

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

January 16, 2008

8:40 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Kyle Johansen
Representative Craig Johnson
Representative Peggy Wilson
Representative Bryce Edgmon
Representative Lindsey Holmes

MEMBERS ABSENT

Representative Gabrielle LeDoux

OTHER LEGISLATORS PRESENT

Representative Bill Thomas

COMMITTEE CALENDAR

OVERVIEW: ALASKA DEPARTMENT OF FISH & GAME, DIVISIONS OF SPORT
FISH AND COMMERCIAL FISHERIES

- HEARD

OVERVIEW: ALASKA DEPARTMENT OF FISH & GAME, DIVISION OF
SUBSISTENCE

- HEARING POSTPONED [Rescheduled for January 21, 2008]

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JOHN HILSINGER, Director
Division of Commercial Fisheries
Alaska Department of Fish & Game
Anchorage, Alaska

POSITION STATEMENT: Provided an overview/presentation of the
division's non-salmon, statewide activities.

CHARLES SWANTON, Director
Davison of Sport Fish
Alaska Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Provided an overview/presentation of the division's statewide activities.

ACTION NARRATIVE

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at [8:40:56 AM](#). Representatives Seaton, Johnson, Johansen, and Edgmon were present at the call to order. Representatives Wilson and Holmes arrived as the meeting was in progress. Also in attendance was Representative Thomas.

OVERVIEW: ALASKA DEPARTMENT OF FISH & GAME, DIVISIONS OF SPORT FISH, AND COMMERCIAL FISHERIES

[8:41:43 AM](#)

CHAIR SEATON announced that the first order of business would be an overview/presentation from the Division of Commercial Fisheries, Alaska Department of Fish & Game.

JOHN HILSINGER, Director, Division of Commercial Fisheries, Alaska Department of Fish & Game, presented an update on the state's non-salmon commercial fisheries. This includes the harvest of shellfish, groundfish, herring, and mariculture. The division's responsibilities for managing these species were bulleted in slide 2: manage commercial, personal use, and subsistence fisheries within state waters; manage shellfish species and some groundfish out to 200 miles; conduct stock assessment and applied research on marine resources; plan and permit shellfish hatcheries and mariculture operations; and coordinate with Federal and International Fisheries Management Agencies. Slide 3 illustrated the four fishery management regions, which provide harvest areas for marine species: AYK [Arctic, Yukon, Kuskokwim]; Westward; Central; and Southeast.

[8:44:57 AM](#)

MR. HILSINGER explained the Exvessel Value of Alaska's Commercial Fisheries, slide 4, as adjusted to constant 1977 dollars, including state and federal water harvests, and delineating groundfish, herring, halibut, shellfish, and salmon. He discussed the trends indicated by the graph.

CHAIR SEATON requested the generation of a similar graph restricted to state water vs. non-state water species.

REPRESENTATIVE JOHNSON asked for a similar graph of species valuation using 2007 dollars.

[8:46:46 AM](#)

MR. HILSINGER referred to slides 5, 6, and 7, illustrating the harvest areas for scallops, crab varieties, and shrimp. The total exvessel value of the state managed, 2007 shellfish fishery, totaled \$132 million. As indicated on slide 8, the approximate contribution to this total, by species, is comprised of: king crab at \$58 million, tanner and snow crab at \$50 million, Dungeness crab at \$11 million, shrimp at \$2.6 million, scallops at \$3 million, sea cucumbers at \$3 million, and geoducks at \$2.5 million.

CHAIR SEATON asked whether the geoduck total is the commercial harvest, or also includes the mariculture total.

MR. HILSINGER replied that it is only the commercial harvest. To follow-up questions he clarified that the \$2.6 million shrimp contribution is the pot shrimp fishery. There is a small contribution associated with the southeast trawl fishery for pink shrimp; near Sitka.

MR. HILSINGER continued with slide 9 to describe the groundfish management activities. Many of the groundfish species, outside of three miles, are managed by the federal government. Inside three miles, the state takes up the management activities. These species are primarily varieties of cod and rock fish. The fisheries outside of three miles, under state management, include all species of ground fish in southeast Alaska, and some varieties of rock fish. The 2007 groundfish harvest value totaled approximately \$24 million. He pointed out that the major harvests were the southeast sablefish, at \$6 million, and the Pacific cod harvests in the other regions.

CHAIR SEATON asked if the cod fisheries occur in state waters.

MR. HILSINGER replied that he has only indicated the state catch in this report; federal water catch information will be made available.

[8:53:12 AM](#)

MR. HILSINGER presented slide 12 and discussed the disparity in the herring distribution. Some of the states fisheries are extremely healthy, while others provide no participation levels. There is no apparently, consistent, geographic pattern to this stocks fluctuation.

8:54:47 AM

REPRESENTATIVE BILL THOMAS, Alaska State Legislature, pointed out the efforts to create a herring fishery in the Berner's Bay area [southeast region], and asked whether the committee is able to be of help establish that fishery.

8:55:21 AM

MR. HILSINGER suggested that the herring be brought as a separate topic for discussion.

CHAIR SEATON noted that slide 12 indicated herring openings, which for market reasons were not participated in by the fleet.

MR. HILSINGER stated that, in addition to the lack of participation, several of the areas that were fished were harvested below catch levels. This was due to low vessel participation, based on the processors needs. Also, the herring prices were down; Togiak herring averaged \$110 per ton. With slide 13, he indicated the areas of the mariculture program, and reported that the value has been growing for farmed oysters, geoducks, and other species. The department has been focusing on the core services, listed on slide 16: stock assessment and applied research; harvest management; laboratory services; aquaculture permitting; data processing; and information services and public participation. The department carries out a wide variety of stock assessment tasks. He described the scallop stock assessment, which utilizes an underwater camera towed on a sled. This can also provide information on crab and some groundfish species.

CHAIR SEATON informed the committee that he has scheduled a future meeting to include the department's specialist who is performing this work, and reported on his first hand experience with the technology. He then inquired about the status of the shark fishery.

MR. HILSINGER answered that the Board of Fisheries (BOF) has increased by-catch limits on the shark, however, a conservative

approach has been taken on opening up a directed fishery. To a follow-up question, he agreed to provide information regarding a commercial shark harvest management plan to the committee.

9:01:55 AM

REPRESENTATIVE JOHANSEN suggested that perhaps a similar approach could be taken towards the sharks as the game based predator control.

CHAIR SEATON pointed out that shark is a marketable product.

REPRESENTATIVE THOMAS noted that there is a theory in Yakutat that the salmon fry are not surviving due to the shark predation. Shark may also be the reason that some hatcheries are experiencing similar survival declines, he speculated.

9:04:32 AM

REPRESENTATIVE JOHNSON queried what historical stock assessment information is available on the Berners Bay herring run.

MR. HILSINGER answered that aerial surveys are available back into the 1970's; some surveys may date back to pre-statehood. Because the fishery was closed in 1982, regular surveys have not been conducted since that time. This stock is being considered for listing under the Endangered Species Act (ESA).

REPRESENTATIVE JOHANSEN asked about the level of historical information, that the department uses as a scientific database, for the southeast region.

MR. HILSINGER responded that the southeast herring fishery information is as good as the information that the department has for herring stocks elsewhere in the state. At the turn of the century, there were large reduction plants, and information from those has been used to make assumptions regarding the historic biomass. The modern data starts in the 1970's, and is primarily from catch sampling and aerial surveys. Herring data does not reflect the same level that has been compiled on salmon and other species, he said.

9:07:23 AM

MR. HILSINGER explained how a submarine is utilized to map the rockfish habitat in southeast. Other stock assessments are done using traditional pot and trawl methods, however, the department

is working to develop more efficient and accurate techniques. Harvest management is based out of the area offices, which work with the laboratories. The pathology lab is involved with the shellfish related to mariculture, and king crab enhancement. The mark/tag and otoliths lab focuses on aging groundfish. A standardized aging technique is being developed in coordination with the National Marine Fisheries Service (NMFS) and Canada. The genetics labs primarily work on salmon, but have the capability to address shellfish and herring. The aquaculture permitting section is small and in need of bolstering and improvement. The data processing services staff works to collect, and distribute, data to the department and the public. He described the new e-landing system that is being implemented in the groundfish and shellfish harvests.

9:11:29 AM

MR. HILSINGER directed attention to slide 17, to review the major issues that the department is facing in 2008: recruitment and retention; Federal National Oceanic and Atmospheric Administration (NOAA) budget cuts; scallop limited entry; PNP hatchery/mariculture reorganization; king crab enhancement; and the Lynn Canal herring ESA listing. Elaborating on the recruitment and retention issue, he said that, of the 302 permanent full time positions, 41, or 14 percent, are vacant. Some of these vacancies have existed for a period of time. He provided an example of futile attempts to fill two of the division's highest positions, and said that the pay scale is unattractive. A discussion ensued, with committee members, as to how the recruitment, pay scale, and funding issues pose problems to the department's personnel situation.

9:22:30 AM

MR. HILSINGER continued, stating that the federal grant reductions represent a significant problem. These reductions will be experienced beginning July 1, 2008; state fiscal year (FY) 2009. These cuts effect every grant that the state receives from NOAA. Programs, that will share the brunt of the \$5 million dollar federal in reductions, include: rockfish research, near shore marine fisheries, implementation of the American Fisheries Act, extended jurisdiction work, Bering Sea crab management, and salmon programs.

REPRESENTATIVE THOMAS pointed out that four of the committee members sit on the subcommittee for the ADF&G budget.

CHAIR SEATON said that if the Bering Sea crab management, or any of the programs, is going to present a financial "drag on the department," it may become necessary for the legislature to request that the federal government take over management of specific species.

MR. HILSINGER said that the department is still developing a multi pronged approach for dealing with the cuts.

CHAIR SEATON requested that Mr. Hilsinger set aside the scallop limited entry issue, as a separate hearing has been scheduled to specifically address the scallop fishery.

[9:26:47 AM](#)

MR. HILSINGER moved onto king crab enhancement, stating that the Seward shellfish hatchery may provide an opportunity to raise the larvae for stock rehabilitation. The Sierra Club has petitioned to have NMFS list the Lynn Canal herring stock under the ESA. The petition was accepted by NMFS, but the state has opposed the listing on the basis that it doesn't fit ESA requirements. These stocks do not represent a distinct population segment, nor is Lynn Canal a significant part of this species range. To date, the department has not received a decision from NMFS. Prompted by Chair Seaton, he offered that comments may be posted on the department's web site. To another committee question, he offered to provide further information regarding the sea urchin harvest levels.

[9:31:36 AM](#)

The committee took an at-ease from 9:31 a.m. until 9:34 a.m.

[Due to technical difficulty the following is reconstructed from the committee secretary's log notes.]

CHAIR SEATON announced that the next order of business would be an overview/presentation from the Division of Sport Fish, Alaska Department of Fish & Game.

CHARLES SWANTON, Director, Division of Sport Fish, Alaska Department of Fish & Game, began his overview with the ADF&G mission to protect, maintain, and improve fish, game, and aquatic plant resources, and manage resource use/development in the interest of the economy and the well-being of Alaskans consistent with the Sustained Yield Principle. Within that proviso, the Division of Sport Fish mission is to protect and

improve the state's recreational fisheries resource. To accomplish this end, the division has established core services. With slide 4, he began elaborating on the first three core services: fisheries management; fishery stock assessment (resident species and salmon); and hatchery production.

CHAIR SEATON interjected a question about the status of the new hatchery in Fairbanks. A brief discussion of the project ensued, regarding the design, building season, and the funding concerns involved.

[9:42:20 AM](#)

[Recording resumed]

CHAIR SEATON pointed out that the funding issues are pending before the finance subcommittee, and suggested holding further comments, and questions, for that hearing.

MR. SWANTON continued listing the core services: access development and maintenance; habitat assessment; information and education; enforcement; and planning and surveys. He directed attention to the pie graph on slide 12, illustrating the funding percentage level of each of these services; stock and habitat assessment representing the major portion of the FY08 budget.

[9:45:21 AM](#)

CHAIR SEATON noted that the annual Division of Sport Fish reports are exclusively inclined towards freshwater species. He asked to have a report prepared to address saltwater species efforts.

REPRESENTATIVE WILSON requested that halibut be included in the report.

MR. SWANTON continued with slides 12-17 to discuss the funding breakout of the division's \$48 million dollar budget. Funding sources include: federal receipts; fish and game fund; interagency receipts; general fund; CIP (capital improvement project) receipts; statutory designated program receipts; and other fund sources.

CHAIR SEATON questioned how the federal receipts for sport fish restoration are used, and if the money might be used to fund hatcheries.

MR. SWANTON explained that there are restrictions on how the funds are to be used, but they are not directed to specific projects.

REPRESENTATIVE THOMAS asked if the division supports the statewide watershed council's, and whether the division offer them advice on grant application efforts.

[9:50:47 AM](#)

MR. SWANTON responded that the watershed council's do receive assistance from the division, which may include how to seek funds.

REPRESENTATIVE THOMAS commented that some of the salmon fund federal receipts are no longer allowed for economic development use. He expressed hope that the department provides assistance to the watershed councils, which have taken up habitat rehabilitation tasks, throughout the state, that were once carried out by the Fisheries Rehabilitation, Enhancement and Development (FRED) Division.

MR. SWANTON continued, describing the funding sources of the division. The fish and game fund, which is comprised of sport fish license and king salmon stamp sales, as well as fish operator and guide license fees. A portion of the general fund, which is used for special area permitting, and increased PERS [Public Employees Retirement System] and labor contract rates. Other sources include "soft monies." Summarizing the funding sources, he read slide 18: large percentage based on user pay fees; strategic plan founded and priority driven fund distribution; and minimal reliance on state fiscal resources. In 2006, the division recorded 473,805 anglers, sold 487,000 resident and non-resident sport fishing licenses, and experienced 2,298,092 angler-days. He reported that the division is conducting a survey to determine the 2007 estimates of expenditures, jobs, and economic impacts of the statewide sport fishing effort, and angler satisfaction. The results will be reported by key management regions, and should be available in December 2008. Slides 20-22 provided map illustrations of the three sport fish management regions: Region I, Southeast, comprises all of southeast, north to Yakutat; Region II, Southcentral, encompasses Anchorage, Matanuska-Susitna, Prince William Sound, the Alaska Peninsula, and Bristol Bay; Region III, Interior, is made up of the remaining 82 percent of the state. The other divisional organization facets include research and technical services, habitat assessment and

restoration, and the headquarters located in Juneau. The operation aspects are carried out through the headquarters, three regional, and 22 area offices. The division employees 251 permanent and 207 season employees; a total of 458. From slide 25, he reported the activities that are managed by the division: sport fisheries that include high-use road-accessible areas, freshwater and saltwater, guided and unguided, remote, youth-only, and winter; personal-use, primarily the Kenai and Chitina dipnet fisheries; shellfish fisheries; and educational. With slides 26-34 he presented a photo gallery of these activities.

REPRESENTATIVE JOHNSON asked what other youth-only fisheries occur other than the southcentral one at Campbell Creek.

CHAIR SEATON identified one on the Homer spit, and one on the Anchor River.

MR. SWANTON said that there are also several in the interior.

REPRESENTATIVE WILSON added that youth fisheries are promoted in the Wrangell area.

[9:58:24 AM](#)

REPRESENTATIVE JOHNSON asked if the Chitina dipnet access and boat launch are being expanded.

MR. SWANTON explained the monumental hurdles for building and maintaining a boat launch in certain areas, particularly in the Copper River basin. To a follow-up question he agreed to provide updated information regarding issues surrounding the Chitina access.

CHAIR SEATON inquired whether the division is working to control the offal [fish heads and viscera] that are discarded on the beach following the dipnet fishery in Kenai.

MR. SWANTON offered to provide departmental information regarding attempts to control the behavior of the fishermen, on this fishery, and others that present similar nuisance situations. A brief discussion ensued regarding how DEC and ADF&G approach this issue.

REPRESENTATIVE JOHANSEN asked how the personal-use and commercial fish management is handled in the Ketchikan area, for the sockeye and coho runs.

MR. SWANTON deferred to the Division of Commercial Fish, who will be presenting to the committee.

10:06:18 AM

MR. SWANTON continued with slide 35, to explain the division's targets and measures. The target is to provide an outcome of sustained recreational fishing opportunities while optimizing social and economic benefits from these opportunities. The first target is to provide 2.5 million angler days. The graph, on slide 36, indicated the five year trend. He opined that the downward turn, in 2006, was a result of the implementation of the \$9 surcharge. This inherent reverberation will straighten itself out, he speculated. The 2007 target to sell 450,000 licenses was exceeded, by 37,000.

MR. SWANTON explained that the second target is economically based, namely a positive trend in trip related expenditures as measured by the National Survey of Hunting and Fishing; graphed on slide 38. Due to difficulties in obtaining accurate and complete data the graph is based on information dated from 1991-2001. He reported that steps are being taken to make this information more accessible/timely. Further, he noted that current state funding will allow the department to conduct surveys. The satisfaction component is the third target. The division expects to increase, to at least 75 percent, the number of anglers that are satisfied with the variety of recreational fishery experiences available. For the same reasons as target two, the data for the graph on slide 39 illustrating this effort, is dated; 1997.

10:09:13 AM

MR. SWANTON continuing with slide 40, reported on the Region I, FY 07 accomplishments. Marine sport harvests were estimated and verified. Verification was accomplished through the required charter boat log book program. Stock assessments for salmon and resident species, were conducted and escapements estimated. Resource expertise was provided by the staff biologists for road and airport construction, timber harvest, mining, hydroelectric projects, and land transactions.

REPRESENTATIVE WILSON asked how the sustained yield for halibut is handled in conjunction with the governing federal agency.

MR. SWANTON explained that the division has a seat on the halibut commission council, allowing opportunity for

collaboration and input. A brief discussion ensued about the recent changes in the halibut regulations.

CHAIR SEATON pointed out that additional halibut information would be brought forward in the commercial fisheries presentation.

[10:13:33 AM](#)

MR. SWANTON, moving to slide 41, reviewed the Region II, FY 07, accomplishments. Stock assessment work was conducted on the Kenai, Russian, and Susitna Rivers sockeye salmon, and the Kasilof River king salmon. Increased stock assessment work for resident species, relative to systems identified for mine development, was conducted, specifically in the Bristol Bay area. The Region III, FY 07, accomplishments, include: continued regulatory, land use, and research efforts helpful to Alaskan anglers; and continued improvement of information and education programs involving rural communities and users. He reported that Region III experienced minimal inseason salmon opportunity restrictions, during 2007. The research and technical services accomplishments included: biometric support provided for 120 stock assessment projects statewide; continued review of salmon escapement goals; and statewide estimation of sport fisheries catch, effort and harvest.

REPRESENTATIVE THOMAS reported on the coho sport catch in the Cordova area. He expressed concern for the fish that are being caught and released ineffectively by guided anglers. When they catch their six coho limit, anglers continue to catch and release improperly, resulting in significant numbers of dead fish. Perhaps a video for how to properly release a fish would be in order. He asked if the division is aware of this situation and if they are taking any measures.

MR. SWANTON reported that the BOF addressed this situation 5 years ago, but did not take action. The department offers catch and release information and instruction. Efforts are underway, he said.

MR. SWANTON continued with the division's habitat assessment and restoration accomplishments, slide 44: reviewed state, municipal, and federal land ownership transfers and land use plans for assuring sustained use; updated fish distribution database and anadromous stream catalog; and continued cost-share agreement with Kenai River landowners regarding stream bank restoration. The additional accomplishments for FY 07 were:

continued support for advisory working group on a limited entry sport fish guide program; completed three boater access and two non-boating access projects statewide; and continued the departments Alaska National Interest Lands Conservation Act program to protect management authority of fish and wildlife resources. He reported on the key challenges for FY 08, which are: management of harvests according to regulatory board instruction; Sustain wild fish stocks targeted by sport anglers; maintain and secure satisfaction among resident anglers; constructing new hatcheries approved in 2005, while maintaining existing hatchery production; ensuring hunting and fishing public access as land is conveyed and restricted by federal land managers; assure resource development is done responsibly without undue affect on fish and wildlife and use; and minimize impact to other users while meeting subsistence priority.

REPRESENTATIVE JOHANSEN requested further information regarding the division survey, described on slide 19, and how it relates to the slide 39 graph indicating angler satisfaction.

MR. SWANTON explained how questions in the survey address satisfaction, as well as the anglers cost.

[10:20:11 AM](#)

REPRESENTATIVE JOHANSEN said that it would be interesting to know how the regional sport fishing activities impact the overall state economy, and how areas indirectly support each other.

CHAIR SEATON suggested that some of that type of survey data may come to the fore during the discussion with the Division of Subsistence, who will be presenting on Friday [January 21, 2008].

[10:22:24 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 10:22 a.m.