One of the first of its kind in the United States, it was also the most difficult link in this great Alaskan project.

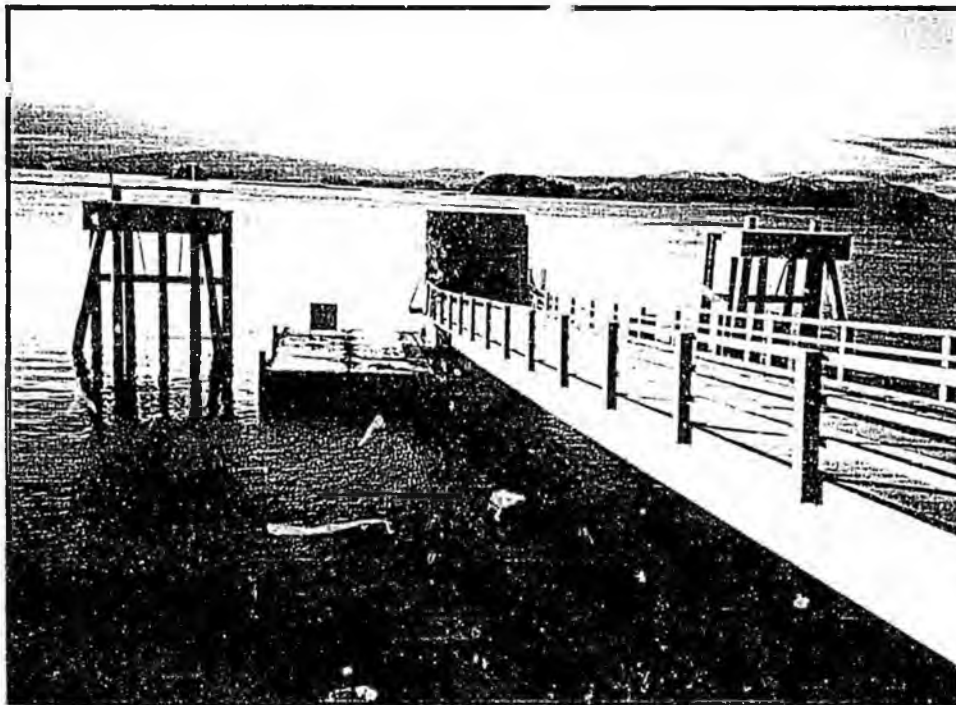


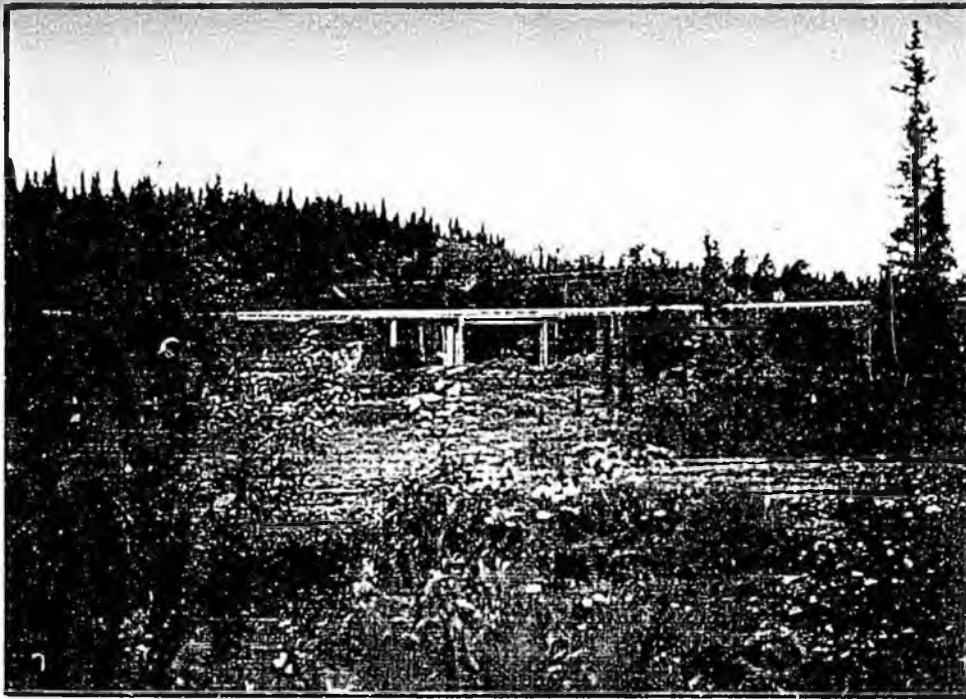
GULKANA BRIDGE

This "scrap iron" bridge was designed and constructed within a 5-month period using available materials. Founded on permafrost, this award winning tied-arch structure carries the Trans-Alaska Pipeline across the Gulkana River near Sourdough. The arch is composed of steel box sections.

KAKE FLOATING FERRY TRANSFER STRUCTURE

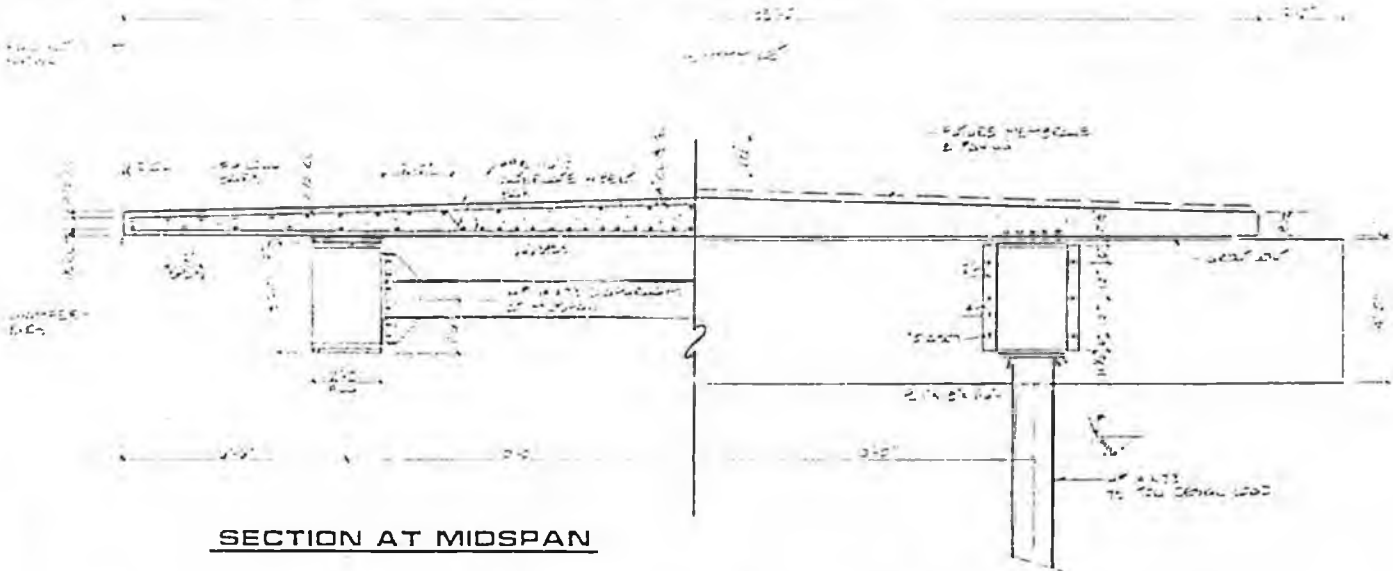
Budget limitations for small communities do not allow use of more expensive "Cordova-type", pile supported, ferry transfer structures. This led to the development of lower first-cost floating systems, such as this one at Kake. The all-steel system utilizes a double orthotropic box girder system.





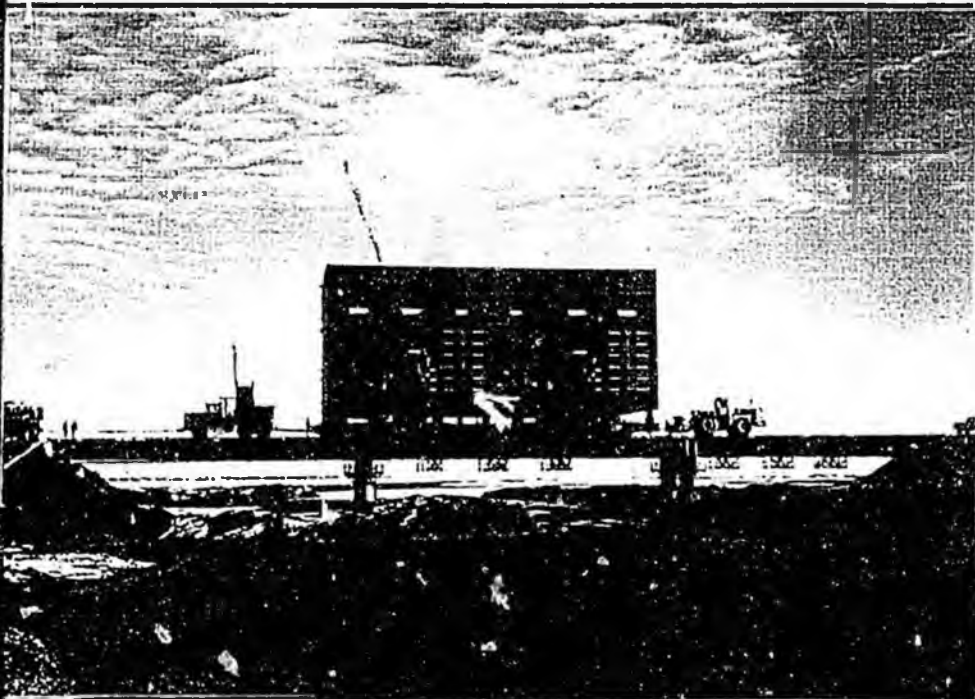
NORTH FORK ANCHOR RIVER BRIDGE

North Fork Anchor River Bridge is of composite concrete and double steel box girder construction for highway loading.



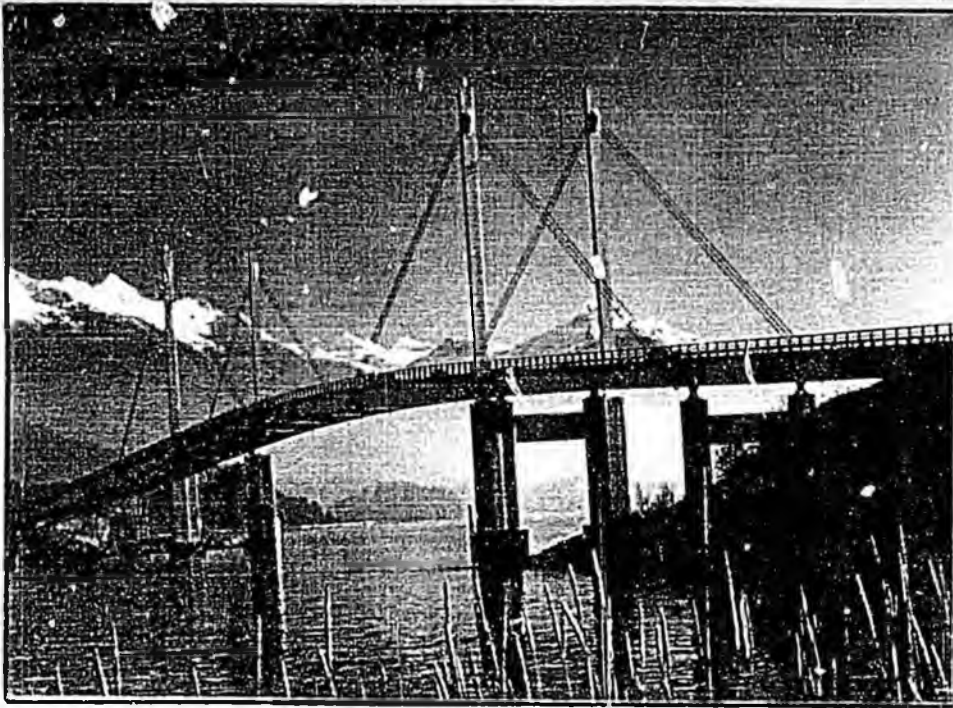
SECTION AT MIDSPAN

SECTION AT ABUTMENT



KUPARUK RIVER BRIDGE (IN THE ARCTIC)

1981 First Place in Heavy Construction Project of the Year, Alaska Construction & Oil magazine, and Third Place in the James F. Lincoln Arc Welding Foundation National Awards. One of the strongest bridges known, accommodating 2,600-ton vehicles, this structure is utilized in oil production development on Alaska's North Slope. Four steel box girders bridge spans of 100 feet.

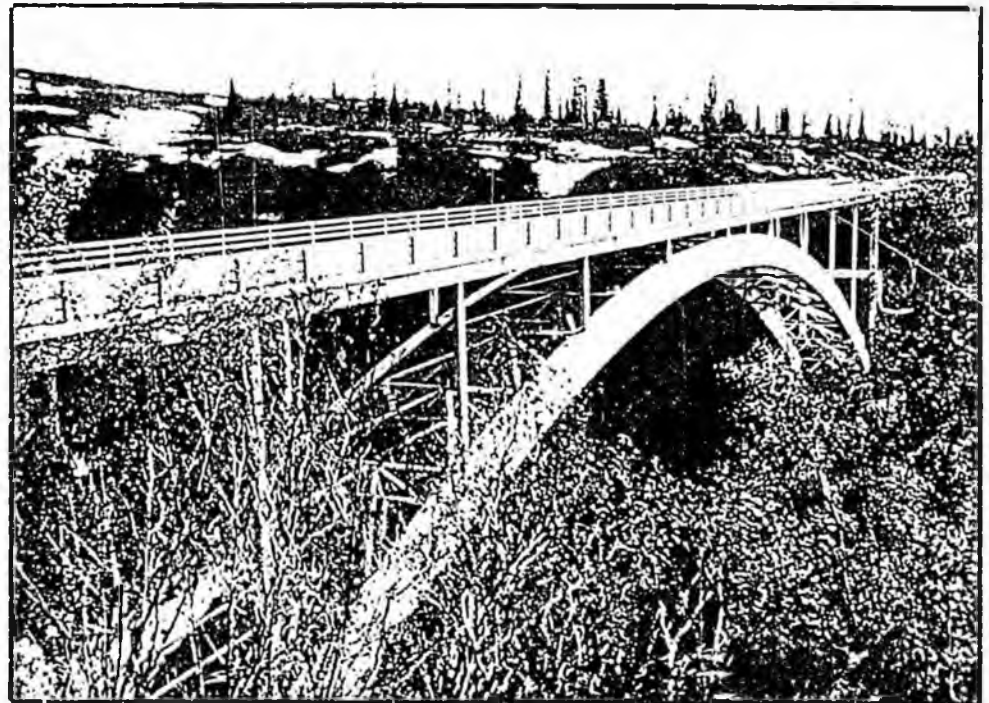


SITKA HARBOR BRIDGE

The Sitka Harbor Bridge has the distinction of being the first cable stayed highway bridge in the United States. Since construction, other states have adopted the live load deflection philosophy utilized here and are now producing these economical structures with ever increasing spans. Double steel box girders supported by cables support the structure.

HURRICANE GULCH BRIDGE

One of the largest two-hinged arches in the United States, this bridge at Hurricane Gulch on the Parks Highway is supported by steel box ribs.



Anchorage Division
Peratrovich, Nottingham & Drage, Inc.
1506 West 36th Avenue
Anchorage, Alaska 99503
(907) 561-1111

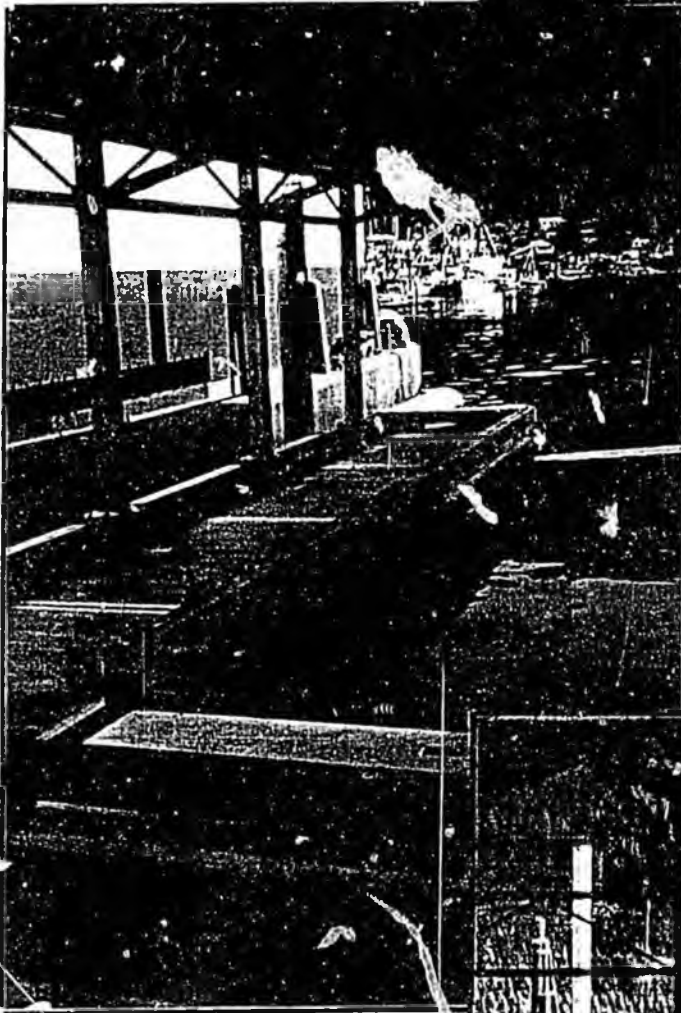
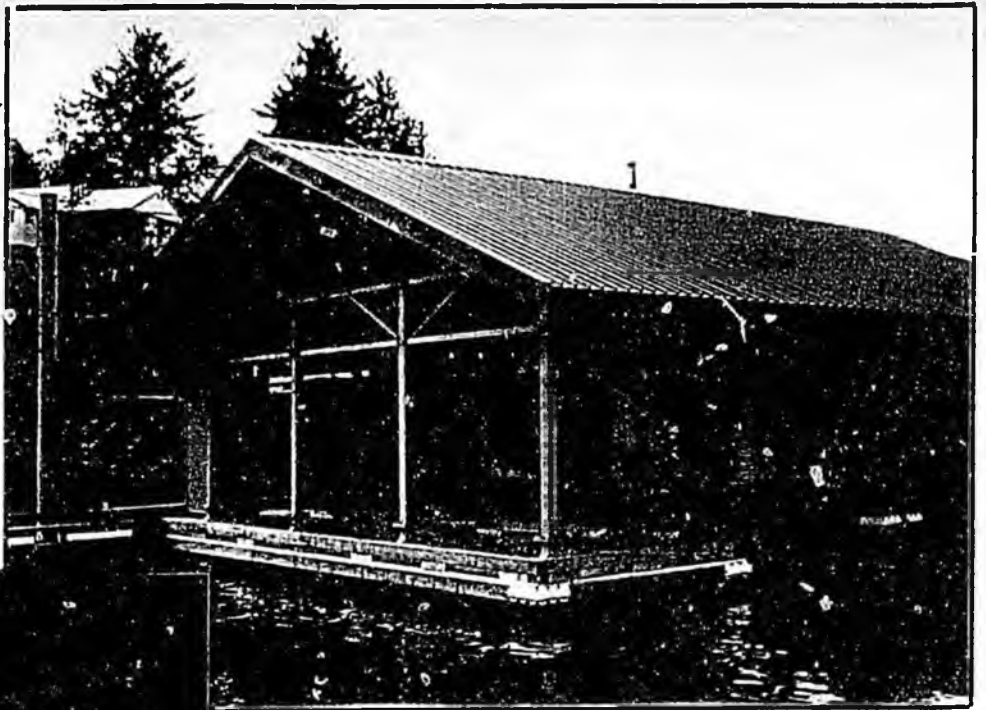
Dennis Nottingham, P.E., President
Roy Peratrovich, Jr., P.E., Vice President
Jim Nelson, P.E., Vice President
Brent T. Drage, P.E., Secretary/Treasurer

Juneau Division
2205 North Jordan Avenue
Juneau, Alaska 99901
(907) 789-5006

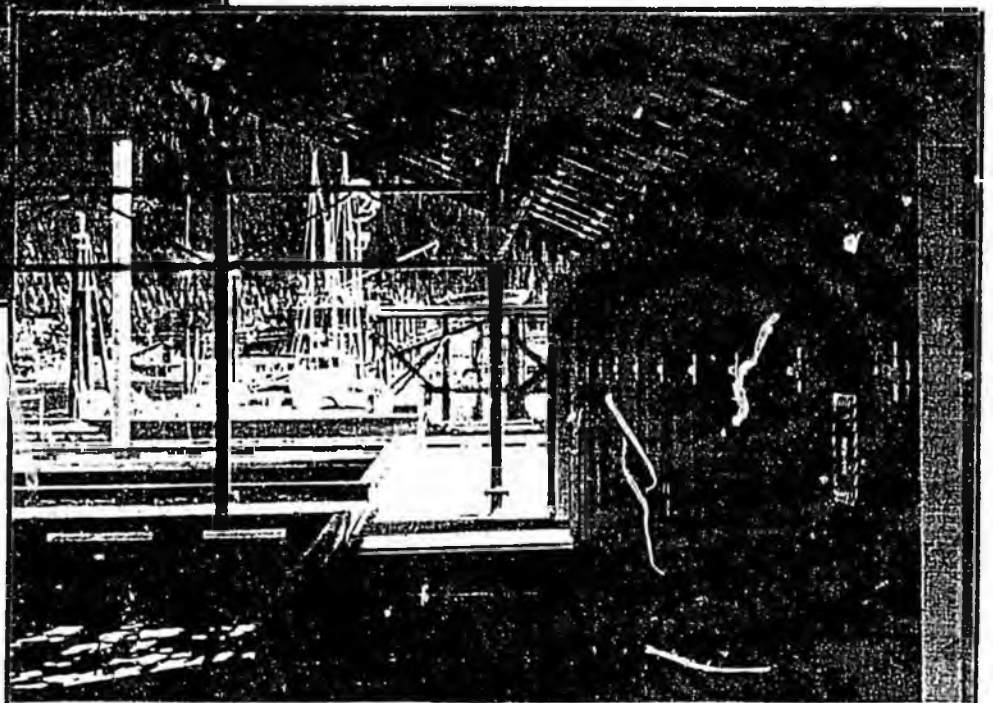
Civil Engineering • Marine Facilities • Coastal Engineering • Bridges/Structures • Foundations
Hydrology/Hydraulics • Permafrost and Ice Planning • Construction Management

USFS WRANGELL MARINE FACILITY

This marine facility is composed of a floating warehouse, two covered boat moorage areas and an open float moorage for larger vessels.



This view from beneath a covered moorage area shows galvanized rigid steel frames, concrete floats and treated timber rails and rub strips.

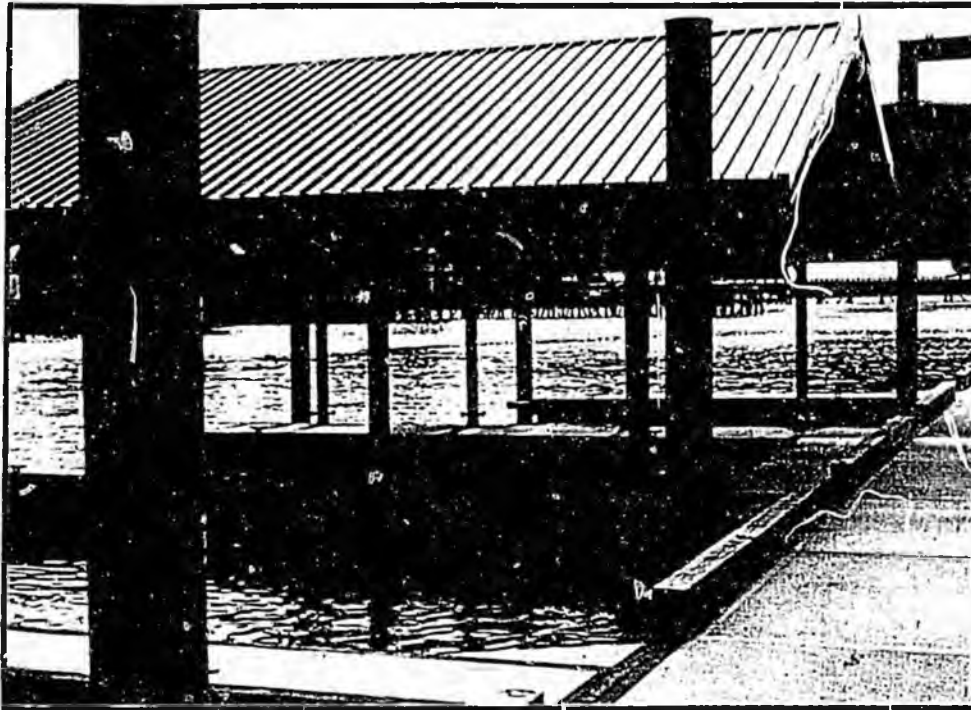


Lockers are provided to store a wide variety of marine supplies and equipment.

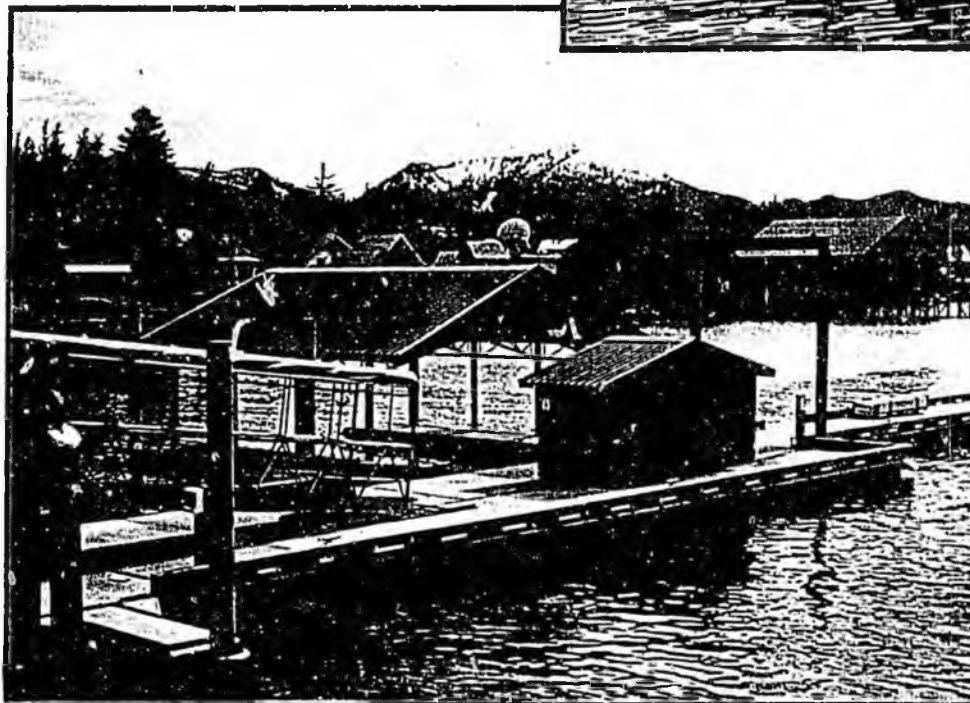
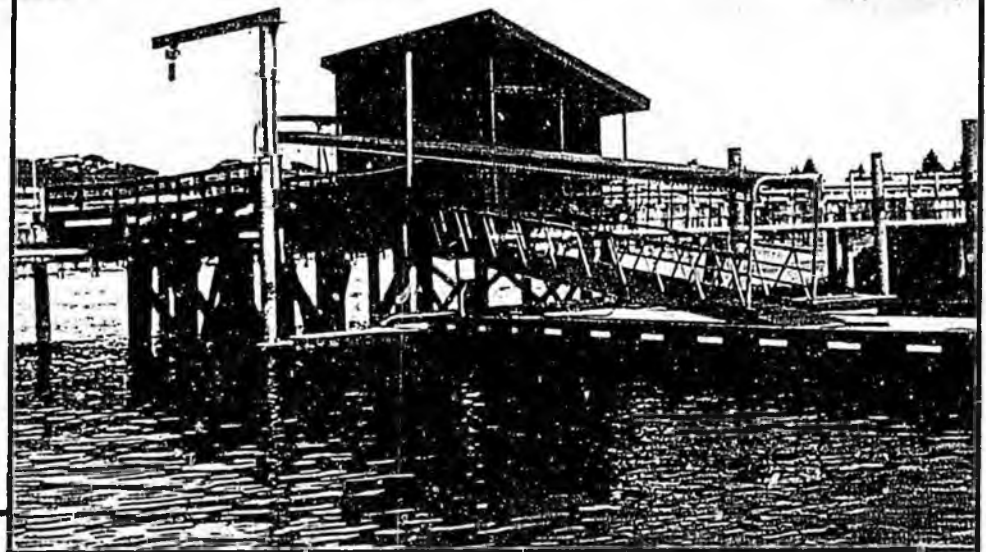


USFS PETERSBURG MARINE FACILITY

PN&D designed this steel-framed, concrete float, supported covered boat shelter as part of a marine facility for the U.S. Forest Service in Petersburg, Alaska. This design provides improved function and aesthetics over past designs.



Facility access dock, crane and covered ramp are shown. Galvanized steel, pressure treated wood and concrete floats insure a low maintenance marine facility.

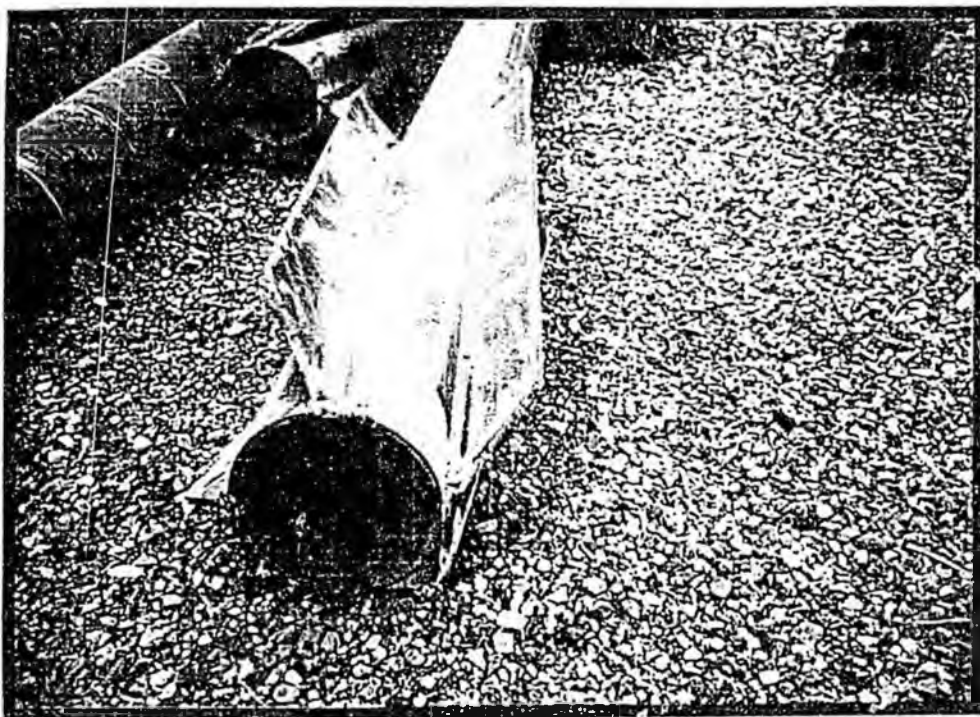


View of the covered access ramp, covered boat shelter, storage building and concrete floats.



SPIN-FIN PILES

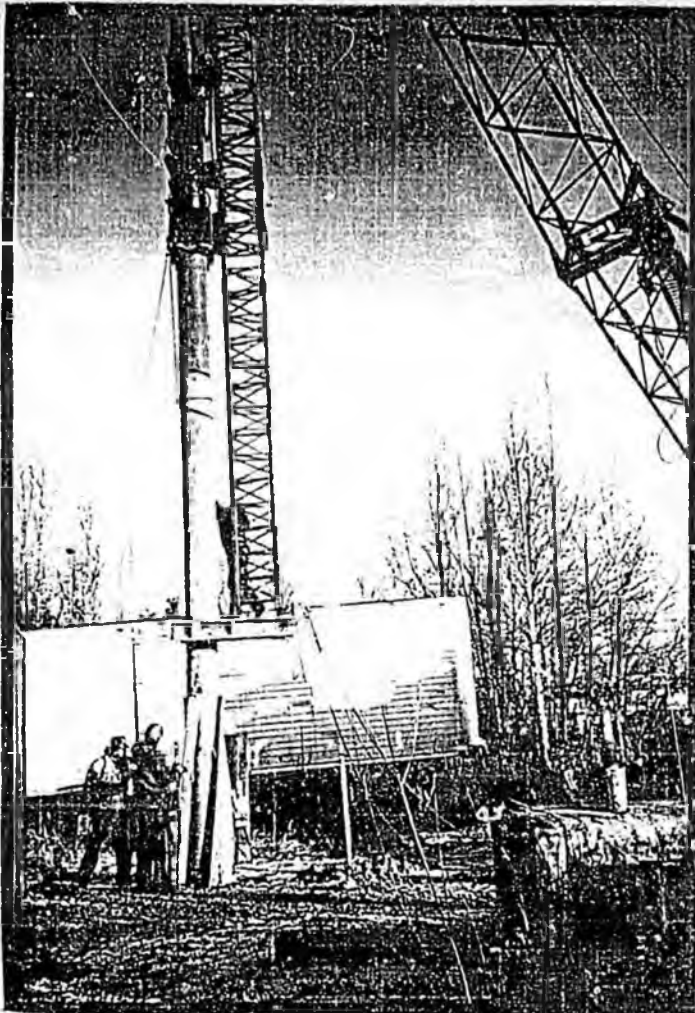
Highly loaded tension piles are being used more frequently and in more diverse applications. Conventional piles must therefore be longer to resist these tension loads. Peratovich, Nottingham & Drage, Inc. (PN&D), has developed an innovative pile, dubbed the "spin-fin," with tension characteristics that are superior to those of a normal pipe pile, that does not require increasing the pile length or making major pile modifications. Spin-fin piles can be used in mooring dolphins, docks, retaining wall tiebacks, ice resistance piers, earthquake anchors, wind footings, or any other pile foundation where anticipated uplift or impact loads may cause pile failure. Because of their unique load deformation characteristics, these piles allow substantial pile deformation without catastrophic failure--even after repetitive loading.



A spin-fin pile is a pipe with steel fins welded at a batter, to give the pile a screw-like appearance and characteristics. The concept was developed by PN&D to improve torsion and uplift resistance in driven piles.

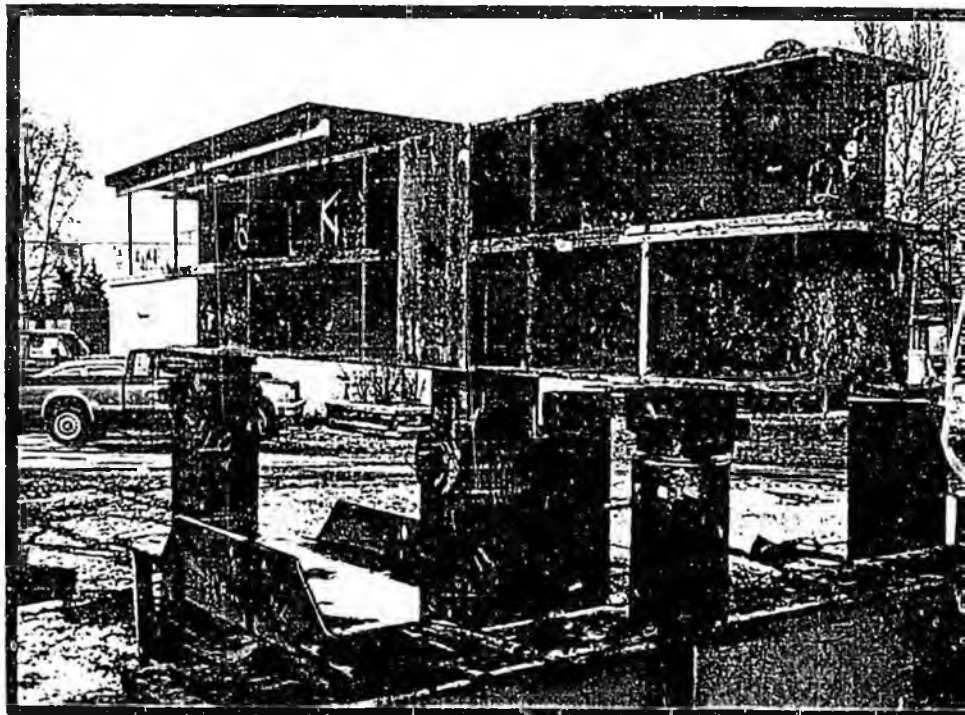
Spin-fin piles being fabricated by welding steel plates to a pipe pile.

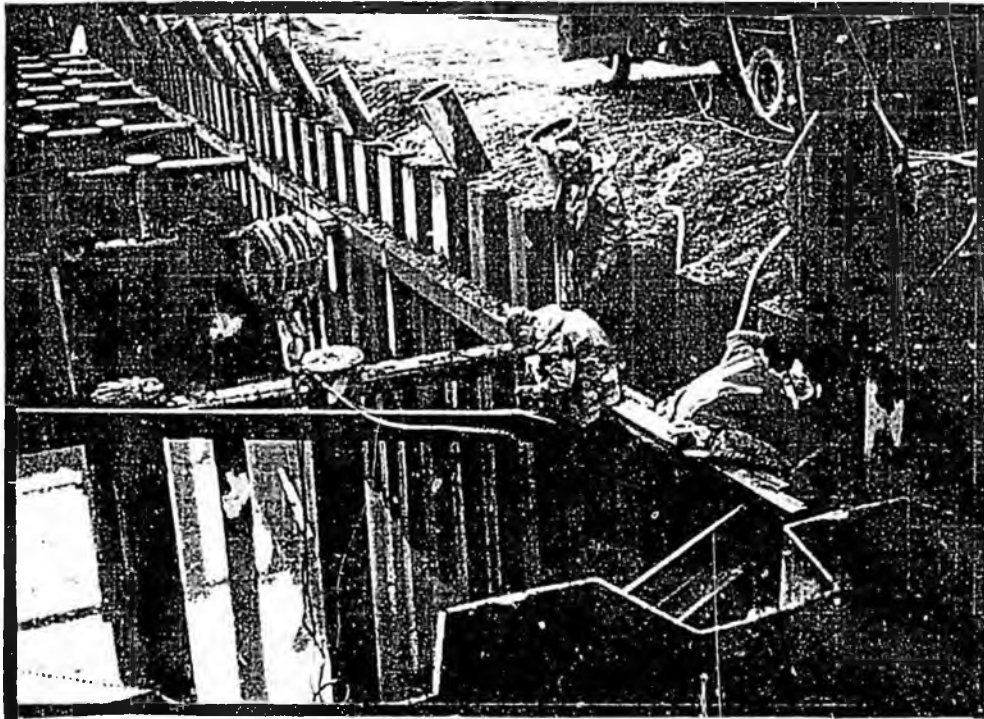




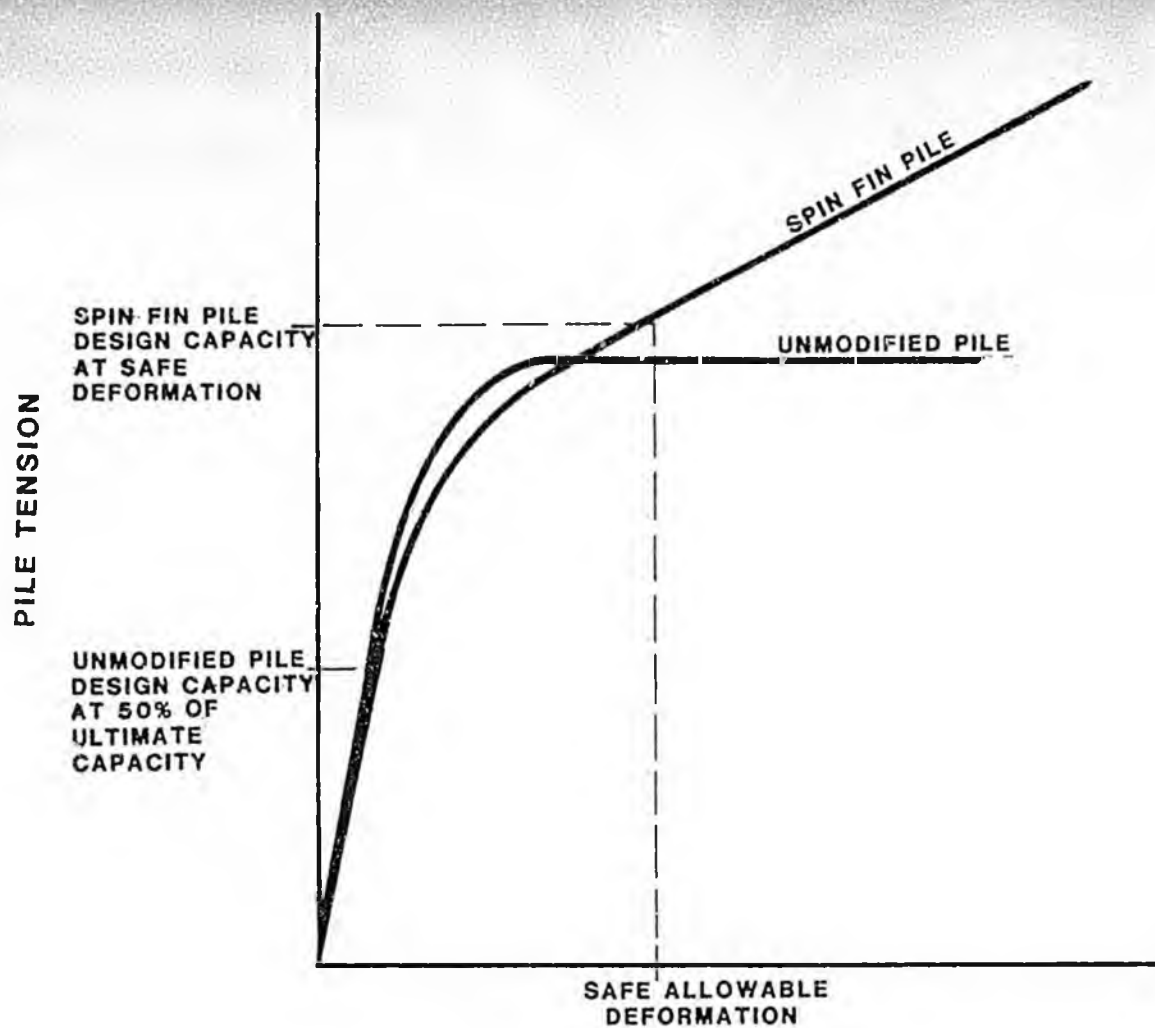
Spin-fin piles are driven like unmodified pipe piles, except that the piles twist as they penetrate the ground. The diesel hammer shown here was used to drive a 16" diameter test pile.

A hydraulic jack and load beam were used by PN&D to conduct tests on 8" and 16" diameter spin-fin piles. An ultimate tension load of over 200 tons was achieved on a 16" pile with 20' embedment.





The first field use of spin-fin piles was at the Seward Coal Transfer Facility. Spin-fin piles were used as anchor foundations for conveyor belt tensioning devices, and also as sheetpile wall tiebacks in the coal receiving pit shown above. The coal car dump facility won a Bronze Award in the national design contest conducted by the James F. Lincoln Arc Welding Foundation in 1985.



SPIN FIN PILE CAPACITY

Design Philosophy

The tension load-deformation characteristics of spin-fin piles shows why designers must modify the generally accepted concepts of factor-of-safety and pile failure, if the spin-fin pile is to be properly utilized. The method of dividing the ultimate capacity of a pile by a suitable factor-of-safety, as in the case of unmodified piles, does not work for spin-fin piles because their load capacity increases with deformation. Thus, the capacity of a spin-fin pile should be determined by selecting a safe load from its load-deformation curve for an allowable deformation that the structure can sustain without damage. Spin-fin capacity should be determined by allowable deformation. Thus, the factor-of-safety for spin-fin piles may be rationally selected by analysis.



Anchorage Division
 Fernatovich, Nottingham & Drage, Inc.
 1506 West 36th Avenue
 Anchorage, Alaska 99503
 (907) 561-1011

Dennis Nottingham, P.E., President
 Roy Fernatovich, Jr., P.E., Vice President
 Jim Nelson, P.E., Vice President
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Juneau Division
 2205 North Jordan Avenue
 Juneau, Alaska 99801
 (907) 789-5006

Civil Engineering • Marine Facilities • Coastal Engineering • Bridges/Structures • Foundations
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Jan Van Dort
Attorney At Law
603 East 4th Street
Juneau, Alaska 99801
(907) 586-6659

February 18, 1987

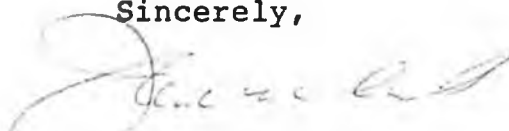
Representative Sam Cotten
P.O. Box V
Juneau, Alaska 99811

Re: HB 108 - Mariculture

Dear Sam:

Please let me know the date and time of any hearing which your committee will hold on House Bill 108. Thank you.

Sincerely,



Jan Van Dort

February 27, 1987

329 Lynnwood Drive
Anchorage, AK 99518

Rep. Sam Cotten
P. O. Box V
Juneau, Alaska 99811

House Bill No. 108:
Aquatic Farming

Dear Representative Cotten:

We are writing this letter to express our support for House Bill No. 108, of which you are a co-sponsor. We would, however, like to convey to you some of our concerns relative to this issue.


After sitting in on the legislative teleconference on February 25 in Anchorage, it was obvious that the commercial fishing industry, as a whole, does not want aquatic farming allowed in this state, which is not surprising. It is, however, very shortsighted. As is pointed out in HB 108, this industry would "provide a consistent source of quality food, provide new jobs, increase state exports, create new commercial fishing and other business opportunities, and increase the stability and diversity of the state's economy;". We are hopeful that, when deliberating the disposition of this bill, the Legislature will look beyond the shortsighted and selfish concerns of the large commercial fishing lobby and vote to pass it. The long-term benefits to our State should outweigh the pocketbooks of a few.

We realize an industry such as this should be properly regulated for the protection of public health and the species, but we are concerned that if there are too many constraints and costly regulations imposed on this industry, only large companies would be able to embark on starting a fish farming business. Starting an industry such as this should be something "Joe Public" could get into, without having to spend all his capital on meeting the requirements of the regulations attached to the permit.

In this regard, we think it is important for an average citizen to be able to obtain funding for an endeavor such as this through the Small Business Administration, or through a State grant. The long-term benefits to the State would more than pay for the initial investment to get an industry such as this off the ground. It is obvious our state needs to diversify its capital base. A renewable resource such as fish farming should be given high priority in this regard.

We would appreciate your consideration of the above concerns when considering HB 108.

Sincerely,


GEORGE W. ROCKHILL


THERESA A. ROCKHILL



ALASKA STATE CHAMBER OF COMMERCE

310 Second Street
Juneau, Alaska 99801
(907) 586-2323

April 3, 1987

The Honorable Sam Cotten
Alaska House of Representatives
Post Office Box V
Juneau, AK 99811

Dear Sam:

I wish to state the Alaska State Chamber's wholehearted endorsement of HB 108.

The development of a viable mariculture industry for Alaska is critically important to all Alaska. New industry means private sector jobs and jobs mean payroll. Alaska's economy can be placed on a continued strong footing, but only through State generated support.

Passage of HB 108 would send a real signal that the Alaska Legislature supports a strong Alaska economy.

Cordially,

A handwritten signature in dark ink, appearing to read 'George Krusz', is written over a circular stamp or mark.

George Krusz
President

GK:cbr

Alaska Mariculture Association

May 1, 1987

Representative Adelheid Herrmann
Representative Sam Cotten
Co-Chairs
House Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Representatives Herrmann and Cotten:

The Alaska Mariculture Association (AMA) wishes to extend its thanks to the Resources Committee for the many long hours spent gathering public comment on House Bill 108.

In response to a request during committee hearings by Representative Davidson, I have prepared an assessment of the issues raised during public testimony.

AMA believes it is important that the committee identify the issues needing further work or clarification so the measure can be modified to ensure maximum benefits to Alaska from development of a diverse mariculture industry. This process will allow the committee to focus its efforts on responding to the concerns raised by the public and fashioning the best piece of legislation possible. We are pleased to be able to contribute to this effort.

Competing Uses in the Tidelands

The prospect of the creation of numerous sea farms in our coastal waters has focused attention on an issue of rising public concern: how to balance competing uses of state tidelands and public waters as Alaska's population expands and development extends to our more rural areas. AMA believes the concerns raised about the tidelands permitting process for mariculture extend to all activities in our coastal waters involving projects of long-term use, including floating lodges, industrial parks, log transfer facilities, mining terminals and private docks.

Members of the public have questioned whether the current permitting system provides adequate opportunities for public comment and protection of existing uses of our public waters. We believe the present tidelands permitting process and coastal management program provide the basic framework necessary to respond to these concerns.

We are convinced that notification of affected user groups, such as commercial fishing groups and local fish and game advisory committees, could be improved at very little expense and would help ensure improved public review of all tidelands proposals.

The Department of Natural Resources also has suggested additional policy guidelines in statute would help the agency in balancing competing uses in the tidelands. AMA supports this goal, and suggests the committee approach the issue from the perspective of all tidelands uses. The planning director for the Kodiak Island Borough summed up the situation well at a recent coastal management conference when she suggested it doesn't make any sense to have two sets of rules for use of the tidelands--one for mariculture and one for everything else--when the impacts on competing uses are the same.

Tideland Permits and Leases

Aquatic farming proponents also have raised tidelands issues of great concern to existing and future sea farmers--the instability in mariculture operations created by the current one-year permitting system. Currently, DNR issues one-year permits which are revocable in 30 days without cause and require the tidelands user to reapply each year with no assurances of securing continued use of the site over competing applicants. The only existing alternative is a long-term lease which requires an appraisal and survey costing \$6,000-10,000.

This program should be revamped if the legislature is interested in creating stable mariculture businesses.

Siting Guidelines and Minimizing Environmental Impacts

The environmental impacts of floating mariculture facilities can be minimized by proper siting guidelines. Studies conducted in Washington State and British Columbia have indicated that environmental impacts of properly sited aquatic farms can be minimal. Testimony from the Alaska Department of Environmental Conservation has supported these conclusions.

AMA has provided the committee with siting guidelines for salmon farms which have been adopted by the State of Washington. We believe these guidelines could provide a good starting point for Alaska to develop its own guidelines. While it wouldn't be appropriate to put siting guidelines into statute, the document could provide the committee with some ideas for structuring policy language to guide state agencies in developing siting guidelines.

Ownership and Structure of Salmon Farms

Some members of the public have voiced concern that salmon farms would be owned or controlled by large corporations or foreign interests, and that few benefits would accumulate to Alaskans other than a few low paying jobs. This concern is based upon the perception that smaller salmon farms would not be competitive without massive state assistance.

While it is unclear just what are the economies of scale for salmon farms in Alaska, the existing structure of the fishing industry provides an excellent model for how small operations could be successful. Our fishing fleets are small-scale producers who have close economic relationships with processing corporations which provide the economy of scale for manufacturing and marketing.

Small "mom and pop" salmon farms could be independent "grow out" facilities serviced by existing processing companies providing smolts, feed and other supplies with tendering services. The processors could then purchase the marketable fish from the farmers for processing and marketing through existing infrastructure.

While it may also be difficult for medium-sized salmon farmers to achieve economy of scale through vertical integration, the larger farms could form cooperative arrangements for smolt and feed production, processing and marketing. These operations also could enter into agreements with existing processors to fulfill those functions.

The concern with corporate or foreign control can be dealt with through carefully conceived restrictions on the size of farms and number of permits held by individuals, companies and groups of investors. These restrictions could be combined with a tightening of the definition of Alaska-owned companies or corporations allowed to possess tideland permits.

Disease and Genetics

The Department of Fish and Game has testified that salmon farms and other mariculture operations pose no greater risk to wild stocks than existing enhancement programs, provided similar procedures are followed and the department has adequate resources. The existing disease and genetics policies should be examined in the context of mariculture to determine whether modifications are necessary or public policies should be clarified in enabling legislation.

Economic Impacts on Traditional Fisheries

Another concern raised during public hearings has been the potential for salmon farming in Alaska to adversely affect traditional markets for Alaska salmon. Information generated to date has shown that salmon farming in Alaska should have a minimal impact on traditional salmon markets. The latest report in the growing body of evidence was compiled by two University of Alaska economists who projected a range of adverse impacts of \$600,000 to \$4.7 million. This contrasted sharply with projections for positive economic benefits to Alaska of up to \$300 million.

Cost Recovery

Some have questioned whether mariculture will pay its own way. Mariculture proponents have expressed a willingness to support fair

taxation and licensing structures. To this end, AMA has testified that we are interested in helping the committee draft an aquatic farm product tax similar to the Fisheries Business Tax in effort to ensure the state's direct costs are covered and there is a fair return for the use of common property resources.

Acquisition of Brood Stock from Wild Sources

The present version of House Bill 108 does not provide the Department of Fish and Game adequate ability to balance the needs of existing uses with the needs of aquatic farmers. AMA believes HB 108 should be amended to allow ADFG to turn down wild stock brood stock requests when existing allocations would be affected, in addition to ADFG's authority under the current version to deny brood stock requests that impact the sustained yield. The new language should direct ADFG to refer brood stock requests affecting limited fisheries or in situations when allocations would be impaired to the Board of Fisheries for action.

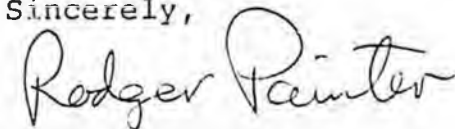
ADFG should grant the brood stock requests in situations where sustained yield or existing allocations would not be affected.

Surplus Salmon Eggs from State and Private Hatcheries

Concern has been expressed that salmon farming will result in the "stealing" of eggs from ocean ranching programs or reductions in catches by commercial fishermen. HB 108 should be amended to make it very clear that salmon farmers will not be allowed to purchase eggs unless they're truly surplus to the needs of ocean ranching programs and will not result in reductions of catches by commercial fishermen.

An April 10 letter from ADFG to Representative Ellis estimates that there were about 88.6 million such surplus eggs in 1986, including 23.2 million coho and 4.6 million chinook eggs. Even larger surpluses are envisioned in future years.

Sincerely,



Rodger Painter
Executive Director

c.c. Members of the House and Senate Resources Committees
Senator Jan Faiks
Representative Grussendorf



UNITED FISHERMEN OF ALASKA

211 4th Street, Suite 106
Juneau, AK 99801
907-586-2820

February 8, 1988

Dear Fisherman:

Many Anchorage area legislators, in an attempt to diversify the economy of Alaska, are strongly supporting a mariculture bill which includes finfish. Your legislators have been sold the false notion that finfish farming would not endanger the commercial fishing industry. Furthermore, your representatives have told us that "it is apparent that fishermen are not concerned about salmon farming because we never hear from them."

After many months of consideration by UFA, we are convinced that the finfish part of the bill would have disastrous effects on our industry. Therefore, it's time they hear from you. Write or call your legislators and request that they remove finfish from the mariculture bill this session. In this manner, the people interested in scallop culture, shellfish mariculture and other types of mariculture will be able to move forward. A few concerns are:

- Money to regulate and control fish farming in Alaska would likely come directly from already underfunded fisheries budgets.
- Disease and genetic dilution are serious problems. Alaska's valuable wild stocks must not be compromised.
- Fish farms would compete for traditional fishing sites and anchorages while providing few, if any, benefits to Alaskans.
- Other countries that have invested in fish farming did so because their wild stocks declined. Alaska has 43% of all wild salmon stocks worldwide, and 90% of U.S. wild stocks. Commercial fishermen in Norway and British Columbia are suffering because of salmon farming projects.

Your legislators, the Anchorage/MatSu delegation, must hear from you. In this election year your letter will have great power because you are his/her constituent. The enclosed sheet can help you write your letter.

UFA Mariculture Committee

UFA has established the Wild Salmon Defense Fund to fight the mariculture battle in the halls of the Legislature. Some of this money is being used to target fishermen such as yourself: we hope you will help us convince your legislators that salmon farming in Alaska is a bad idea. If you can contribute, please send your check to us today!

Legislators value handwritten letters. It will take only a moment for you to compose your original letter, which can be copied to your legislators. Write to as many as you can!

You may refer to the enclosed UFA fact sheet for help in composing your letter. Your handwritten letter can be brief, as long as you explain your basic concerns. If you say nothing more than "I oppose finfish farming in Alaska", that will help.

If you have the time and/or the interest in helping UFA defeat the finfish bill this session, your assistance would be greatly appreciated. For more information, call Chris Green at 279-6519, and tell him that you would like to help. We will be organizing this effort over the phone and through the mails in an attempt to win this important battle.

Senators:

Mitch Abood

Joe Josephson

Pat Rodey

Arliss Sturgulewski

Jan Faiks

Tim Kelly

Rick Uehling

Rick Halford

Jay Kertulla

Mike Szymanski

Representatives:

Ramona Barnes

Virginia Collins

Johnny Ellis

Alyce Hanley

Curt Menard

Randy Phillips

Jim Zawacki

Red Boucher

Sam Cotten

Walt Furnace

Ron Larson

Drue Pearce

Pat Pourchot

Kay Brown

Dave Donley

Max Gruenberg

Terry Martin

Fritz Pettyjohn

Steve Rieger

Address all above letters to: Pouch V, Juneau, Alaska 99811

It is also essential to write to Gov. Cowper: Pouch A, Juneau, Ak. 99811

Salmon Farming in Alaska: Myths and Facts

Myth: Alaska's wild salmon won't be harmed by farmed salmon.

Fact: The Norwegian government has begun establishing farm-free zones near salmon streams and are establishing a gene bank: they have discovered that 10 to 57% of the fish in their streams aren't wild, but instead are escaped farmed salmon.

Myth: No one can afford to buy into commercial fishing these days. The only way to get into the salmon business is through salmon farming.

Fact: Prices in last month's Alaska Fisherman's Journal for complete fishing packages range from \$30,000 to \$500,000 depending on the fishery. Last month, Paul Fuhs (president of the Alaska Mariculture Assoc.) said establishing a salmon farm would cost from \$300,000 to \$1,000,000. A fisherman begins to make money the very first year; a farmer must wait at least two to three years.

In addition, Rodger Painter (Alaska Mariculture Association) and Judy Brady (commissioner, DNR) have recently admitted that, because of the magnitude of capital and operational costs, fish farming will not be a mom and pop operation.

Myth: Fishermen are opposing salmon farming in order to legislate their competition out of existence.

Fact: Salmon farming is being done around the world and Alaskan fishermen must contend with this competition by better quality control and more aggressive marketing. Fishermen oppose its establishment in Alaska for four primary reasons: 1) It will put common property resources into private hands; 2) it will sap State money and personnel from existing fisheries programs; 3) it will primarily benefit wealthy corporate and foreign investors; 4) it will harm Alaska's economy by harming Alaska's fisheries.

Myth: Farmed salmon won't compete for markets with wild salmon and they'll help keep the price high.

Fact: If a product is in demand, scarcity drives the price up and a large supply lowers it. When Norwegian farmers dumped their salmon on the European market early this year (before they were killed by virus), the price for Alaska's salmon in France went down 50¢ a pound. Adding farmed salmon on top of wild salmon in the market is like having a banner season when the price drops because of the quantity available. Farmed salmon now compete directly with all top quality wild salmon, and farms want to enter the frozen market too.

Myth: Salmon farms will pay their own way because they are willing to pay a tax just like fishermen.

Fact: Rodger Painter (executive director of the Alaska Mariculture Association) has said it would be unreasonable to tax salmon farmers until they'd begun to make a profit. Since it would take a farmer two to three years to make even the first sale, there will be a substantial period of time with State money going out and nothing coming in. The most logical source for this State money is current commercial fisheries programs, which are already being cut back.

Myth: The State can limit the size of farms to keep them locally owned.

Fact: Norwegians have found that small farms aren't profitable. There and in B.C. small farmers have either formed associations or been bought out by large corporations.

Myth: Salmon farmers can regulate themselves: they don't need the State telling them how to run their business.

Fact: Government has an obligation to protect the welfare of the public and the public's resources. It must, at a minimum, check the quality of a product being sold for human consumption, see that environmental standards are being maintained, and monitor use of public tidelands. If government turned its responsibilities over to salmon farmers, the high costs would be prohibitive to someone on a tight budget.

Myth: Thousands of new jobs for Alaskans will be created by salmon farms.

Fact: According to British Columbia's Ministry of Agriculture and Fisheries, the average salmon farm employs only six people. It would take 166 farms to create 1000 jobs in Alaska. In B. C. many of the most highly paid jobs have gone to Norwegians, since they are experienced in the business. The Alaska Legislature has been unsuccessful in requiring local hire. How many Alaskans will be hired?

Myth: The spin-off benefits will be a shot in the arm for local economies.

Fact: According to "B.C. Business" (Oct. 87) Norwegian investors included strings in their finance packages: they required monopolies on construction and supply purchases so operators were unable to take advantage of competitive prices and local merchants received few benefits. In addition, the Norwegians' share of the profits returned to Norway with the investors.

Myth: We'll be able to keep this an Alaskan business.

Fact: Bill Hall (Alaska Commercial Fishing and Agriculture Bank) has said neither CFAB nor any other Alaska bank is willing to loan money for salmon farms. Start up and operating costs will be financed either by foreigners or by corporations such as Weyerhaeuser, British Petroleum, Mitsubishi, Union Carbide and the Campbell Soup Company. Business owners rarely ignore their partners' needs, goals or desires.

In addition, the B.C. fish farming industry is currently 65-90% Norwegian controlled. The largest fish farm in Washington has been recently purchased by Global Aqua, a Norwegian company.

Myth: Norway isn't subsidizing their salmon farms so Alaska won't have to either.

Fact: According to Commissioner Tony Smith (Dept. of Commerce and Economic Development) Norwegian fish farm subsidies include: capital grants; guaranteed loans for start up costs and capital investments; a 50¢/kilo subsidy for all international shipments; salmon egg production; research; price supports; a guaranteed minimum income and vacations for workers. They have budgeted \$14.7 million for these programs for next year. What reason is there to think Alaskan farmers won't need State financial help?

Myth: Salmon farms won't hurt the environment.

Fact: They will certainly change the environment: algacides are used to prevent growths on the nets; fish food containing additives and massive quantities of fecal matter are deposited on the ocean floor; dead fish which have been fed antibiotics are prey for other species, thus entering the food chain.

Alaska

Mariculture Association

TO: House Resource Committee Members
HB 108 Co-sponsors

FROM: Rodger Painter,
AMA Executive Director

DATE: May 6, 1987

RE: Proposed Moratorium on Mariculture Permits

The Alaska Mariculture Association (AMA) wishes to express its opposition to House Bill 303 which would impose an indefinite moratorium on the issuance of any permits or licenses for mariculture projects.

AMA is strongly opposed to a moratorium on permits because there has been no demonstration that the status quo would present significant problems pending resolution of the mariculture issue by the legislature. We believe state agencies have sufficient tools at their disposal to deal with the small number of pending permit applications.

Few concerns have been voiced about shellfish operations, and there is no factual information to support suggestions that the agencies are about to be overwhelmed by applications. In fact, contacts with permitting agencies show, much to contrary, that there are only a handful of pending permit applications.

Discussions with the Department of Natural Resources and the Division of Governmental Coordination reveal the agencies have received about three dozen permit applications for shellfish farming in the past couple years. About two dozen shellfish permits have been granted and there currently are four applications pending. The trends suggest a slow growth in applications submitted and permits issued, and there are no indications a flood of applications will materialize.

Oyster farming is a small but well-established business activity in the state with a history dating back to the early 1900s in the Ketchikan area. There also is one operating mussel farm in Kachemak Bay and three or four additional mussel permits have been granted or are close to issuance.

There is considerable amount of interest in Kodiak regarding scallop farming, but no permit applications have been submitted and it is

unlikely any will be unless the Alaska-Japan experimental project yields positive results. The first phase of that project is not scheduled for completion until the end of this year, and the state may anticipate a few permit applications for scallops at that point if the results are encouraging.

A moratorium on scallop farming permits certainly appears to run contrary to the commitment made by the State of Alaska in funding a major international experiment to test the feasibility of scallop culturing by residents of Kodiak Island. A permit moratorium would prevent participants from making the transition from government-funded studies to private enterprise. One enterprising Cordova resident already has independently captured weathervane scallop in Prince William Sound on his own without being involved in the project. Does the State of Alaska want to halt the ingenuity of enterprising individuals willing to solve problems without government assistance?

Shellfish farming presents no greater problems than any of the other multitude of uses in the tidelands. In terms of problems with competing uses, shellfish farms are no different than log dumps, docks, bouys, floathomes, mineral terminals, processing facilities, wilderness lodges or crab pot storage areas. If the current permitting process is inadequate to deal with shellfish farming impacts then it has the same shortcomings in dealing with these other uses of our public waters.

Regarding salmon farming, we similarly fail to find any factual information to support a moratorium. There were three applications for salmon farming permits rejected just prior to the March 10 attorney general's opinion, and the same applicant has resubmitted the proposals following the legal clarification. The permits will not give the applicant a lease or any other long-term security in the site. If successful in obtaining the permits, the applicant will be able to conduct site evaluations without guarantees the location will be secured for actual farming operations.

Another company applied for water rights to run a salmon farming hatchery, smolt grow-out facility and pen-rearing operation. The application was denied and an appeal is pending in Superior Court. The applicants own a large parcel of property and adjacent patented tidelands at the site.

These are the only salmon farming applications the state has received to date. This hardly supports concerns that a horde of speculators are prepared to flood our permitting agencies to secure tideland rights.

In closing, I'd like to stress we are extremely willing to sit down with all interested parties to work on the problems that have been raised during legislative consideration of HB 108 and SD 106. However, we strongly oppose the imposition of a moratorium on mariculture permits without the showing that significant problems will materialize in the next year without a freeze.

Alaska Mariculture Association

P.O. Box 020704
Juneau, AK 99802-0704
(907) 586-2032

December 30, 1986

Representative Sam Cotten
P.O. Box V
Juneau, Alaska 99811

Dear Representative Cotten:

The Alaska Mariculture Association (AMA) is looking forward to working with you during the upcoming session to help strengthen Alaska's economy by developing a diverse mariculture industry.

Mariculture, or sea farming, represents one of the most promising opportunities for providing new jobs for Alaskans, but the lack of a clear state policy has resulted in confusing patchwork of often conflicting regulations and statutes. While it is virtually impossible to obtain permits to farm most native stocks of finfish and shellfish, the farming of non-indigenous oysters is allowed.

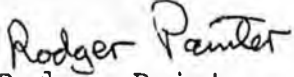
AMA is working on legislation leading to an easily followed path through state regulatory requirements and essential government services to protect public health and our valuable common property fisheries resources. We will be contacting you in the near future with additional information.

Attached is a report on mariculture developed over the past several months by the Alaska Mariculture Technical Work Group. The work group, which was sponsored by AMA, was composed of representatives of various state and federal agencies. This report presents an unbiased analysis of some issues involved in mariculture development and how they may relate to government programs.

In an effort to keep you informed about the growing interest in mariculture, AMA also is providing you with a complimentary subscription to our monthly newsletter.

We look forward to working with you. Please do not hesitate to contact me for additional information.

Sincerely,


Rodger Painter
Executive Director

Report positive

Inquiry clarifies issues for B.C. salmon farmers

Late last fall the B.C. Ministry of Forests and Lands placed a six week freeze on the issuance of salmon farming tenures in British Columbia. The freeze, sparked by concerns of the 6000-member Union of Fishermen and Allied Workers (UFAWU), was authorized by B.C. Premier Bill Vander Zalm and followed up by the creation of a month-long, one-man inquiry into the B.C. aquaculture industry.

The inquiry, conducted by 47-year-old Kamloops lawyer David Gillespie, toured the BC coast holding day-long public hearings in Prince Rupert, Campbell River, Parksville and Sechart. Terms of reference for the inquiry included a review of issues relating to commercial fisheries, markets, environmental impacts and the process of government approvals for the salmon farming industry.

The hearings sparked heated debate from both sides of the fence, with strong opposition from the UFAWU and sporadic but equally convincing arguments from members of the aquacultural community. Though the fishermen's union seemed most concerned about the threat of competition from farmed fish, they raised a number of other seemingly unrelated issues during the hearings.

One recurring theme was that aquaculture was "out of control" in British Columbia. That it was growing too quickly and without due concern for other coastal users. The UFAWU wanted both the freeze and inquiry extended. Fish farmers responded by describing the lengthy application process and the number of permits required to legitimize a coastal salmon farm. They insisted that the freeze be dropped as soon as the inquiry was over. Their primary concern was that an extended freeze could do extensive damage to the B.C. aquaculture industry, possibly frightening off individuals and companies planning to invest in fish farming and/or the support services.

Both fishermen and recreational boaters expressed concern about possible pollution from fish farms and the transmission of disease to wild stocks. Fish farmers and scientists argued that the risks of fish farm pollution and disease transference are minimal and, indeed, of most concern to the fish farmers themselves who would be the first affected.

One of the most controversial issues was over the use of tributyltin (TBT) as an antifouling agent on net pens. The

fisherman's union presented a recent study by the US. National Marine Fisheries Service that found traces of TBT in a number of farm-raised salmon purchased from public markets in Portland and Seattle. TBT, which is the same anti-fouling agent used on boat bottoms, has been suspected of causing mutations in young oysters and consequently has become the cause of considerable concern among B.C. oyster growers. The province has done some preliminary studies on the effects of TBT but apparently lacks funding to

do the more thorough investigations that are obviously required. In the meantime both the B.C. Salmon Farmers Association and the Mariculture Association of B.C. advise their members against using anti-foulants containing TBTs. Government spokesman George Hunter of DFO noted that TBT is really part of the larger picture - *quality control* - and should be governed by industry standards like those in the agricultural sectors.

When it was all over, B.C. salmon farmers generally agreed that the inquiry had been good for the industry. In many ways it had legitimized salmon farming and publicly clarified many of the misunderstandings and 'half-truths' belaboured by opponents of the industry.

The recommendations....

One month and 258 submissions later Inquiry Chairman David Gillespie released a 50 page report containing 52 recommendations relating to the B.C. aquaculture industry. Some of the highlights are summarized below:

- The provincial government should continue its support of the aquaculture industry, develop a clear aquaculture policy, clarifying direction, agency roles and responsibilities of both government and the private sector.
- The province should establish an aquaculture advisory council from key agencies and interest groups. *[This is already in the works and should be finalized by month's end.]*
- The province should establish a master agreement with the federal government respecting approvals, regulations, monitoring and services for the aquaculture industry.
- The province should continue to let market forces dictate farm and wild-caught salmon prices. *[In other words, marketing controls, production limits, etc. should not be considered]*
- Increase support for research, particularly into the long-term effects of salmon farming on the marine environment and into the use and impact of toxicants, hormones and antibiotics used in finfish aquaculture.
- The province should establish a mandatory environmental monitoring system for each site and the surrounding area. *[Government would have to develop some standards first]*
- The province should end the importation of Atlantic salmon eggs by Fall 1987. *[A contentious issue for the half dozen or so farms now raising Atlantic salmon, but of little*

consequence to most others]

- Increase the recommended distance between salmon farms from 1/2-mile to two miles. *[A similar distance is also recommended between new salmon farms and existing oyster leases].*
- Encourage the establishment of standards for aquaculture equipment to eliminate the use of harmful toxicants. *[A direct result of the current controversy over TBT]*
- Initiate immediate coastal resource studies for Campbell River-Johnstone Strait, Islands Trust and Sechart Inlet areas. *[All areas of rapid aquaculture growth]*
- Continue the use of the interagency referral system; expand the list of groups consulted and extend the referral period to 60 days.
- Remove requirements for cost, husbandry, production and harvest strategies from existing farm production plans. *[Government should stick to resource management and planning]*
- Maintain Section 10 licences but change name to something like "investigative permit" to better reflect its nature and quell gold rush image of the industry.
- The province should require a commitment bond to accompany all finfish aquaculture applications. *[Essentially to discourage speculative endeavours]*
- Revise *[raise]* rental rates on crown land and establish a clean-up bond to cover expenses in event of abandonment of a site.

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Prospects

Of Debt and the Dollar

It was no accident that six of the so-called Group of Seven industrialized nations finally met last weekend to discuss the dollar, says Gert von der Linde, chief economist at Donaldson, Lufkin & Jenrette. The meeting came right on the heels of Brazil's announcement that it will suspend interest payments on its \$108 billion in international debt — a plan, says Mr. von der Linde, that has introduced a new threat to the dollar.

If American banks cannot collect on debt owed by Brazil or other South American nations, he says, foreign investors could lose confidence, withdraw their dollar deposits and sell the dollars on international markets — thus weakening the currency further.

But the G-7 meeting "prevented substantial decline in the dollar," Mr. von der Linde said. And the participants' pledge to intervene in the future if the dollar dips too low should help neutralize the Brazilian factor. "With the threat of intervention, the potential negative that Brazil represents is at least postponed, if not eliminated," he said.

Plumper Profits

One reason for the stock market's soaring rise is that investors are anticipating loftier corporate profits in 1987, says Mackey D. Levy, chief economist at Fidelity Bank in Philadelphia. Mr. Levy predicts that profits this year will be 9 percent higher than in 1986.

The weaker dollar is at the heart of the expected improvement, he says. The dollar's diminished value makes imports more expensive, and this, in turn, raises demand — and prices — for American-made products. Since labor costs are likely to remain relatively low —

major wage settlements are not expected until 1988 — profit margins will increase.

Where will profit gains be the greatest? Probably among companies that have been hurt by foreign competition during the strong-dollar years — chemical and pharmaceutical corporations, for instance. Such companies are poised for greater profitability, says Mr. Levy, since by now "they have trimmed their inventories, lowered their operating costs and reduced their break-even points."

Passport Discrimination?

Across America, the Fish Are Jumpin'



maybe some lobsters or some shrimp," and that would

Seafood businessmen like to say that consumers

It's a bigger business than chicken. Even tilapia and skate wings sell.

By N. R. KLEINFELD

DURING Steve Connolly's early days in the seafood business back in the late 1940's, he was accustomed to getting the brush-off.

Working as a salesman for a Boston fish wholesaler, he would go out on his rambling pilgrimages to supermarkets and restaurants and, as he recalled, "I'd tell them I was selling fish. They'd say, 'Well,

maybe some lobsters or some shrimp,' and that would be it. All the time, I'd hear, 'We don't use much fish. Now get going. The meat man just walked in.'"

Five years ago, Mr. Connolly founded his own wholesale company in Boston, called Steve Connolly Seafood. When his salesmen make their rounds, he said, the reaction is, "You're selling seafood? It's right down. Take the best chair. I want something of everything you've got." His company sold \$8 million worth of fish its first year and \$25 million last year.

The seafood industry has changed drastically. As Americans have become bewitched by things like orange roughy, tilapia and opakapaka, the business has gone from mom-and-pop dimensions to sizable operations like Mr. Connolly's that do \$10 million to \$40 million in fish sales annually. With something like 4,000 seafood wholesalers and processors in the country, no one dominates the fish industry, though consolidation is beginning to occur.

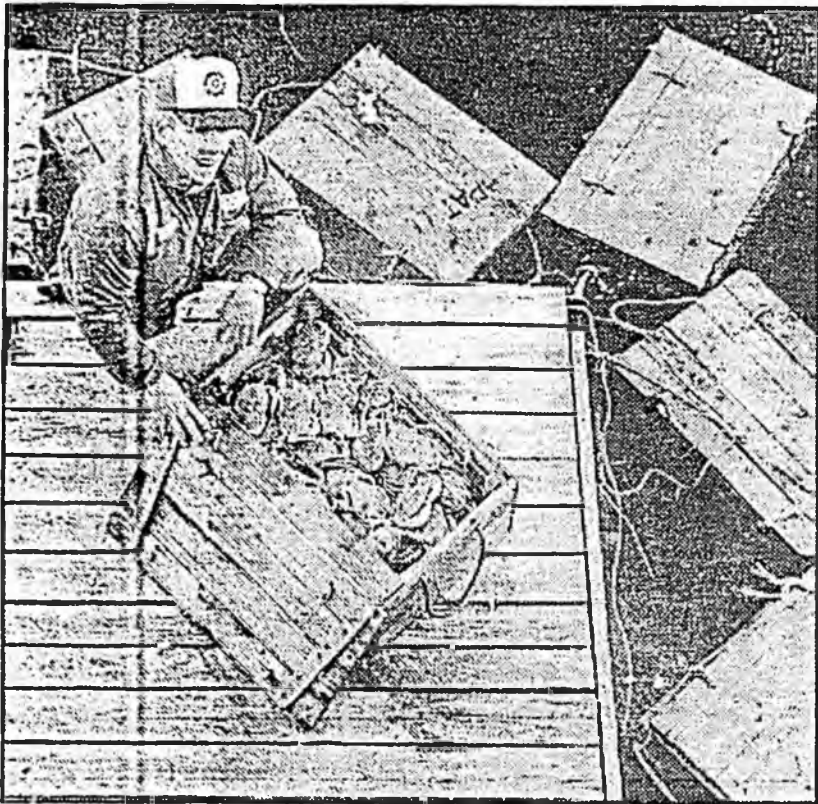
Seafood businessmen like to say that consumers have developed a penchant for just about anything that swims. To meet this demand, the 61-year-old Mr. Connolly has been fairly crafty in marketing peculiar fish products. Even he, though, is sometimes startled at what people will eat. His latest offering, for instance, is skinned skate wings (skate is a flat fish with the broad-winged body of a ray fish). It is tough to remove a skate's skin. Some people accomplish it by taking pliers and yanking it off. A few weeks ago, however, Mr. Connolly succeeded in adapting a machine normally used to skin liver to shave off skate wings.

"I think the wings are going to work well," he said. "They're cheap and so I see them having a wide appeal. Skate could really go."

Only a decade or two ago, fish had a dull image. It was something to eat grudgingly on Friday or when the budget was too strapped for a sirloin. Various fac-

Continued on Page 8

The Fish Are Jumpin' All



The New York Times/Sieve Liss

Culling live crabs at the dock for Connolly's Crabs in Gloucester (left). The crabs are shelled by machine.

Continued from Page 1

tors, however, have conspired to lift it from a food associated with penance to an everyday staple, and even a gourmet treat. Most of all, the concern for healthier diets has prompted consumers to gravitate to meat substitutes, like fish, that are low in calories and in fat. The steady spread of aquaculture, the science of raising fish on watery farms outside of oceans, has increased the seafood stock; some 12 percent of total American fish consumption now comes off farms, four times the amount in 1975. And wider use of airplanes to transport fish and better refrigeration equipment has introduced more fresh species to inland parts of the country.

These factors, says the National Marine Fisheries Service, have pushed per-capita seafood consumption up from 10.9 pounds in 1966 to 12.9 pounds in 1976 to 14.5 pounds in 1985. Expectations are that consumption may approach 30 pounds by 1990. That is still well shy of chicken, in the 59.5-pound neighborhood, and beef, at a dwindling 79.

Nobody, though, expects fish to catch poultry or meat. Not enough fish swim in the world's waters for that to happen, even though America imports more than half its seafood. And most fish do not grow quickly enough for fish farms to meet huge demand. If chicken eating goes up, farmers can toss more eggs into the incubators and within weeks chickens are plump enough for market. Fish,

however, can take two or three years to mature, at sea or on the farm.

"To increase per-capita consumption by one pound," explained Lee Weddig, the executive vice president of the National Fisheries Institute, a trade association, "you would need to catch 700 million additional pounds of fish in the water. The total amount of cod and haddock caught in New England is about 100 million pounds. So you see the problem."

Nevertheless, the taste for fish and the preoccupation with health, have elevated seafood to a roughly \$16 billion annual business — compared with \$12 billion in revenue for chicken, which is cheaper, and \$44 billion for beef — and encouraged a lot of companies to take a new look at it.

Now you can visit any burger outlet — McDonald's, Burger King, Wendy's — and find fish. There is also a growing network of fish specialty chains like Long John Silver, Sea Galle and the Red Lobster. Supermarkets, meanwhile, are opening new and sizable seafood sections. And big corporations like Ralston Purina, W.R. Grace, Campbell Soup, Weyerhaeuser and Con Agra have gotten into fish farming. One group of companies has applied its energies to producing imitation fish products.

Demand keeps climbing even though prices of some species have reached the \$7 to \$10 a pound range. New, inexpensive varieties, however, are hitting the market, some selling for as little as \$2 a pound. Fish are hot

enough that "trash fish" like monkfish that used to be dumped back are now being served in expensive restaurants and at classy dinner parties.

Kroger's reels it is as plugged-in as the wisest supermarket chains to middle American tastes. It was one of the first to discover fresh seafood — even though its 1,050 stores are largely sprinkled through the Midwest, where not a lot of fish swim.

Kroger will fly red snapper in from Taiwan, if that's the only place it can get enough. The chain even has its own fresh fish distribution warehouse, handling 72 varieties, in Greensburg, Ind.

Kroger's got into fresh seafood in 1977, and is steadily adding departments to all of its stores. It has gotten up to store No. 491. Its sales are growing by 15 percent a year, according to Bill Parker, a vice president. "It's probably the best growth category we have," he added. Fish, moreover, generally command higher markups than meat and poultry, Mr. Parker said. And the supermarkets realize that there is an enormous opportunity to be mined, since fish have predominantly been a restaurant product. According to surveys, two-thirds of the seafood sold is consumed at restaurants, though fish people believe the pendulum is starting to swing toward home preparation.

Grand Union took enough care with its new seafood departments that "hired Milton Glaser, a well-know-

graphic designer, to work on them. The white-tiled departments, with their ice cases and tanks for live shellfish, have helped Grand Union's seafood sales to spurt by 12 percent in each of the last two years, according to Steve Osder, the director of seafood merchandising.

Throughout the country, supermarkets have gotten onto a fish kick, putting in more display space and snazzier departments, as well as stocking greater variety. Supermarkets, Mr. Osder said, still sell more frozen than fresh seafood, although sales of frozen seafood have been stagnant. Canned fish, particularly tuna, is another growing category, driven by nutritional concerns and the American infatuation with the tuna fish sandwich; in 1985, annual per-capita canned fish consumption was 5.2 pounds, the highest level since 1937, when it was 5.3.

After tuna, shrimp is the most widely purchased seafood, in pounds sold, followed by codfish, clams and salmon. What's nice about fish is the variety. In all, something like 400 species are available to buy. Some of the hot newcomers are the orange roughy, the kingclip and the catfish (which used to be eaten mainly in the South but is now being promoted and accepted in the North). Kroger's, in fact, says catfish is its No. 1 seller.

There is still a sticky obstacle to selling catfish and other fresh seafood for home consumption: People don't know how to prepare them.

Not to worry at Kroger's. All of its fish departments pass out recipes. Some stores sport video units that enable a customer to call up recipes. At still others, Kroger's has specially designed scales. When attendants weigh a fish, they can punch a button and the scale will print out a recipe on the price sticker. Up to 150 recipes can be stored in each scale.

Recipes or not, it's a dicey managing seafood departments. Mr. Osder of Grand Union knows that all too well. Availability fluctuates almost daily. Prices become unpredictable, often surging with little warning. It has to do with the nature of how we get fish.

"Unlike all other agricultural commodities in the food chain, seafood is the only hunted commodity," Mr. Osder said. "Other products are farmed, and there is a degree of control. Some fish are lagged now — mainly trout, catfish and salmon — but everything else is hunted."

When Bob Valenti goes to get his fish, he steps outside his weather-worn office, walks a dozen feet and gathers them up. Wind, rain, storms — those things don't stop him.

For 11 years, Bob Valenti has been raising striped bass in artificially made pools beside Napeague Bay in Amagansett, L.I. The early settlers called the area the Promised Land, and that's what Mr. Valenti hopes it will become for his Multi-Aquaculture Systems Inc.

He is a jowly man of 43, roughly dressed, with a contagiously cheerful disposition. He gave up a career as a fish geneticist working for private marine laboratories to become a farmer. "I got tired of the politics involved in getting funds," he said. "So, like a lot of fish research people, I thought, hey, aquaculture looks promising. Let's go do it."

The heart of his operation is 22 circular tanks, each 26 feet in diameter. Some people, he said, think farm fish aren't as tasty. He shook his head vigorously. "How can't it taste the same? It swims in water, and the water has to be clean to keep the fish swimming, right?"

The rapid rise in demand for seafood has drained American waters and taxed the nation's fishing fleets. Hence, 64 percent of the all fish sold in the United States is imported, the fisheries service says. That makes this nation the world's No. 2 importer of fish, after Japan. We are also the No. 2 exporter, after Canada, selling mostly salmon and crab to Japan. Imports, though, far outshadow exports: in 1985, the latest figures available, about \$4 billion in fish came in; about \$1 billion went out.

To help keep fish on the dining table, entrepreneurs like Mr. Valenti and huge corporations have gotten into aquaculture, which is being looked on as the best hope of producing enough fish in this country to keep up with growing demand. But researchers have not yet discovered ways to grow many species in artificial settings. And most fish take years of feeding before they get big enough and therefore are often too expensive to farm profitably.

Fish farming began in China 4,000 years ago, but the sophistication has greatly improved as techniques have been perfected in the last decade. The most popular farmed seafood in this country are catfish, trout, crawfish



The New York Times/Michael Shure

Amagansett fish farmer Bob Valenti showing off a stuffed striped bass (above). A skate about to be skinned.



and oysters. Virtually all the rainbow trout sold commercially in America is farmed, as is 95 percent of the catfish. These are species with short and therefore relatively inexpensive growing cycles. But other seafood — abalone, mussels, salmon — are being tried, and the technology is such that some species, like striped bass, now grow to eating size more quickly on farms than in their natural habitats offshore.

Because of all this, Bob Valenti thinks he is on the brink of big dollars. His farm strategy has gone through several cycles. For the first five years, he raised pan-sized striped bass to sell to restaurants and wholesalers, but then the commercial catch became plentiful enough that his income almost disappeared. He switched to raising young fish to sell to stock lakes or for other farms.

But a dwindling supply of striped bass, as well as contamination of them in some waters, has prompted various states in the last few years to restrict striped bass fishing. Thus Mr. Valenti is returning this year to raising pan-sized bass. He figures to produce about 35,000 pounds a year. Don't look for his fish tomorrow. It takes 12 to 18 months for farm bass to grow big enough to cook.

A lot of seafood fans seem perfectly happy to dine on surimi — a cheap fish disguised as an expensive one.

The disguise process begins with a fish block generally made from the flesh of pollack, a fish available in enormous quantities from the Bering Sea. By complex cooking and blending techniques, the block is fashioned into different filament lengths and structures. Mixed in are ingredients such as egg white, wheat, food coloring and often artificial flavoring so that the pollack winds up looking like a shellfish. Depending on the ingredients, it can appear as shrimp or crab or just about anything.

"Surimi is like flour to the baker," said David Berelson Jr., the president of the Berelson Company, the biggest American surimi marketer. "It can be created into any product."

Berelson, which is based in San Francisco, brought the idea to America in 1975 from Japan, where surimi is an old art. The Suguyo Company, a small enterprise in Nanao, had sold Berelson other fish products, and when executives told David Berelson Jr. about surimi, lights went off.

"I was born and raised out in California," Mr. Berelson said, "and I always loved crab. I saw it got very scarce and very expensive and I thought, my God, this is a wonderful opportunity."

Berelson's Sea Legs brand is now the biggest selling surimi product. Sea Legs Supreme, a crab salad, is the most popular item, though the company also markets other crab and lobster surimi products. About 20 other companies also sell surimi versions of shrimp and scallops.

Since surimi's arrival in the United States, the concept has blossomed into what is estimated to be a \$400 million business. Berelson won't disclose what its surimi revenues are, but it says industrywide surimi sales

have doubled each year, until they leveled off in 1984 because of price increases of about 20 percent, set off by the rise in the value of the yen.

Surimi isn't for everyone. Some say it tastes awful compared with unprocessed fish. The product, moreover, doesn't contain as much protein or as many nutrients as fresh fish. Nevertheless, some restaurants drop surimi into salads and seafood offerings without advising consumers. That's legal everywhere but in Maine, where seafood ingredients must be identified.

Many fish, unfortunately, don't sound like something you would want to put in your mouth. They've got these abysmal names. Do you want to go out on a date and order dogfish? Would you ever serve the to-laws a kipping of blowfish?

There's a simple solution. Change the names. Fish wholesalers have. Dogfish is more commonly known now as salmon shark or grayfish. Blowfish is called sea robin or sea squab. Monkfish, which not only sounds like something best left in the sea but also happens to be about the ugliest fish in the ocean, goes by its French name. "The name doesn't sound so hot, so you make up new ones," said Bill Desmond, a vice president of Inland Seafood, an Atlanta fish wholesaler. "A lot of this seafood business is marketing. Just about any fish in the sea, you have something similar to it. So you borrow that name."

The three-year-old Sea Grill Restaurant in Manhattan, in fact, has found a marketing edge by touting barracuda fish. Bob McKay, the assistant director, says that the establishment has been especially successful with Hawaiian fish like mahi, ono and opak. "They're going to be one of the trends to watch in 1987," he said. "We're finding that the public really has an open mind. They'll try these things they never heard of. And I don't blame them. They're good." ■

RESOURCE DEVELOPMENT COUNCIL

DRAFT
STRATEGY FOR ADVANCING
ALASKA'S MARICULTURE INDUSTRY

FEBRUARY 19, 1987

PROPOSED DRAFT LEGISLATION

LAND OWNERSHIP AND MANAGEMENT

Objective I-A:

Define regulations and procedures to provide for the use of state lands (tidal and submerged) for aquaculture products and port and harbor development.

Task 1: Revise AS Title 38 Sec. 05.082 Leases for shore fisheries development to make it applicable to aquaculture development.

* Section 38.05.082 is amended as follows:

(a) The director, with approval of the commissioner, may lease tide and submerged land for fisheries development. Fisheries development includes the utilization of shore gill nets or set nets for the taking of fish and development and operation of an aquatic farm as defined under AS 08.06.300 and permitted under AS 08.06.010. Every lease issued under this section shall reserve to the public a right-of-way for access to navigable waters and other tide and submerged land.

Adding the following subsections:

(f) The director may classify land as subject to leases for fisheries development, and publicly invite applications for the selected areas. The director will continue to accept and execute fisheries development lease applications (in lieu of the aforementioned land classification. Each application shall be accompanied by an affidavit describing the proposed aquaculture farm project and shall include a schedule for developing and operating the aquatic farm and to the effect that the applicant presently intends to follow the schedule for utilizing the leased area. This information may be incorporated in the lease agreement. If two or more applications are received for the same area, the director shall award the lease to the most qualified applicant. ~~In determining the qualification of applicants, the director shall consider the (length of time during which the applicant has been engaged in aquatic farming) the proximity to best aquatic farm sites of the applicant to the land to be leased, the present ability of the applicant to utilize the resources to its maximum potential, and other factors relevant to~~

~~the equitable assignment of the disputed area. If the director
can not determine a preference between conflicting applicants for
the same lease site on the basis of qualifications, the director
shall select between the applicants by lot. An aggrieved
applicant may appeal to the commissioner within five days for a
review of the director's determination.~~

(g) A lease for aquatic farming may be issued for any period not exceeding 25 years. If the commissioner determines that the land is being utilized for the purpose for which the lease is issued, the lease may be declared void. The director shall establish a reasonable rental for the lease, equal to the administrative costs involved in processing the leasehold applications.

(h) Term of leases are governed by AS 38.05.085

RDC-9

DNR Progress
to date

Possible changes in DNR statutes/regs/policies

- lease preference to permittee (right of first refusal)
- lease not by auction, but to project in the state's best interest
- highest and best use
- reasonable fee charged (leases and permits)
- lease fee based on minimum royalty their gross receipts (encourage small operators, allow industry to get going)
- lease preference to Alaskans (if constitutional) (One year residency?)
- lease clean-up bond
- lease commitment bond (also permits) (to avoid speculation)
- show economic viability (to avoid speculation)
- require development schedule (to avoid speculation)
- require adequate site monitoring and reporting (to avoid speculation)
- require demarcation of lease area
- renewal based on performance
- don't require classification outside of area plan
- no survey in remote areas/paper plat acceptable

Siting criteria

aquatic farms will be sited so as to:

- * minimize land use conflicts
- * provide environmental safeguards
- * maintain navigation and access channels
- * reduce visual and aesthetic impacts

DELIVER TO: <u>Dick LeFebvre</u>	LOCATION <u>Arctic Ltn</u>
FROM: <u>Paula Burgess</u>	LOCATION <u>L+W-Juneau</u>
TELEPHONE/TELECOPIER # _____	TOTAL NUMBER OF PAGES <u>1</u>
TRANSMITTING ON/SPEED <u>Standard</u>	DATE <u>2-20-87</u> TIME <u>3:50</u>
PHONE FOR PROBLEMS/NAME/NUMBER <u>765-2460, Lori</u>	
COMMENTS <u>Please give to Bob Meyer</u>	

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB 108/SB 106
Publish Date: 2/4/87

Revision Date: N/A
Title: Aquatic Farming: Mariculture

Agency Affected: Commerce & Econ. Dev.
BRU: Economic Development Advocates

Sponsor: Rep. Ellis/Senator Znaroff
Requestor: _____

Components: Office of Commercial Fisheries Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	15.0	5.5	6.0	6.6	7.3	8.0
TRAVEL	10.0	5.5	6.1	6.7	7.3	8.1
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	25.0	11.0	12.1	13.3	14.6	16.1
CAPITAL						
REVENUE	5.0	10.0	15.0	20.0	25.0	30.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	25.0	11.0	12.1	13.3	14.6	16.1
FEDERAL FUNDS						
OTHER						
TOTAL	25.0	11.0	12.1	13.3	14.6	16.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This program will become a priority mission of OCFD and shall be assigned to existing personnel. Initial permit requests are not expected to exceed 80% of one Development Specialist II available time. Travel is programmed for site visits as envisioned by the bill and contractual includes phone, photocopy and

Prepared by: W.G. Paulick
Division: Office of Commercial Fisheries Development

Phone: 465-2162
Date: 2/17/87

Approved by Commissioner: Anthony Smith
Agency: Department of Commerce and Economic Development

Date: 2/17/87

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

1987 LEGISLATIVE SESSION
FISCAL NOTE

HB 108/SB 106

Analysis: (Continued)

other expenses related to permitting as required by the bill. FY 87 includes funding for public hearings, etc., to finalize new regulations. Program receipts have been estimated by using a fee of \$100 per annual permit; 50 new permits per year.

IN THE

BY

_____ BILL NO. _____

IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing and encouraging
aquatic farming and providing an
effective date."

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

* Section 1. FINDINGS AND PURPOSES. The legislature
finds and declares that

(1) Aquatic farming in Alaska would provide a consistent
source of quality food, provide new jobs, increase Alaska
exports, create new commercial fishing and other business
opportunities, and increase the stability and diversity of
Alaska's economy;

(2) Many areas of the state are ecologically suited for
aquatic farming development;

(3) Aquatic farming would complement and enhance the
variety and quality of Alaska seafood and aquatic products, and
would thus benefit Alaska's economy as a whole;

(4) The principal responsibility for development of
aquatic farming in the state rests with the private sector.
Existing constraints on the private sector tend to be
administrative rather than scientific or technological, and the
proper role of government is to ease those constraints and to
provide encouragement and support through programs and services
that cannot reasonably be expected from private sources; and

(5) It is the policy of this state to encourage the
establishment and growth of an aquatic farming industry.

* Section 2. AS 16 is amended by adding a new chapter to read:

CHAPTER 12. AQUATIC FARMING

Sec. 16.12.010. AQUATIC FARM AND HATCHERY PERMITS; LIMITATION ON RELEASE. (a) No person may conduct either of the following activities without a permit from the commissioner:

(1) the construction or operation of an aquatic farm;
or

(2) the construction and operation of a hatchery for the purpose of supplying aquatic plants and animals to an aquatic farm.

(b) A permit issued under this section authorizes the permittee, subject to the conditions of this chapter, to acquire, purchase, offer to purchase, transport, possess, sell and offer to sell stock and aquatic farm products that are used or reared at the hatchery or aquatic farm.

(c) No salmon, steelhead or other trout may be released from a hatchery or aquatic farm permitted under this section into the public waters of the state without authorization from the Department of Fish and Game.

Sec. 16.12.020. COLLECTOR PERMITS. (a) No person may collect aquatic plants or animals from wild stock in the state for the purpose of supplying stock to an aquatic farm or hatchery permitted under AS 16.12.010 without a permit from the commissioner.

(b) A permit issued under this section authorizes the permittee, subject to the conditions of this chapter, to harvest those species and quantities of wild stock in the state specified in the permit for the purpose of supplying stock to an aquatic farm or hatchery permitted under AS 16.12.010.

(c) The commissioner, in consultation with the commissioner of fish and game, may attach conditions to a permit issued under this section, including conditions relating to the time, place, and manner of harvest. Size, gear, place, time, licensing and other limitations applicable to sport, commercial or subsistence harvest of aquatic plants and animals do not apply to a permitted collector harvest under this section.

(d) The commissioner shall forward a copy of any permit application under this section to the commissioner of fish and game. If the commissioner of fish and game objects to the permit's issuance within 14 days of receipt of the application, the permit must be denied. The commissioner of fish and game may object to the issuance of a permit under this section only upon finding that the proposed harvest will substantially impair natural production needs, and the objection must contain the factual basis for that finding.

(e) The commissioner shall grant a permit under this section if:

(1) wild stock is needed for initial farms or hatchery stock;

(2) there are technological limitations on the propagation of cultured stock for the species sought;

(3) wild stock is needed to maintain the gene pool of a hatchery or farm; or

(4) commercial harvest of the species sought is neither limited under AS 16.43 nor fully developed.

(f) When aquatic plants or animals are acquired under a permit issued under this section, they become the property of the permittee and are no longer a public or common resource.

Sec. 16.12.030. IMPORTATION OF AQUATIC PLANTS OR ANIMALS FOR STOCK. No person may import an aquatic plant or animal into

the state for the purpose of supplying stock to an aquatic farm or hatchery unless authorized by a permit or regulation of the Board of Fisheries.

Sec. 16.12.040. REGULATIONS; OTHER AUTHORITY. (a) The commissioner may adopt regulations necessary to implement this chapter. The commissioner shall compile and annually report aquatic farm and hatchery production statistics.

(b) Except as provided in AS 16.12.030, the Board of Fisheries may not adopt any regulations, or take any action regarding either the issuance, denial or conditioning of any permit under AS 16.12.010 - 16.12.020; the construction or operation of any farm or hatchery permitted under AS 16.12.010; or a permitted harvest under AS 16.12.020. Regulations or orders adopted by the Board of Fisheries under AS 16.05.251 do not apply to a permitted harvest under AS 16.12.020.

Sec. 16.12.050. DISEASE CONTROL AND INSPECTION. (a) The Department of Fish and Game may order the destruction and disposal of any diseased stock or aquatic farm products when that department finds it necessary to protect natural stocks. A permit holder under AS 16.12.010 - 16.12.020 shall immediately report any outbreak or incidence of disease to the Department of Fish and Game.

(b) A permittee under AS 16.12.010 - 16.12.020 shall permit the Department of Fish and Game to inspect the farm or hatchery during operating hours and upon reasonable notice. The cost of inspection will be borne by that department.

(c) The Department of Fish and Game shall develop a disease management and control program for aquatic farms and hatcheries.

(d) The Department of Fish and Game shall, to the extent feasible, provide permittees with disease diagnostic and management services, and may enter into contracts with other state or federal agencies, or the private sector, to provide those services.

Sec. 16.12.060. PERMIT CONDITIONS; RESTRICTION ON TRANSFER; ANNUAL RENEWAL. (a) The Commissioner, after consulting with the Department of Fish and Game, may attach conditions to a permit under AS 16.12.010 that are necessary to protect the public health or natural stocks.

(b) A private hatchery permitted under AS 16.12.010 may sell or transfer stock from the hatchery only to an aquatic farm or other hatchery permitted under AS 16.12.010.

(c) No stock may be transported to or from an aquatic farm or hatchery permitted under AS 16.12.010 without first submitting a notice of transfer to the Commissioner. The notice must be accompanied by a health inspection report from the Department of Fish and Game, or from a disease diagnostician approved by that department. The notice of transfer must be submitted no later than 30 days before the proposed date of transfer. The Department of Fish and Game may restrict or disapprove the transfer if it finds that the transfer would either present a substantial risk of spreading disease or, in the case of a transfer from a hatchery, would significantly impair the production needs of that hatchery.

(d) A permit issued under AS 16.12.010 must be renewed annually. The renewal application must be submitted to the Commissioner no later than 30 days prior to the expiration of the permit. Each renewal application must be accompanied by a health inspection report from the Department of Fish and Game, or from a fish disease diagnostician approved by that

department. In the renewal, the Commissioner may impose additional conditions necessary to control and manage disease.

Sec. 16.12.070. LIMITATIONS ON SALE. (a) No person may sell, transfer or offer to sell any aquatic farm product unless that product was grown or propagated on a farm permitted under AS 16.12.010, and that permit was in effect at the time of the sale, transfer or offer.

(b) No person may knowingly purchase, receive or offer to purchase or receive any aquatic farm product that was not grown or propagated from a farm having a valid permit under AS 16.12.010 at the time of the purchase, receipt or offer.

(c) The sale of any aquatic farm product must be evidenced by a bill of sale, and a copy of the bill of sale must be sent to the commissioner within 45 days of the sale. Bills of sale submitted under this subsection, and information contained in the bill of sale when presented in a manner so as to enable identification of the seller, are confidential and may not be released by the commissioner. This subsection does not prevent the commissioner from releasing:

(1) aggregated sales information that does not enable identification of a particular seller or the substance of that seller's transactions;

(2) the bill of sale:

(A) to the Department of Revenue to assist that department in carrying out its statutory responsibilities on the condition that the confidentiality required by this subsection will be accorded by that department;

(B) the municipality with jurisdiction over the sale for the purpose of verifying applicable taxes due on the sale, on the condition that the confidentiality required by this subsection will be accorded by that municipality;

(C) pursuant to court order; or
(D) to the seller upon the seller's written request.

Sec. 16.12.080. PENALTY FOR VIOLATION. A person who violates a provision of AS 16.12.010 - 16.12.070, a regulation adopted under AS 16.12.010 - 16.12.070, or a term or condition of a permit issued under AS 16.12.010, is guilty of a class B misdemeanor.

Sec. 16.12.100. DEFINITIONS. In this chapter,

(1) "Aquatic farm" means a facility which grows, farms, or cultivates aquatic farm products within either artificially enclosed marine or fresh waters, or within controlled waters for immobile species. The term does not include releasing fish or shellfish into the waters of the state and their subsequent recapture in the practice known as ocean ranching;

(2) "Aquatic farm products" include any form of aquatic plants and animals, and fish parts that are propagated, farmed, or cultivated in an aquatic farm and that are sold or offered for consumption;

(3) "Commissioner" means the commissioner of the Alaska Department of Commerce and Economic Development;

(4) "Hatchery" means a facility for the artificial incubation of stock, including rearing of juvenile aquatic plant or animals;

(5) "Stock" includes any form of live aquatic plants and animals that are acquired, possessed or intended for use by a hatchery or aquatic farm permitted under AS 16.12.010 for the purpose of further growth or propagation.

* Section 3. AS 03.05.020(a) is amended by adding a new paragraph to read:

(6) monitor aquatic farms and hatcheries permitted under AS 16.12.010 for the possible presence of paralytic shellfish poisoning.

* Section 4. AS 16.05.251 is amended by adding a new subsection to read:

(f) The authority of the Board of Fisheries under this section is subject to the limitations of AS 16.12.040(b).

* Section 5. AS 16.05.330(a) is amended to read:

(a) Except as otherwise permitted in this chapter, a person may not engage in sport fishing, including the taking of razor clams; in hunting, trapping, or fur dealing; in the farming of [FISH,] fur[,] or game; or in taxidermy, without having the appropriate license or tag in actual possession.

* Section 6. AS 16.05.340(a)(14) is amended to read:

(14) [FISH OR] game farming biennial licenses100

* Section 7. AS 16.05.920(a) is amended to read:

(a) Unless permitted by this chapter or AS 16.12, or by regulation adopted under this chapter or AS 16.12, a person may not take, possess, transport, sell, offer to sell, purchase, or offer to purchase fish, game or marine aquatic plants, or any part of fish, game or aquatic plants, or a nest or egg of fish or game.

* Section 8. AS 16.05.930 is amended by adding a new subsection to read:

(g) AS 16.05.330 - 16.05.720 do not apply to any activity authorized by a permit issued under AS 16.12.010 - 16.12.020, or to any person or vessel employed in pursuit of an activity permitted under AS 16.12.010 - 16.12.020.

* Section 9. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not apply to the purchase or sale of aquatic farm products from a permittee under AS 16.12.010 or stock from a permittee under AS 16.12.020.

* Section 10. AS 16.10.380(b) is amended to read:

(b) In this section "user group" includes, but is not limited to, sport fishermen, processors, commercial fishermen, aquatic farmers, subsistence fishermen, and representatives of local communities.

* Section 11. AS 16.10.400 is amended by adding a new subsection to read:

(h) AS 16.10.400 - 16.10.475 do not apply to the construction or operation of a private hatchery permitted under AS 16.12.010.

* Section 12. AS 16.10.420(3) is amended to read:

(3) no salmon eggs or resulting fry, sold to a permit holder by the state or by another party approved by the department, may be resold or otherwise transferred to another person, unless that person holds a permit under AS 16.12.010;

* Section 13. AS 16.10.420(7) is amended to read:

(7) surplus eggs from salmon returning to the hatchery be made available for sale first to the department and then, after inspection and approval by the department, to operators of other hatcheries authorized by permit to operate under AS 16.10.400 - 16.10.470, or AS 16.12.010;

* Section 14. AS 16.10.450 is amended to read:

Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A hatchery operator who sells salmon returning from the natural waters of the state, or sells salmon eggs to another hatchery operating under AS 16.10.400 - 16.10.470 or AS 16.12.010, after utilizing the funds for reasonable operating costs, including debt retirement, expanding its facilities, salmon rehabilitation projects, fisheries research, or for costs of operating the qualified regional association for the area in which the hatchery is located, shall expend the remaining funds on other fisheries activities of the qualified regional association. Fish returning to hatcheries and sold for human consumption shall be of comparable quality to fish harvested by commercial fisheries in the area, and shall be sold at prices commensurate with the current market.

* Section 15. AS 16.43.140 is amended by adding a new subsection to read:

(d) This chapter does not apply to activities authorized by permit under AS 16.12.010 - 16.12.020.

* Section 16. AS 16.51.180(5) is amended to read:

(5) "seafood" means finfish, shellfish, and by-products, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock. The terms does not

include aquatic farm products as that term is defined in AS 16.12.100(2) [;]

* Section 17. AS 43.75.011 is amended to read:

Sec. 43.75.011. FISHERIES BUSINESS LICENSE. (a) A person engaging or attempting to engage in a fisheries business shall first apply for and obtain a license as provided in AS 43.75.020.

(b) This section does not apply to the operation of an aquatic farm permitted under AS 16.12.010.

* Section 18. AS 43.75.017 is amended to read:

Sec. 43.75.017. EXCLUSION FROM FISHERIES BUSINESS TAX. A person is not liable for the fisheries business tax under AS 43.75.015:

(1) when the fishery resource is frozen aboard a fishing vessel if

(A)[(1)] the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;

(B)[(2)] the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing;

(C)[(3)] the fishery resource was caught by the vessel; and

(D)[(4)] the fishery resource is sold by the person claiming an exclusion from the tax to a fisheries business licensed under this chapter; or

(2) for the processing or sale of aquatic farm products by an aquatic farm permitted under AS 16.12.010.

* Sec. 18. AS 16.05.940(12) is repealed.

* Sec. 19. This Act takes effect immediately in accordance with AS 01.10.070(c).

Liquaculture Bill
"Lobby 2" Disc

IN THE

BY

_____ BILL NO. _____

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing and encouraging aquatic farming and providing an effective date."

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

* Section 1. FINDINGS AND PURPOSES. The legislature finds and declares that

(1) Aquatic farming in Alaska would provide a consistent source of quality food, provide new jobs, increase Alaska exports, create new commercial fishing and other business opportunities, and increase the stability and diversity of Alaska's economy;

(2) Many areas of the state are ecologically suited for aquatic farming development;

(3) Aquatic farming would complement and enhance the variety and quality of Alaska seafood and aquatic products, and would thus benefit Alaska's economy as a whole;

(4) The principal responsibility for development of aquatic farming in the state rests with the private sector. Existing constraints on the private sector tend to be administrative rather than scientific or technological. The proper role of government is to ease those constraints and to provide encouragement and support through programs and services that cannot reasonably be expected from private sources; and

(5) It is the policy of this state to encourage the establishment and growth of an aquatic farming industry.

* Section 2. AS 08 is amended by adding a new chapter to read:

CHAPTER 94. AQUATIC FARMING

Sec. 08.94.010. AQUATIC FARM AND HATCHERY PERMITS; LIMITATION ON RELEASE. (a) No person may conduct either of the following activities without a permit from the commissioner:

(1) the construction or operation of an aquatic farm;
or

(2) the construction and operation of a hatchery for the purpose of supplying aquatic plants and animals to an aquatic farm.

(b) A permit issued under this section authorizes the permittee, subject to the conditions of this chapter, to acquire, purchase, offer to purchase, transport, possess, sell and offer to sell stock and aquatic farm products that are used or reared at the hatchery or aquatic farm.

(c) No salmon, steelhead or other trout may be released from a hatchery or aquatic farm permitted under this section into the public waters of the state without authorization from the Department of Fish and Game.

(d) An application fee of \$100 must accompany the application for a permit under this section.

Sec. 08.94.020. REGULATIONS; OTHER AUTHORITY. (a) The commissioner may adopt regulations necessary to implement this chapter. The commissioner shall compile and annually report aquatic farm and hatchery production statistics.

(b) Except as expressly provided in AS 16.05.822, the Board of Fisheries may not adopt any regulations, or take any action regarding either the issuance, denial or conditioning of any permit under AS 08.94.010 or AS 16.05.821; the construction or operation of any farm or hatchery permitted under

AS 08.94.010; or a permitted harvest under AS 16.05.821. Regulations or orders adopted by the Board of Fisheries under AS 16.05.251 do not apply to a permitted harvest under AS 16.05.821.

Sec. 08.94.030. DISEASE CONTROL AND INSPECTION. (a) The Department of Fish and Game may order the destruction and disposal of any diseased stock or aquatic farm products when that department finds it necessary to protect natural stocks. A permit holder under AS 08.94.010 or AS 16.05.821 shall immediately report any outbreak or incidence of disease to the Department of Fish and Game.

(b) A permittee under AS 08.94.010 shall permit the Department of Fish and Game to inspect the farm or hatchery during operating hours and upon reasonable notice. The cost of inspection will be borne by that department.

(c) The Department of Fish and Game shall develop a disease management and control program for aquatic farms and hatcheries.

(d) The Department of Fish and Game shall, to the extent feasible, provide permittees with disease diagnostic and management services, and may enter into agreements with other state or federal agencies, or the private sector, to provide those services.

Sec. 08.94.040. PERMIT CONDITIONS; RESTRICTION ON TRANSFER; ANNUAL RENEWAL. (a) The Commissioner, after consulting with the commissioners of fish and game, and environmental conservation may attach conditions to a permit under AS 08.94.010 that are necessary to protect the public health or natural stocks.

(b) A private hatchery permitted under AS 08.94.010 may sell or transfer stock from the hatchery only to an aquatic farm or other hatchery permitted under AS 08.94.010.

(c) No stock may be transported to or from an aquatic farm or hatchery permitted under AS 08.94.010 without first submitting a notice of transfer to the Commissioner. The notice must be accompanied by a health inspection report from the Department of Fish and Game, or from a disease diagnostician approved by that department. The notice of transfer must be submitted no later than 30 days before the proposed date of transfer. The Department of Fish and Game may restrict or disapprove the transfer if it finds that the transfer would either present a substantial risk of spreading disease or, in the case of a transfer from a hatchery, would significantly impair the production needs of that hatchery.

(d) A permit issued under AS 08.94.010 must be renewed annually. The renewal application must be submitted to the Commissioner no later than 30 days prior to the expiration of the permit. Each renewal application must be accompanied by a health inspection report from the Department of Fish and Game, or from a fish disease diagnostician approved by that department. In the renewal, the commissioner may impose additional conditions necessary to control and manage disease.

Sec. 08.94.070. LIMITATIONS ON SALE. (a) No person may sell, transfer or offer to sell any aquatic farm product unless that product was grown or propagated on a farm permitted under AS 08.94.010, and that permit was in effect at the time of the sale, transfer or offer.

(b) No person may knowingly purchase, receive or offer to purchase or receive any aquatic farm product that was not grown

or propagated from a farm having a valid permit under AS 08.94.010 at the time of the purchase, receipt or offer.

(c) The sale of any aquatic farm product must be evidenced by a bill of sale. A summary of all bills of sale specifying quantities, products and sales prices must be submitted to the commissioner on a quarterly basis. Quarterly summaries submitted under this subsection, and information contained in the summary when presented in a manner so as to enable identification of the seller, are confidential and may not be released by the commissioner. This subsection does not prevent the commissioner from releasing:

(1) aggregated sales information that does not enable identification of a particular seller or the substance of that seller's transactions; or

(2) the quarterly summary:

(A) to the Department of Revenue to assist that department in carrying out its statutory responsibilities on the condition that the confidentiality required by this subsection will be accorded by that department;

(B) the municipality with jurisdiction over the sale for the purpose of verifying applicable taxes due on the sale, on the condition that the confidentiality required by this subsection will be accorded by that municipality;

(C) pursuant to court order; or

(D) to the seller upon the seller's written request.

Sec. 08.94.060. PENALTY FOR VIOLATION. A person who violates a provision of this chapter, a regulation adopted under this chapter, or a term or condition of a permit issued under AS 08.94.010, is guilty of a class B misdemeanor.

Sec. 08.94.100. DEFINITIONS. In this chapter,

(1) "Aquatic farm" means a facility which grows, farms, or cultivates aquatic farm products within either artificially enclosed marine or fresh waters, or within controlled waters for immobile species. The term does not include releasing fish or shellfish into the waters of the state and their subsequent recapture in the practice known as ocean ranching;

(2) "Aquatic farm products" include any form of aquatic plants and animals, and fish parts that are propagated, farmed, or cultivated in an aquatic farm and that are sold or offered for consumption;

(3) "Commissioner" means the commissioner of the Alaska Department of Commerce and Economic Development;

(4) "Hatchery" means a facility for the artificial incubation of stock, including rearing of juvenile aquatic plant or animals;

(5) "Stock" includes any form of live aquatic plants and animals that are acquired, collected, possessed or intended for use by a hatchery or aquatic farm permitted under AS 16.12.010 for the purpose of further growth or propagation.

* Section 3. AS 03.05.020(a) is amended by adding a new paragraph to read:

(6) monitor aquatic farms and hatcheries permitted under AS 08.94.010 for the possible presence of paralytic shellfish poisoning.

* Section 4. AS 03.05.026(d) is amended to read:

(d) The commissioner of environmental conservation, after consultation with the Alaska Seafood Marketing Institute and representatives of the aquatic farming industry, shall develop product specifications and standards for the use of the "premium

quality" seal on Alaska seafood products. The commissioner shall authorize a seafood processor to display "premium quality" seal on products that quality for the seal if the processor meets the requirements of regulations adopted under this section and AS 03.05.025, and has been issued a permit to operate under AS 03.05.025. The commissioner shall authorize an aquatic farm permitted under AS 08.94.010 to display a "premium quality" seal on aquatic farm products if the aquatic farm meets the requirements of regulations developed under this section in consultation with the aquatic farming industry and the requirements of AS 08.94.

* Section 5. AS 16.05.251 is amended by adding a new subsection to read:

(f) The authority of the Board of Fisheries under this section is subject to the limitations of AS 08.94.020.

* Section 6. AS 16.05.330(a) is amended to read:

(a) Except as otherwise permitted in this chapter, a person may not engage in sport fishing, including the taking of razor clams; in hunting, trapping, or fur dealing; in the farming of [FISH,] fur[,] or game; or in taxidermy, without having the appropriate license or tag in actual possession.

* Section 7. AS 16.05.340(a)(14) is amended to read:

(14) [FISH OR] game farming biennial licenses100

* Section ~~8~~⁸. AS 16.05 is amended by adding new sections to read:

Sec. 16.05.821. AQUATIC FARM STOCK ACQUISITION PERMITS.

(a) No person may acquire aquatic plants or animals from wild stock in the state for the purpose of supplying stock to an

aquatic farm or hatchery permitted under AS 08.94.010 without a permit from the commissioner. An application fee of \$100 must accompany the permit application.

(b) A permit issued under this section authorizes the permittee, subject to the conditions of AS 08.94, to harvest those species and quantities of wild stock in the state specified in the permit for the purpose of supplying stock to an aquatic farm or hatchery permitted under AS 08.94.010.

(c) The commissioner, in consultation with the commissioner of commerce and economic development, may attach conditions to a permit issued under this section, including conditions relating to the time, place, and manner of harvest. Size, gear, place, time, licensing and other limitations applicable to sport, commercial or subsistence harvest of aquatic plants and animals do not apply to a permitted harvest under this section.

(d) The commissioner shall forward a copy of any permit application under this section to the commissioner of commerce and economic development. The commissioner's decision must be made within 30 days of receipt of the application.

(e) The commissioner may deny or restrict a permit under this section upon finding that the proposed harvest will substantially impair sustained yield of the species. The commissioner's decision must contain the factual basis for that finding and must also explain why the substantial impairment could not have been reasonably foreseen and avoided through available management options. If the commissioner is unable to find substantial impairment, the permit application must be granted if any of the following circumstances exist:

(1) wild stock is needed for initial farms or hatchery stock;

(2) there are technological limitations on the propagation of cultured stock for the species sought;

(3) wild stock is needed to maintain the gene pool of a hatchery or farm; or

(4) commercial harvest of the species sought is neither limited under AS 16.43 nor fully developed.

(f) When aquatic plants or animals are acquired under a permit issued under this section, they become the property of the permittee and are no longer a public or common resource.

(g) The commissioner shall make stock available for aquatic farming purposes.

Sec. 16.05.822. IMPORTATION OF AQUATIC PLANTS OR ANIMALS FOR STOCK. No person may import an aquatic plant or animal into the state for the purpose of supplying stock to an aquatic farm or hatchery unless authorized by a permit or regulation of the Board of Fisheries.

Section 16.05.823. PENALTIES FOR VIOLATION. A person who violates a provision of AS 16.05.821 - 16.05.822, a regulation adopted under AS 16.05.821 - 16.05.822, or a term or condition of a permit issued under AS 16.05.821, is guilty of a Class B misdemeanor.

* Section 9. AS 16.05.920(a) is amended to read:

(a) Unless permitted by this chapter or AS 08.94, or by regulation adopted under this chapter or AS 08.94, a person may not take, possess, transport, sell, offer to sell, purchase, or offer to purchase fish, game or marine aquatic plants, or any part of fish, game or aquatic plants, or a nest or egg of fish or game.

* Section 10. AS 16.05.930 is amended by adding a new subsection to read:

(g) AS 16.05.330 - 16.05.720 do not apply to any activity authorized by a permit issued under AS 08.94.010 or AS 16.05.821, or to any person or vessel employed in pursuit of an activity permitted under AS 08.94.010 or AS 16.05.821.

* Section 11. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not apply to the purchase or sale of aquatic farm products from a permittee under AS 08.94.010 or stock from a permittee under AS 16.05.821.

* Section 12. AS 16.10.380(b) is amended to read:

(b) In this section "user group" includes, but is not limited to, sport fishermen, processors, commercial fishermen, aquatic farmers, subsistence fishermen, and representatives of local communities.

* Section 13. AS 16.10.400 is amended by adding a new subsection to read:

(h) AS 16.10.400 - 16.10.475 do not apply to the construction or operation of a private hatchery permitted under AS 08.94.010.

* Section 14. AS 16.10.420(3) is amended to read:

(3) no salmon eggs or resulting fry, sold to a permit holder by the state or by another party approved by the department, may be resold or otherwise transferred to another person, unless that person holds a permit under AS 08.94.010;

* Section 15. AS 16.10.420(7) is amended to read:

(7) surplus eggs from salmon returning to the hatchery be made available for sale first to the department and then, after inspection and approval by the department, to operators of other hatcheries authorized by permit to operate under AS 16.10.400 - 16.10.470, or AS 08.94.010;

* Section 16. AS 16.10.450 is amended to read:

Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A hatchery operator who sells salmon returning from the natural waters of the state, or sells salmon eggs to another hatchery operating under AS 16.10.400 - 16.10.470 or AS 08.94.010, after utilizing the funds for reasonable operating costs, including debt retirement, expanding its facilities, salmon rehabilitation projects, fisheries research, or for costs of operating the qualified regional association for the area in which the hatchery is located, shall expend the remaining funds on other fisheries activities of the qualified regional association. Fish returning to hatcheries and sold for human consumption shall be of comparable quality to fish harvested by commercial fisheries in the area, and shall be sold at prices commensurate with the current market.

* Section 17. AS 16.43.140 is amended by adding a new subsection to read:

(d) This chapter does not apply to activities authorized by permit under AS 08.94.010 or AS 16.05.821.

* Section 18. AS 16.51.180(5) is amended to read:

(5) "seafood" means finfish, shellfish, and by-products, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock. The terms does not

include aquatic farm products as that term is defined in AS 08.94.100(2);

* Sec. 19. AS 16.05.940(12) is repealed.

* Sec. 20. This Act takes effect immediately in accordance with AS 01.10.070(c).

1 IN THE HOUSE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. FINDINGS AND POLICY. (a) The legislature finds that

10 (1) aquatic farming in the state would provide a consistent
11 source of quality food, provide new jobs, increase state exports, create
12 new commercial fishing and other business opportunities, and increase the
13 stability and diversity of the state's economy;

14 (2) many areas of the state are ecologically suited for aquatic
15 farming development;

16 (3) aquatic farming would complement and enhance the variety and
17 quality of Alaska seafood and aquatic products, and thereby benefit the
18 state's economy; and

19 (4) the principal responsibility for development of aquatic
20 farming in the state rests with the private sector.

21 (b) It is the policy of the state to encourage the establishment and
22 growth of an aquatic farming industry and to assist in the planning and
23 orderly development of the industry.

24 * Sec. 2. AS 08 is amended by adding a new chapter to read:

25 CHAPTER 06. AQUATIC FARMING.

26 Sec. 08.06.010. AQUATIC FARM AND HATCHERY PERMITS. (a) A
27 person may not, without a permit from the commissioner, construct or
28 operate

29 (1) an aquatic farm: or

1 (2) a hatchery for the purpose of supplying aquatic plants
2 or aquatic animals to an aquatic farm.

3 (b) A permit issued under this section authorizes the permittee,
4 subject to the conditions of this chapter, to acquire, purchase, offer
5 to purchase, transfer, possess, sell, and offer to sell stock and
6 aquatic farm products that are used or reared at the hatchery or
7 aquatic farm.

8 (c) The commissioner, after consulting with the commissioner of
9 fish and game and the commissioner of environmental conservation, may
10 attach conditions to a permit issued or renewed under this section
11 that are necessary to protect the public health or natural stocks.

12 Sec. 08.06.020. PERMIT APPLICATION, EXPIRATION, AND RENEWAL.

13 (a) An applicant for an aquatic farming or hatchery permit required
14 under AS 08.06.010 shall apply on a form prescribed by the commis-
15 sioner.

16 (b) A permit issued under AS 08.06.010 expires one year after
17 the date of issue.

18 (c) An application for renewal shall be submitted to the commis-
19 sioner at least 30 days before the permit expires.

20 (d) An application for renewal must be accompanied by a report
21 of a health inspection of the farm or hatchery to be permitted. The
22 inspection shall be conducted by the Department of Fish and Game or by
23 a fish disease diagnostician approved by the Department of Fish and
24 Game. The inspection shall be conducted not more than 15 days before
25 the application is submitted to the department.

26 Sec. 08.06.030. AQUATIC FARM STOCK ACQUISITION PERMITS. (a) A
27 person may not acquire aquatic plants or aquatic animals from wild
28 stock in the state for the purpose of supplying stock to an aquatic
29 farm or hatchery required to have a permit under AS 08.06.010 unless

1 the person holds an acquisition permit from the commissioner of fish
2 and game.

3 (b) An acquisition permit authorizes the permit holder to ac-
4 quire the species and quantities of wild stock in the state specified
5 in the permit for the purpose of supplying stock to an aquatic farm or
6 hatchery required to have a permit under AS 08.06.010.

7 (c) The commissioner of fish and game, in consultation with the
8 commissioner of commerce and economic development, shall specify the
9 expiration date of an acquisition permit and may attach conditions to
10 an acquisition permit, including conditions relating to the time,
11 place, and manner of harvest. Size, gear, place, time, licensing, and
12 other limitations applicable to sport, commercial, or subsistence
13 harvest of aquatic plants and aquatic animals do not apply to a har-
14 vest with a permit issued under this section.

15 (d) The commissioner of fish and game shall forward a copy of
16 each permit application under this section to the commissioner of
17 commerce and economic development. The commissioner of fish and game
18 shall issue or deny a permit within 30 days after receiving an appli-
19 cation.

20 (e) The commissioner of fish and game may deny or restrict a
21 permit under this section upon findings that (1) the proposed harvest
22 will substantially impair sustained yield of the species; and (2) the
23 substantial impairment could not have been reasonably foreseen and
24 avoided through available management options. The decision of the
25 commissioner of fish and game must contain the factual basis for the
26 findings.

27 (f) Except as provided in (e) of this section, the commissioner
28 of fish and game shall issue a permit if

29 (1) wild stock is needed for initial farms or hatchery

1 stock;

2 (2) there are technological limitations on the propagation
3 of cultured stock for the species sought;

4 (3) wild stock is needed to maintain the gene pool of a
5 hatchery or aquatic farm; or

6 (4) commercial harvest of the species sought is not limited
7 under AS 16.43 and is not fully developed.

8 (g) Aquatic plants and aquatic animals acquired under a permit
9 issued under this section become the property of the permit holder and
10 are no longer a public or common resource.

11 (h) The commissioner of fish and game shall make stock available
12 for aquatic farming purposes.

13 Sec. 08.06.040. IMPORTATION OF AQUATIC PLANTS OR AQUATIC ANIMALS
14 FOR STOCK. A person may not import into the state an aquatic plant or
15 aquatic animal for the purpose of supplying stock to an aquatic farm
16 or hatchery unless authorized by the commissioner of fish and game or
17 by a regulation of the Board of Fisheries.

18 Sec. 08.06.050. LIMITATION ON SALE, TRANSFER OF STOCK, AND
19 PRODUCTS. (a) A private hatchery required to have a permit under
20 this chapter may sell or transfer stock from the hatchery only to an
21 aquatic farm or other hatchery that has a permit issued under this
22 chapter.

23 (b) A stock may not be transferred to or from an aquatic farm or
24 hatchery required to have a permit under this chapter without prior
25 notice of the transfer to the commissioner. A notice of transfer
26 shall be submitted at least 30 days before the proposed date of trans-
27 fer.

28 (c) A notice of transfer must be accompanied by a report of a
29 health inspection of the stock. The inspection shall be conducted by

1 the Department of Fish and Game or by a disease diagnostician approved
2 by the Department of Fish and Game. The inspection shall be conducted
3 not more than seven days before the notice of transfer is submitted to
4 the commissioner.

5 (d) The Department of Fish and Game may restrict or disapprove a
6 transfer of a stock if it finds that the transfer would present a
7 substantial risk of spreading disease or, in the case of a transfer
8 from a hatchery, would significantly impair the production needs of
9 the hatchery.

10 (e) A person may not sell, transfer, or offer to sell or trans-
11 fer, or knowingly purchase or receive, an aquatic farm product unless
12 the product was grown or propagated on a farm with a permit issued
13 under this chapter. The permit must be in effect at the time of the
14 sale, transfer, purchase, receipt, or offer.

15 Sec. 08.06.060. RELEASE OF CERTAIN FISH PROHIBITED. Salmon and
16 trout may not be released into the public water of the state from a
17 hatchery or aquatic farm required to have a permit under this chapter
18 without prior authorization from the Department of Fish and Game.

19 Sec. 08.06.070. DISEASE CONTROL AND INSPECTION. (a) The De-
20 partment of Fish and Game may order the destruction and disposal of a
21 diseased hatchery stock or of aquatic farm products when necessary to
22 protect wild stocks. A holder of a permit issued under this chapter
23 shall report to the Department of Fish and Game an outbreak or inci-
24 dence of disease among stock or aquatic farm products of the permit
25 holder.

26 (b) A holder of a permit issued under AS 08.06.070 shall allow
27 the Department of Fish and Game to inspect the permit holder's farm or
28 hatchery during operating hours and upon reasonable notice. The cost
29 of inspection shall be borne by the Department of Fish and Game.

1 (c) The Department of Fish and Game shall develop a disease
2 management and control program for aquatic farms and hatcheries.

3 (d) The Department of Fish and Game may enter into an agreement
4 with a state or federal agency or a private provider to provide ser-
5 vices under (b) and (c) of this section.

6 Sec. 08.06.080. REGULATIONS. The commissioner may adopt regu-
7 lations necessary to implement this chapter.

8 Sec. 08.06.090. PENALTY. A person who violates a provision of
9 this chapter, a regulation adopted under this chapter, or a term or
10 condition of a permit issued under this chapter, is guilty of a class
11 B misdemeanor.

12 Sec. 08.06.900. DEFINITIONS. In this chapter

13 (1) "aquatic farm" means a facility that grows, farms, or
14 cultivates

15 (A) aquatic farm products in artificially enclosed
16 marine or fresh water; or

17 (B) immobile species in controlled water;

18 (2) "aquatic farm product" includes an aquatic plant or
19 aquatic animal, or fish parts that are propagated, farmed, or cul-
20 tivated in an aquatic farm and sold or offered for consumption;

21 (3) "commissioner" means the commissioner of commerce and
22 economic development;

23 (4) "hatchery" means a facility for the artificial propa-
24 gation of stock, including rearing of juvenile aquatic plants or
25 aquatic animals;

26 (5) "stock" means live aquatic plants and aquatic animals
27 acquired, collected, possessed, or intended for use by a hatchery or
28 aquatic farm for the purpose of further growth or propagation.

29 * Sec. 3. AS 03.05.020(a) is amended to read:

1 (a) The commissioner shall

2 (1) require routine inspection of food animals, fish,
3 poultry and derivative food products, to protect the public against
4 fraud, disease and spoilage, and in this connection adopt uniform
5 regulations establishing standards of identity and composition of
6 these food products and minimum standards of sanitation and handling
7 methods as to all phases of slaughtering, processing, storing, trans-
8 porting, displaying and selling of these food products;

9 (2) issue orders or cause the orders to be issued by an
10 authorized veterinarian prohibiting transportation and sale of food
11 products intended for human consumption which do not meet the minimum
12 requirements established under (1) of this subsection, and limiting
13 their use and disposal in conformity with protection of the public;

14 (3) adopt a schedule of fees or charges, and credit pro-
15 visions, for services rendered by state veterinarians to farmers and
16 others at their request in caring for livestock and poultry, and all
17 the fees shall be transmitted to the commissioner for deposit in the
18 state treasury;

19 (4) designate points of entry for admission of livestock or
20 poultry into the state, and arrange inspection at those points with or
21 without collaboration and assistance of the federal government, and
22 bar entry of stock or poultry not shipped under a valid permit or not
23 free from contagious or infectious disease;

24 (5) adopt, repeal, and amend regulations consistent with
25 existing law for

26 (A) the labeling and grading of milk and milk products
27 and standards of cleanliness and sanitation, to at least the
28 minimum of current recommendations of the United States Public
29 Health Service, for the operation of dairies selling, or offering

1 for sale, milk or milk products;

2 (B) the production and sale of ice cream and allied
3 frozen desserts;

4 (C) the production and sale of imitation milk and
5 imitation milk products;

6 (6) monitor aquatic farms and hatcheries that hold permits
7 under AS 08.06.010 for the possible presence of paralytic shellfish
8 poisoning.

9 * Sec. 4. AS 08.01.010 is amended by adding a new paragraph to read:

10 (27) regulation of aquatic farms and hatcheries under
11 AS 08.06.

12 * Sec. 5. AS 16.05.251 is amended by adding a new subsection to read:

13 (f) Except as expressly provided in AS 08.06.040, the Board of
14 Fisheries may not adopt regulations or take action regarding the
15 issuance, denial, or conditioning of a permit under AS 08.06, the
16 construction or operation of a farm or hatchery required to have a
17 permit under AS 08.06.010, or a harvest with a permit issued under
18 AS 08.06.030. Regulations or orders adopted by the Board of Fisheries
19 under this section do not apply to a harvest with a permit issued
20 under AS 08.06.030.

21 * Sec. 6. AS 16.05.330(a) is amended to read:

22 (a) Except as otherwise permitted in this chapter, a person may
23 not engage in sport fishing, including the taking of razor clams; in
24 hunting, trapping, or fur dealing; in the farming of [FISH,] fur
25 or game; or in taxidermy, without having the appropriate license
26 tag in actual possession.

27 * Sec. 7. AS 16.05.340(a)(14) is amended to read:

28 (14) [FISH OR] game farming biennial licenses.....200

29 * Sec. 8. AS 16.05.920(a) is amended to read:

1 (a) Unless permitted by AS 16.05 - AS 16.40 or AS 08.06, or by
2 regulation adopted under AS 16.05 - AS 16.40 or AS 08.06, a person may
3 not take, possess, transport, sell, offer to sell, purchase, or offer
4 to purchase fish, game, or marine aquatic plants, or any part of fish,
5 game, or aquatic plants, or a nest or egg of fish or game.

6 * Sec. 9. AS 16.05.930 is amended by adding a new subsection to read:

7 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-
8 thorized by a permit issued under AS 08.06.010 or 08.06.030, or to a
9 person or vessel employed in an activity authorized by a permit issued
10 under AS 08.06.010 or 08.06.030.

11 * Sec. 10. AS 16.05.940(14) is amended to read:

12 (14) "[FISH OR] game farming" means the business of prop-
13 agating, breeding, raising, or producing [FISH OR] game in captivity
14 for the purpose of marketing the [FISH OR] game or game [THEIR] prod-
15 ucts, and "captivity" means having the [FISH OR] game under positive
16 control, as in a pen [, POND,] or an area of land that [OR WATER
17 WHICH] is completely enclosed by a generally escape-proof barrier:

18 * Sec. 11. AS 16.10 is amended by adding a new section to read:

19 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not
20 apply to the purchase or sale of aquatic farm products from a holder
21 of a permit issued under AS 08.06.010 or stock from a holder of a
22 permit issued under AS 08.06.030.

23 * Sec. 12. AS 16.10.380(b) is amended to read:

24 (b) In this section "user group" includes, but is not limited
25 to, sport fishermen, processors, commercial fishermen, aquatic farm-
26 ers, subsistence fishermen, and representatives of local communities.

27 * Sec. 13. AS 16.10.400 is amended by adding a new subsection to read:

28 (h) AS 16.10.400 - 16.10.475 do not apply to the construction or
29 operation of a private hatchery that has a permit issued under

1 AS 08.06.010.

2 * Sec. 14. AS 16.10.420 is amended to read:

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

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

7 (2) no salmon eggs or resulting fry be placed in waters of
8 the state other than those specifically designated in the permit;

9 (3) no salmon eggs or resulting fry, sold to a permit
10 holder by the state or by another party approved by the department,
11 may be resold or otherwise transferred to another person, unless that
12 person holds a permit issued under AS 08.06.010;

13 (4) no salmon be released by the hatchery before department
14 approval, and, for purposes of pathological examination and approval,
15 the department shall be notified of the proposed release of salmon at
16 least 15 days before the date of their proposed release by the hatch-
17 ery;

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

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

22 (7) surplus eggs from salmon returning to the hatchery be
23 made available for sale first to the department and then, after in-
24 spection and approval by the department, to operators of other hatch-
25 eries authorized by permit to operate under AS 16.10.400 - 16.10.477
26 or AS 08.06.010;

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

1 (9) [REPEALED

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

6 * Sec. 15. AS 16.10.450 is amended to read:

7 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A
8 hatchery operator who sells salmon returning from the natural water
9 [WATERS] of the state, or sells salmon eggs to another hatchery op-
10 erating under AS 16.10.400 - 16.10.470 or with a permit issued under
11 AS 08.06.010, after utilizing the funds for reasonable operating
12 costs, including debt retirement, expanding its facilities, salmon
13 rehabilitation projects, fisheries research, or for costs of operating
14 the qualified regional association for the area in which the hatchery
15 is located, shall expend the remaining funds on other fisheries activ-
16 ities of the qualified regional association. Fish returning to hatch-
17 eries and sold for human consumption must [SHALL] be of comparable
18 quality to fish harvested by commercial fisheries in the area, and
19 shall be sold at prices commensurate with the current market.

20 * Sec. 16. AS 16.43.140 is amended by adding a new subsection to read:

21 (d) This chapter does not apply to activities authorized by a
22 permit issued under AS 08.06.010 or 08.06.030.

23 * Sec. 17. AS 16.51.180(5) is amended to read:

24 (5) "seafood" means finfish, shellfish, and fish by-prod-
25 ucts, including but not limited to salmon, halibut, herring, flounder,
26 crab, clam, cod, shrimp, and pollock, but does not include aquacul-
27 ture products as defined in AS 08.06.900;

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

1 IN THE HOUSE

BY ELLIS, RIEGER, COTTEN
AND BROWN.

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. FINDINGS AND POLICY. (a) The legislature finds that

10 (1) aquatic farming in the state would provide a consistent
11 source of quality food, provide new jobs, increase state exports, create
12 new commercial fishing and other business opportunities, and increase the
13 stability and diversity of the state's economy;

14 (2) many areas of the state are ecologically suited for aquatic
15 farming development;

16 (3) aquatic farming would complement and enhance the variety and
17 quality of Alaska seafood and aquatic products, and thereby benefit the
18 state's economy; and

19 (4) the principal responsibility for development of aquatic
20 farming in the state rests with the private sector.

21 (b) It is the policy of the state to encourage the establishment and
22 growth of an aquatic farming industry and to assist in the planning and
23 orderly development of the industry.

24 * Sec. 2. AS 08 is amended by adding a new chapter to read:

25 CHAPTER 06. AQUATIC FARMING.

26 Sec. 08.06.010. ~~AQUATIC FARM AND HATCHERY PERMITS.~~ (a) A
27 person may not, ~~without a permit from the commissioner,~~ construct or
28 operate

29 (1) an aquatic farm; or

1 (2) a hatchery for the purpose of supplying aquatic plants
2 or aquatic animals to an aquatic farm.

3 (b) A permit issued under this section authorizes the permittee,
4 subject to the conditions of this chapter, to acquire, purchase, offer
5 to purchase, transfer, possess, sell, and offer to sell stock and
6 aquatic farm products that are used or reared at the hatchery or
7 aquatic farm.

8 (c) The commissioner, after consulting with the commissioner of
9 fish and game and the commissioner of environmental conservation, may
10 attach conditions to a permit issued under this section that are
11 necessary to protect the public health or natural stock.

12 Sec. 08.06.020. PERMIT APPLICATION AND RENEWAL. (a) An
13 applicant for an aquatic farming or hatchery permit required under
14 AS 08.06.010 shall apply on a form prescribed by the commissioner.

15 (b) An application for renewal must be accompanied by fees
16 required under AS 08.01.065 and a report of a health inspection of the
17 farm or hatchery to be permitted. The inspection shall be conducted
18 by the Department of Fish and Game or by a fish disease diagnostician
19 approved by the Department of Fish and Game. The inspection shall be
20 conducted not more than 30 days before the application is submitted to
21 the department.

22 Sec. 08.06.030. AQUATIC FARM STOCK ACQUISITION PERMITS. (a) A
23 person may not acquire aquatic plants or aquatic animals from wild
24 stock in the state for the purpose of supplying stock to an aquatic
25 farm or hatchery required to have a permit under AS 08.06.010 unless
26 the person holds an acquisition permit from the commissioner of fish
27 and game.

28 (b) An acquisition permit authorizes the permit holder to ac-
quire the species and quantities of wild stock in the state specified

1 in the permit for the purpose of supplying stock to an aquatic farm or
2 hatchery required to have a permit under AS 08.06.010.

3 (c) The commissioner of fish and game, in consultation with the
4 commissioner of commerce and economic development, shall specify the
5 expiration date of an acquisition permit and may attach conditions to
6 an acquisition permit, including conditions relating to the time,
7 place, and manner of harvest. Size, gear, place, time, licensing, and
8 other limitations applicable to sport, commercial, or subsistence
9 harvest of aquatic plants and aquatic animals do not apply to a har-
10 vest with a permit issued under this section.

11 (d) The commissioner of fish and game shall forward a copy of
12 each permit application under this section to the commissioner of
13 commerce and economic development. The commissioner of fish and game
14 shall issue or deny a permit within 30 days after receiving an appli-
15 cation.

16 (e) The commissioner of fish and game may deny or restrict a
17 permit under this section if the commissioner finds that the proposed
18 harvest will substantially impair sustained yield of the species. The
19 decision of the commissioner of fish and game must contain the factual
20 basis for the findings. If the substantial impairment could not have
21 been reasonably foreseen and avoided through available management
22 options, the commissioner of fish and game shall explain why in the
23 decision.

24 (f) Except as provided in (e) of this section, the commissioner
25 of fish and game shall issue a permit if

26 (1) wild stock is needed for initial farms or hatchery
27 stock;

28 (2) there are technological limitations on the propagation
29 of cultured stock for the species sought;

1 (3) wild stock is needed to maintain the gene pool of a
2 hatchery or aquatic farm; or

3 (4) commercial harvest of the species sought is not limited
4 under AS 16.43 and is not fully developed.

5 (g) Aquatic plants and aquatic animals acquired under a permit
6 issued under this section become the property of the permit holder and
7 are no longer a public or common resource.

8 (h) The commissioner of fish and game shall make stock available
9 for aquatic farming purposes.

10 Sec. 08.06.040. IMPORTATION OF AQUATIC PLANTS OR AQUATIC ANIMALS
11 FOR STOCK. A person may not import into the state an aquatic plant or
12 aquatic animal for the purpose of supplying stock to an aquatic farm
13 or hatchery unless authorized by the commissioner of fish and game or
14 by a regulation of the Board of Fisheries.

15 Sec. 08.06.050. LIMITATION ON SALE, TRANSFER OF STOCK, AND
16 PRODUCTS. (a) A private hatchery required to have a permit under
17 this chapter may sell or transfer stock from the hatchery only to an
18 aquatic farm or other hatchery that has a permit issued under this
19 chapter.

20 (b) Stock may not be transferred to or from an aquatic farm or
21 hatchery required to have a permit under this chapter without prior
22 notice of the transfer to the commissioner. A notice of transfer
23 shall be submitted at least 30 days before the proposed date of trans-
24 fer.

25 (c) A notice of transfer must be accompanied by a report of a
26 health inspection of the stock. The inspection shall be conducted by
27 the Department of Fish and Game or by a disease diagnostician approved
28 by the Department of Fish and Game.

29 (d) The Department of Fish and Game may restrict or disapprove a

1 transfer of stock if it finds that the transfer

2 (1) would present a substantial risk of spreading disease;
3 or

4 (2) in the case of a transfer from a hatchery for which a
5 permit has been issued under AS 16.10.400, would significantly impair
6 the production needs of the hatchery.

7 (e) A person may not sell, transfer, or offer to sell or trans-
8 fer, or knowingly purchase or receive, an aquatic farm product grown
9 or propagated in the state unless the product was grown or propagated
10 on a farm with a permit issued under this chapter. The permit must be
11 in effect at the time of the sale, transfer, purchase, receipt, or
12 offer.

13 Sec. 08.06.060. RELEASE OF CERTAIN FISH PROHIBITED. Salmon and
14 trout may not intentionally be released into the public water of the
15 state from a hatchery or aquatic farm required to have a permit under
16 this chapter without prior authorization from the Department of Fish
17 and Game.

18 Sec. 08.06.070. DISEASE CONTROL AND INSPECTION. (a) The De-
19 partment of Fish and Game may order the quarantine or the destruction
20 and disposal of diseased hatchery stock or of aquatic farm products
21 when necessary to protect wild stock. A holder of a permit issued
22 under this chapter shall report to the Department of Fish and Game an
23 outbreak or incidence of disease among stock or aquatic farm products
24 of the permit holder.

25 (b) A holder of a permit issued under AS 08.06.010 shall allow
26 the Department of Fish and Game to inspect the permit holder's farm or
27 hatchery during operating hours and upon reasonable notice. The cost
28 of inspection shall be borne by the Department of Fish and Game.

29 (c) The Department of Fish and Game shall develop a disease

1 management and control program for aquatic farms and hatcheries.

2 (d) The Department of Fish and Game may enter into an agreement
3 with a state or federal agency or a private provider to provide ser-
4 vices under (b) and (c) of this section, or inspections under AS 08.-
5 06.020(b).

6 Sec. 08.06.080. REGULATIONS. The commissioner may adopt regu-
7 lations necessary to implement this chapter.

8 Sec. 08.06.090. PENALTY. A person who violates a provision of
9 this chapter, a regulation adopted under this chapter, or a term or
10 condition of a permit issued under this chapter, is guilty of a class
11 B misdemeanor.

12 Sec. 08.06.900. DEFINITIONS. In this chapter

13 (1) "aquatic farm" means a facility that grows, farms, or
14 cultivates aquatic farm products in captivity or under positive
15 control;

16 (2) "aquatic farm product" includes an aquatic plant or
17 aquatic animal, or fish parts that are propagated, farmed, or cul-
18 tivated in an aquatic farm and sold or offered for consumption;

19 (3) "commissioner" means the commissioner of commerce and
20 economic development;

21 (4) "hatchery" means a facility for the artificial incu-
22 bation of stock, including rearing of juvenile aquatic plants or
23 aquatic animals;

24 (5) "positive control" means, for fish and other mobile
25 species, enclosed within a natural or artificial escape-proof barrier;
26 for species with limited or no mobility, such as a bivalve or an
27 aquatic plant, "positive control" also includes managed cultivation in
28 unenclosed water;

29 (6) "stock" means live aquatic plants and aquatic animals

1 acquired, collected, possessed, or intended for use by a hatchery or
2 aquatic farm for the purpose of further growth or propagation.

3 * Sec. 3. AS 03.05.020(a) is amended to read:

4 (a) The commissioner shall

5 (1) require routine inspection of food animals, fish,
6 poultry and derivative food products, to protect the public against
7 fraud, disease and spoilage, and in this connection adopt uniform
8 regulations establishing standards of identity and composition of
9 these food products and minimum standards of sanitation and handling
10 methods as to all phases of slaughtering, processing, storing, trans-
11 porting, displaying and selling of these food products;

12 (2) issue orders or cause the orders to be issued by an
13 authorized veterinarian prohibiting transportation and sale of food
14 products intended for human consumption which do not meet the minimum
15 requirements established under (1) of this subsection, and limiting
16 their use and disposal in conformity with protection of the public;

17 (3) adopt a schedule of fees or charges, and credit pro-
18 visions, for services rendered by state veterinarians to farmers and
19 others at their request in caring for livestock and poultry, and all
20 the fees shall be transmitted to the commissioner for deposit in the
21 state treasury;

22 (4) designate points of entry for admission of livestock or
23 poultry into the state, and arrange inspection at those points with or
24 without collaboration and assistance of the federal government, and
25 bar entry of stock or poultry not shipped under a valid permit or not
26 free from contagious or infectious disease;

27 (5) adopt, repeal, and amend regulations consistent with
28 existing law for

29 (A) the labeling and grading of milk and milk products

1 and standards of cleanliness and sanitation, to at least the
2 minimum of current recommendations of the United States Public
3 Health Service, for the operation of dairies selling, or offering
4 for sale, milk or milk products;

5 (B) the production and sale of ice cream and allied
6 frozen desserts;

7 (C) the production and sale of imitation milk and
8 imitation milk products;

9 (6) monitor aquatic farms and hatcheries that hold permits
10 under AS 08.06.010 for the possible presence of paralytic shellfish
11 poisoning.

12 * Sec. 4. AS 08.01.010 is amended by adding a new paragraph to read:

13 (27) regulation of aquatic farms and hatcheries under
14 AS 08.06.

15 * Sec. 5. AS 16.05.251 is amended by adding a new subsection to read:

16 (f) Except as expressly provided in AS 08.06.040, the Board of
17 Fisheries may not adopt regulations or take action regarding the
18 issuance, denial, or conditioning of a permit under AS 08.06, the
19 construction or operation of a farm or hatchery required to have a
20 permit under AS 08.06.010, or a harvest with a permit issued under
21 AS 08.06.030. Regulations or orders adopted by the Board of Fisheries
22 under this section do not apply to a harvest with a permit issued
23 under AS 08.06.030.

24 * Sec. 6. AS 16.05.330(a) is amended to read:

25 (a) Except as otherwise permitted in this chapter, a person may
26 not engage in sport fishing, including the taking of razor clams; in
27 hunting, trapping, or fur dealing; in the farming of [FISH,] fur [,]
28 or game; or in taxidermy, without having the appropriate license or
29 tag in actual possession.

1 * Sec. 7. AS 16.05.340(a)(14) is amended to read:

2 (14) [FISH OR] game farming biennial licenses.....200

3 * Sec. 8. AS 16.05.920(a) is amended to read:

4 (a) Unless permitted by AS 16.05 - AS 16.40 or AS 08.06, or by
5 regulation adopted under AS 16.05 - AS 16.40 or AS 08.06, a person may
6 not take, possess, transport, sell, offer to sell, purchase, or offer
7 to purchase fish, game, or marine aquatic plants, or any part of fish,
8 game, or aquatic plants, or a nest or egg of fish or game.

9 * Sec. 9. AS 16.05.930 is amended by adding a new subsection to read:

10 (g) AS 16.05.330 - 16.05.720 do not apply to an activity au-
11 thorized by a permit issued under AS 08.06.010 or 08.06.030, or to a
12 person or vessel employed in an activity authorized by a permit issued
13 under AS 08.06.010 or 08.06.030.

14 * Sec. 10. AS 16.05.940(14) is amended to read:

15 (14) "[FISH OR] game farming" means the business of prop-
16 agating, breeding, raising, or producing [FISH OR] game in captivity
17 for the purpose of marketing the [FISH OR] game or game [THEIR] prod-
18 ucts, and "captivity" means having the [FISH OR] game under positive
19 control, as in a pen [, POND,] or an area of land that [OR WATER
20 WHICH] is completely enclosed by a generally escape-proof barrier;

21 * Sec. 11. AS 16.10 is amended by adding a new section to read:

22 Sec. 16.10.269. LIMITATIONS. AS 16.10.265 - 16.10.267 do not
23 apply to the purchase or sale of aquatic farm products from a holder
24 of a permit issued under AS 08.06.010 or stock from a holder of a
25 permit issued under AS 08.06.030.

26 * Sec. 12. AS 16.10.380(b) is amended to read:

27 (b) In this section "user group" includes, but is not limited
28 to, sport fishermen, processors, commercial fishermen, aquatic farm-
29 ers, subsistence fishermen, and representatives of local communities.

1 * Sec. 13. AS 16.10.400 is amended by adding a new subsection to read:

2 (h) AS 16.10.400 - 16.10.475 do not apply to the construction or
3 operation of a private hatchery that has a permit issued under AS 08.-
4 06.010.

5 * Sec. 14. AS 16.10.420 is amended to read:

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

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

10 (2) no salmon eggs or resulting fry be placed in waters of
11 the state other than those specifically designated in the permit;

12 (3) no salmon eggs or resulting fry, sold to a permit
13 holder by the state or by another party approved by the department,
14 may be resold or otherwise transferred to another person, unless that
15 person holds a permit issued under AS 08.06.010;

16 (4) no salmon be released by the hatchery before department
17 approval, and, for purposes of pathological examination and approval,
18 the department shall be notified of the proposed release of salmon at
19 least 15 days before the date of their proposed release by the hatch-
20 ery;

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

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

(7) surplus eggs from salmon returning to the hatchery be
23 made available for sale first to the department and then, after in-
24 spection and approval by the department, to operators of other hatch-
25 eries authorized by permit to operate under AS 16.10.400 - 16.10.470,
26 or AS 08.06.010;

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

4 (9) [REPEALED

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

9 * Sec. 15. AS 16.10.450 is amended to read:

10 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A
11 hatchery operator who sells salmon returning from the natural water
12 [WATERS] of the state, or sells salmon eggs to another hatchery op-
13 erating under AS 16.10.400 - 16.10.470 or with a permit issued under
14 AS 08.06.010, after utilizing the funds for reasonable operating
15 costs, including debt retirement, expanding its facilities, salmon
16 rehabilitation projects, fisheries research, or for costs of operating
17 the qualified regional association for the area in which the hatchery
18 is located, shall expend the remaining funds on other fisheries activ-
19 ities of the qualified regional association. Fish returning to hatch-
20 eries and sold for human consumption must [SHALL] be of comparable
21 quality to fish harvested by commercial fisheries in the area, and
22 shall be sold at prices commensurate with the current market.

23 * Sec. 16. AS 16.43.140 is amended by adding a new subsection to read:

24 (d) This chapter does not apply to activities authorized by a
25 permit issued under AS 08.06.010 or 08.06.030.

26 * Sec. 17. AS 16.51.180(5) is amended to read:

27 (5) "seafood" means finfish, shellfish, and fish by-prod-
28 ucts, including but not limited to salmon, halibut, herring, flounder,
29 crab, clam, cod, shrimp, and pollock, but does not include aquatic

1 farm products as defined in AS 08.06.900;

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

RESOURCE DEVELOPMENT COUNCIL

DRAFT
STRATEGY FOR ADVANCING
ALASKA'S MARICULTURE INDUSTRY

FEBRUARY 19, 1987

PROPOSED DRAFT LEGISLATION

LAND OWNERSHIP AND MANAGEMENT

Objective I-A:

Define regulations and procedures to provide for the use of state lands (tidal and submerged) for aquaculture products and port and harbor development.

Task 1: Revise AS Title 38 Sec. 05.082 Leases for shore fisheries development to make it applicable to aquaculture development.

* Section 38.05.082 is amended as follows:

(a) The director, with approval of the commissioner, may lease tide and submerged land for fisheries development. Fisheries development includes the utilization of shore gill nets or set nets for the taking of fish and development and operation of an aquatic farm as defined under AS 08.06.300 and permitted under AS 08.06.010. Every lease issued under this section shall reserve to the public a right-of-way for access to navigable waters and other tide and submerged land.

Adding the following subsections:

(f) The director may classify land as subject to leases for fisheries development, and publicly invite applications for lease in the selected areas. The director will continue to accept and execute fisheries development lease applications (in lieu of the aforementioned land classification). Each application shall be accompanied by an affidavit describing the proposed aquaculture farm project and shall include a schedule for developing and operating the aquatic farm and to the effect that the applicant presently intends to follow the schedule for utilizing the leased area. This information may be incorporated in the lease agreement. If two or more applications are received for the same area, the director shall award the lease to the most qualified applicant. ~~In determining the qualifications of applicants, the director shall consider the (length of time during which the applicant has been engaged in aquatic farming) the proximity to past aquatic farm sites of the applicant to the land to be leased, the present ability of the applicant to utilize the location to its maximum potential, and other factors relevant to~~

~~the equitable assignment of the disputed area. If the director can not determine a preference between conflicting applicants for the same lease site on the basis of qualifications, the director shall select between the applicants by lot. An aggrieved applicant may appeal to the commissioner within five days for a review of the director's determination.~~

(g) A lease for aquatic farming may be issued for any period not exceeding 25 years. If the commissioner determines that the land is being utilized for the purpose for which the lease is issued, the lease may be declared void. The director shall establish a reasonable rental for the lease, equal to the administrative costs involved in processing the leasehold applications.

(h) Term of leases are governed by AS 38.05.085

RDC-9



Official Business

COMMITTEE:

HOUSE LABOR & COMMERCE

DATE: 2/25/87 4:30 PM

SIGN-IN

Subject of meeting:

HB 108 - MARICULTURE

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
✓ Roger Painter	130 Seward #201 Juneau	463-3600	AK Mariculture Assoc.	yes
✓ Bob Bble	324 4 th Apt #1102 Juneau	463-3124	1- United Fishermen of Alaska 2- Prince Williams Sound Aquaculture Corp 3- Cordova District Fishermen United	✓
✓ Gary Fisk	130 SEWARD #213 JUNEAU	586-9400	ALASKA TROLLERS ASSOCIATION	YES
✓ RICH DAVIS	3706 AMALGA ST. APT B	787-2696	SELF	YES
Larry Ostrawsky Paula Burgess	400 Welloughy	465-2400	DNR	AVAILABLE FOR QUESTIONS FROM COMMITTEE →
✓ Mike Abbott	Box 100516 Anch 99510	276-0700	RAC	Resource Development Council yes

JOINT INTERIM WORKING GROUP ON AQUATIC FARMING

fm.
Rep
Ellis

COMPOSITION OF THE WORKING GROUP:

2 Senate Members

2 House Members

Ex-officio Members:

Kate Graham (Fishing Industry)
Rodger Painter (Mariculture Industry)
Environmental Lobby Representative
Sport Fishing Representative
Administration Representative

MEETING SCHEDULE:

May organizational meeting

mid-August report back meeting

September: work session

October: create draft legislation for circulation

November: amend draft

AGENDA:

define problems/assign issues
create two or three industry scope scenarios
co-ordinate with agencies for issue resolution based on
two or three different industry scenarios
discuss resolutions/possible regulations
draft legislation
circulate legislation/public hearings
redraft legislation
present to Legislature

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/4/87

FURTHER REFERRALS: Resources
Finance

DATE: 2/25/87

The Labor & Commerce Committee has considered HB 108

"An Act relating to aquatic farming; and providing for an effective date."

RECOMMENDS:

- replace with CS HB108 (L+C) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Ch Ellis (with full public hearings in the Resources Committee)

Walt Furman no rec
Alta Kopson no rec
Dave Douley no rec
Cliff Davidson (no rec)

Cont. Minimum (with public hearings)

Dave Douley
Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 108
 Title : "An Act relating to aquatic farming"
 Sponsor : ELLIS
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Environmental Conservation
 BRU : Environmental Health
 Components : Seafood Industry,
Palmer Laboratory

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
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

This Bill will have no fiscal impact on the Department of Environmental Conservation.

Prepared by : Douglas Donegan Phone : 465-2609

Division : Environmental Health Date : _____

Approved by Commissioner :  Date : 4/16/87

Agency : Environmental Conservation

Distribution (by Agency preparing fiscal note) :

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