

Dear Senate Finance Committee

Please accept my comments for consideration on HB 41.

After 45 years in fisheries, processing , stream rehabilitation and hatcheries with the department, this HB 41 legislation is very concerning as I can see that now, with very different circumstances today, HB 41, copies the salmon statutes from the 1970's during a time of a robust growing oil industry providing revenue for an entire dedicated ADFG Division called FRED (Fisheries Rehabilitation Enhancement and Development) to attend to organized oversight.

Where is the most important statute to copy, AS 16.10.375 to first create a Comprehensive Shellfish Plan (CSP) and attendant regulation 5 AAC 40.340:

Each regional planning team shall prepare a regional comprehensive salmon plan, for the appropriate region, to rehabilitate natural stocks and supplement natural production,

Without FRED and money these safeguards no longer exist to uphold the intent of these statutes of the 1974 Hatchery Act:

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

Section 1. INTENT. It is the intent of this Act to authorize the private ownership of salmon hatcheries by qualified nonprofit corporations for the purpose of contributing, by artificial means, to the rehabilitation of the state's depleted and depressed salmon fishery. The program shall be operated without adversely affecting natural stocks of fish in the state and under a policy of management which allows reasonable segregation of returning hatchery-reared salmon from naturally occurring stocks.

Once FRED was disbarred in 1992 a serious lack of control by ADFG was detected and the loss of reins of authority to implement policy over hatchery corporations was documented in the ADFG Internal Review Special Publication 09-10 (attached) and is documented, continues to this day.

The sponsor statement on HB 41 proclaims explicitly that “it sets out stringent safety standards to ensure sustainability and health of existing natural stocks.”

- 1. Which of these statutes provide “stringent safety standards to ensure sustainability and health of existing natural stocks”? Where how and by whom?**
- 2. What defines a “qualified” nonprofit corporations?**
- 3. What ADFG staff is available to provide meaningful oversight and monitoring with the revenue shortfalls Alaska is experiencing?**

4. How can there be zero fiscal note when budget shortfalls are anticipated into the future and the words “department”, “commissioner” or “board” are mentioned 80 times in this legislation meaning serious action and responsibility?
5. Is there a bond required to ensure ADFG and other agencies get reimbursed?
6. Is there a sunset clause or a 5 year probationary period if there are defaults?
7. Is there a cap on magnitude of these projects?
8. What does substantial; public; or benefit; mean?
9. What does “without jeopardizing natural stocks” mean?
10. Who is responsible to uphold these two critical constitutional requirements?
Who is this directive aimed at?
11. What is the record on hatchery loan forgiveness?
12. How much do hatcheries owe the state today?
13. What is the record for disaster relief from failed hatchery returns such as the \$30,000,000 for hatchery pink salmon failure after two record years?
14. Is this independently self-paid by cost recovery as proclaimed?
15. Is it fair to Alaskan citizens to bequeath \$30-\$50,000,000 General fund dollars in capital projects for hatchery infrastructure in the last 8 years .
16. How long can the state have the money for buyback, loan forgiveness, and disaster funding when this may be the norm in hatchery fish harvesting?

With fiscal woes of the state not expected to get any better in the near future. With the threat of acidification affecting crab larva, with hot water blobs affecting ecosystems, is now the time to open this door of loans, investment, debt and infrastructure, added mouths to feed in the natural wild pastures, while starvation of birds and collapses of the cod fishery. Can the state afford to gamble with serious future buybacks and loan forgiveness?

After the 1976 Magnuson Stevens act provided a no cost moving of our territorial waters out to the 200 mile limit, it is now recognized that hatcheries promoted by the legislature were not needed. Foreign fleets, removed from our waters out to 200 miles, management that incorporated escapement goals, increased enforcement and the 1977 climatic shift caused an almost overnight increase in our finfish fisheries, not expensive hatcheries .

Cost Recovery is also a subsidy. Cost recovery uses this same 200 mile limit, the wild ocean pastures for free. Who are the recipients of this free access to our waters?

Foreign and non-resident corporations? Will shellfish hatcheries get consolidated like the salmon hatcheries?

With The largest beneficiary of Alaskan fish going to state of Washington not Alaska. With 226 of Seattle's 300 fishing vessels making their livings in Alaska; With Washington taking 4 billion of the 6.4 billion pounds landed in Alaska, we need safeguard's in fisheries statutes to ensure we are not slipping into the same circumstance of pre statehood on giving away our resources. With HB 41 giving away free no cost utilization of Alaska's wild fisheries pastures, Alaska deserves unbiased knowledgeable council beyond lobbying.

Can the senate finance committee, in the very least place safeguard's to the public trust on these statutes with so many loopholes?

ADFG Chief scientist Bill Templin, stated explicitly the knowledge gaps and uncertainty at the Board of Fisheries Hatchery Committee meeting last March in slide #36 of his power point presentation:

***Some Questions Asked but NOT Addressed by AHRP
(Alaska Hatchery Research Program).***

- *What are the competition and predation effects of hatchery fish?*
 - *Within and across species*
 - *Within marine and freshwater habitats*
- *Do hatchery fish reduce genetic resilience of wild populations?*
- *If changes in productivity are observed, what mechanisms could be driving these differences?*
- *How will findings affect policy?*
- *How do these hatchery fish in wild systems affect assessment of escapement?*

Since these questions confirm that the knowledge gaps of ADFG do NOT have the capability to set out stringent sustainability and health of existing natural stocks. They also confirm that our escapement goals, the very crown of fisheries management in Alaska are being compromised by hatcheries in Alaska.

ADFG Publication 09-10 sums this unreliable escapement goal problem concisely¹

And finally...

¹ "Large scale straying of enhanced salmon has negative implications on wild stock management. The presence of a high proportion of stray hatchery fish artificially inflates wild stock escapement estimates..misleads management into believing the escapement goals have been met." ADFG Special Publication 09-10

While HB 41 is deliberated please ponder... why is there is such an enormous weight of precautions pertaining to hatcheries available for the legislature to consider? **This outpouring of dedicated concern begs the questions...**

Why is there:

- the ongoing extended Alaska Hatchery Research Program (AHRP), where preliminary results have found very concerning productivity issues for wild fisheries?
- No mention of these preliminary results in the Annual Enhancement Reports to keep the Legislature appraised of results as they unfold?
- No action taken on the massive hatchery straying by the department that is clearly concerned ²
- the Marine Stewardship Council, that in 2014 failed sustainability certification on Alaskan hatcheries and has placed “conditions” to attempt to bring them into compliance?
- The Congressional Hatchery Reform, with decades of top fisheries scientist input of concern
- The just released Jan 23 2020 Review of Hatchery Reform Science?
- the Board of Fisheries newly formed Hatchery Committee?
- the case study of the Barents Sea King Crab Release turned invasive something to consider?
- ADFG Internal Review documenting the internal struggle within the dept. with hatchery industry compliance of law at enormous cost to state?
- subsidized buyouts and capital expenditures for failing hatcheries or infrastructure not paid for by cost recovery?
- A Washington State Academy on Hatchery Reform?
- Concern by ADFG that Escapement Goals are becoming unreliable due to massive hatchery straying³
- the exertion of multitudes of precautionary, research, reports and reviews written?

Please if there is anything I can do to help let me know.

With Kind Regards, Thank-you.

Nancy Hillstrand

Pioneer Alaskan Fisheries Inc

4306 Homer Spit

Homer, Alaska 99603

907-399-7777

² “One of the Departments greatest concerns are the implications of straying to the genetic integrity of wild populations and to fishery management” ADFG Special Publication 09-10

