

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES**

January 31, 2003

8:32 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Peggy Wilson, Vice Chair
Representative Cheryll Heinze
Representative Ralph Samuels
Representative Ethan Berkowitz
Representative David Guttenberg

MEMBERS ABSENT

Representative Pete Kott

OTHER LEGISLATORS PRESENT

Representative Carl Moses
Representative Gary Stevens
Senator Alan Austerman
Senator Scott Ogan

COMMITTEE CALENDAR

OVERVIEW: CHIGNIK COOPERATIVE STRUCTURE, PROCESSING, QUALITY AND
MARKETING

TAPES

03-2, SIDE(S) A & B

CHAIR PAUL SEATON convened the meeting of the House Special Committee on Fisheries at 8:32 a.m. Present at the call to order were Representatives Seaton, Wilson, Heinze, Samuels, and Guttenberg. Representative Berkowitz arrived as the meeting was in progress. Also present were Representatives Moses and Stevens, and Senators Austerman and Ogan.

SUMMARY OF INFORMATION

DOUG MECUM, Director, Division of Commercial Fisheries, Alaska Department of Fish and Game (ADF&G), gave a slide presentation on salmon management changes related to the Chignik Seafood Producers Alliance (CSPA), also known as the Chignik Cooperative

("Co-op"). Mr. Mecum stated that fishing is the mainstay of the community and that the salmon river systems in the local area have been managed appropriately for many years. Mr. Mecum conveyed a short economic history of the Chignik salmon fishery, and said that although there was a record run in 1999, the harvest has had a low total value because of low prices caused by the global farmed-salmon market glut.

MR. MECUM described the decision made by the Alaska Board of Fisheries to allow the Co-op an allocation of 70 percent of the salmon run to the 77 fishermen who joined CSPA, and 30 percent to the 22 fishermen who did not, also noting that the competitive non-members of the Co-op were only able to fish for 17 days. Mr. Mecum said that management of the Chignik commercial salmon fishery was straightforward and required little adaptation from past practices, and that the Co-op made the management of the fishery easier.

JAMIE ROSS, Chignik Seafood Producers Alliance, began his presentation by explaining that Chignik was the first place in Alaskan history to have a salmon cooperative, pointing out that Chignik is a relatively small and isolated salmon district with only 100 salmon permits and boats, with seine being the only gear type. He described the low prices that have plagued the local industry and community for the past several years, and the contentious strike in 2001 that resulted in price increases and a significant loss in fishing time. For those reasons, Mr. Ross said that many locals of the Chignik community formed the Co-op, a purely voluntary decision of each individual permit holder.

MR. ROSS said the two major benefits of the Co-op are decreased harvesting costs and a higher quality product. He stated that harvesting costs decrease because it now takes fewer boats and less crew, fuel, and general operating expenditures to harvest the same amount of fish. Fishermen are able to make less sets for more fish because they do not have to worry about competition from other fishermen. Mr. Ross stated that the quality of the product has increased because fish are being handled carefully, pumped into live storage pens until processing capacity is available, and run through processing machines that produce flash-frozen boneless, skinless fillets. Mr. Ross concluded his presentation with a videotape of the Chignik 2002 Co-op process, highlighting both the decreased harvesting costs and increased quality benefits.

ROGER ROWLAND and GEORGE ANDERSON, both Chignik salmon permit holders, testified in favor of the Co-op, for reasons similar to those stated by Mr. Ross.

HEATHER McArty (ph) testified via teleconference, as a representative of the independent, traditional fisherman, against CSPA. Ms. McArty pointed out many of the unexpected negative effects of the Co-op on the local Chignik community. She said that local participation in the fishery has decreased, and there are fewer deckhands and tenders hired in total. She stated that many derivative industries such as the airlines, local services, and boat and net maintenance industries also suffer from decreased economic activity. Ms. McArty said that next year, with decreased competition among fish buyers, there might not be any other salmon buyers in Chignik because of the Co-op.

LAURA STEPANOFF testified via teleconference against CSPA for similar reasons to those stated by Ms. McArty.

ALEX KOPUN testified via teleconference in favor of the 2002 Chignik Cooperative.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:54 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.