

**Joint Legislative Salmon Industry Task Force
Production Subcommittee
Representative Bill Williams, Chair
Meeting Minutes
Wednesday, November 5, 2003
Meeting by teleconference**

In Attendance (by telephone): Representative Bill Williams (BW), Don Giles (DG), Chris Moss (CM), Terry Gardiner (TG), Duncan Fields (DF), Frank Homan (FH) & Kurt Schelle (KS) (CFEC), George Utermohle (GU) (Legislative Legal), Sue Aspelund (SA) (Fish & Game), Mark Vinsel (MV) (UFA), Cheryl Sutton (CS) (Task Force Staff), Tim Barry (TB) (Staff to Representative Williams).

BW called the meeting to order at 1:40 pm.

BW asked FH to discuss the draft “permit reduction” bill. FH discussed two memos he had written, entitled “Conversion Formula” and “Transfer Sequence.” The Conversion Formula memo presented an example of a method of converting existing permits to permit shares, and computing a mathematically workable number of new permit shares to allow for a smooth conversion. The Transfer Sequence memo explains the steps in the process proposed by the draft legislation: Existing permits would first be converted to permit shares, which could be converted to new permits, combined to create joint permits, sold, held for two years or transferred to the CFEC. Any shares unused at the end of two years revert to the commission (except for shares held by joint permit holders). During the 3rd, 4th and 5th years, shares may be converted to new permits, combined for joint permits, sold or transferred to the CFEC. After 5 years, all outstanding shares revert to the commission to be sold. The CFEC can grant an additional year for good cause.

CM asked why unused or unsold shares revert after 2 years, rather than 5, when they would revert anyway. FH said it’s because the intent is to make things happen quickly. TG commented that it’s good to give people a 2 year deadline, as an incentive to get permit holders to move the process along.

DF noted that, Page 3, lines 12 -16, allowing people to combine permit shares to create a new joint permit, does not address the situation in which someone already has multiple permits. There was some discussion about people who hold multiple permits in a single fishery. FH said there are 33 people who hold more than one permit in the same fishery, and most of these are in the Bristol Bay Gillnet fleet. DF said he would like the final draft to allow for people who already hold two permits.

DF talked about the requirement that a reduction plan be approved by 2/3rds of permit holders. He suggested that there be an additional requirement that the plan be approved by 50% (or some sizeable number) of those permits that had actually been fished in the last several years.

TG urged subcommittee members to focus on the big picture: Chilean salmon are a major threat to Alaska’s industry, and we need to reduce the number of fishermen on the water.

CM said he doesn't like the requirement (P.3, lines 16-18) that both permit holders must be physically present in a joint entry permit situation.

TG said he's a little uncomfortable with the requirement that 2/3rds of permit holders approve a permit reduction plan. It could be too high a bar to set. He asked if it could be reduced to 60%? BW said the subcommittee would discuss this at its next meeting.

DF said he would like GU to draft language to include a requirement of support from 50% of active permit holders, in addition to, for example, a majority of all permit holders.

The next meeting was scheduled for Friday, November 21, at 1:00 pm, face-to-face, in Seattle, in conjunction with the FishExpo. CS will arrange the room location, and inform subcommittee members.

BW adjourned the meeting at 3:00 pm.

Minutes taken by Tim Barry