

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

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The Honorable Ben Stevens
Alaska State Senate

Dear Senator Stevens:

Passage of SB93 or its companion HB174 will provide the Commercial Fisheries Entry Commission (CFEC) with the means to continue to support commercial fisheries. CFEC is funded by revenue generated permit and license fees paid by the commercial fishing industry. CFEC fees have traditionally generated more revenue than its budget required and those revenues have been used to fund commercial fishing support projects in the Department of Fish and Game. Because of a number of factors, revenues in recent years have declined and there is a real threat in the near future revenues will not be sufficient to cover even CFEC's budgetary obligations.

Lifting the statutory cap on permit fees in SB93/HB174 will require that CFEC revise its annual permit fee schedule through the public hearing process. The public hearing process will provide the opportunity for CFEC and the fishing community to work together to develop a fee structure that reflects the statutory requirement that fees represent the economic return from the different fisheries and the reality that fees must be reasonable and not unduly burden the industry.

CFEC has already heard from fishermen and fishing associations on issues considered important in a new fee proposal which would be developed for public comment. The public hearing process could address, among others, such issues as: (1) a phase-in of fees over time that would provide the benefit of a planned approach; (2) adjustments in permit fees to recognize vessel size in order that reasonable fees are achieved; (3) adjustments in permit fees to reflect fishing capacity restrictions; (4) adjustments in fees where permit values may not be representative if no permit sales have occurred for some time; and other issues identified during the public hearing process.

CFEC will begin to develop a fee proposal and public hearing schedule based on comments received during the legislative hearings. In this way, a timely proposal would be submitted for public comment as soon as possible after passage of SB93/HB174. This will allow sufficient public hearing time for industry comments before calendar year 2006 fees are required to be adopted in the fall of 2005.

CFEC gives its assurance that upon passage of SB93/HB174 we will work with the commercial fishing community to develop a fair and reasonable permit renewal fee structure.

Sincerely,



Frank Homan, Commissioner