

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

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September 23, 2003

Subject: Rent Waiver Request for Kvichak Section Shore Fishery Lessees

Dear Kvichak Section Shore Fishery Lessee:

On August 18, 2003 the Division of Mining, Land and Water received an application from Allen V. Bauman, President of the Kvichak Setnetters Association, requesting a rent waiver for all shore fishery lessees in the Kvichak Section, as a result of the closure this year. The authority for granting a rent waiver is found at 11 AAC 64.220. It provides:

11 AAC 64.220 Hardship Clause; Waiver of Rental

The director will, in his or her discretion, waive the annual rental in the case of substantial injury, illness, call to military service, or legal closure of the fishery. An application for a waiver must be postmarked at least 30 days before the date the annual rental is due.

The Kvichak Section meets the legal closure criterion of this regulation. Therefore, Kvichak lessees are entitled to a rent waiver. However, because it was impossible for lessees to determine the fishery would be closed the entire season, lessees who wish to apply for a rent waiver must do so by **Friday, October 31, 2003**. An application can be as simple as a letter with your name, ADL number, commercial fishing district, and basis for requesting a rent waiver. The application should be sent to the above address. If you already submitted your 2003 lease payment, \$300 will be credited toward your 2004 payment.

As many of you know, the Shore Fishery Program is supported by revenue generated from annual rent and other program fees, rather than General Fund receipts. The rent is based on the cost of providing services to current and prospective lessees. For the last several years, the \$300 annual rent has remained constant. However, because large-scale rent waivers decrease program revenue, they have the potential to increase the cost of services that are provided. If revenues drop substantially and continually, we must either increase the annual rent, or cut services. We are not in danger of cutting services at this time. Your industry fought hard and was instrumental in convincing the legislature to reinstate the program after it was dropped from the budget in 1999. I simply offer this information so you may make an informed decision when deciding to request a rent waiver.

If you have any questions, please contact the following Shore Fishery Program staff: Jeff Ginalias (907) 269-8479

Sincerely,

Richard B. Thompson
Regional Manager