

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

March 26, 2008

8:40 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Craig Johnson
Representative Gabrielle LeDoux
Representative Bryce Edgmon

MEMBERS ABSENT

Representative Lindsey Holmes
Representative Kyle Johansen
Representative Peggy Wilson

COMMITTEE CALENDAR

OVERVIEW: ROUND-TABLE DISCUSSION: STATUTORY AND REGULATORY
TOOLS TO ADDRESS OVER ESCAPEMENT AND FOREGONE HARVEST IN BRISTOL
BAY AND WESTWARD REGIONS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JOHN HILSINGER, Director
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

JEFF REGNART, Central Regional Supervisor
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

JIM MCCULLOUGH, Central Regional Supervisor
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Kodiak, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

ROBERT HEYANO, President
Bristol Bay Regional Seafood Development Association (BB-RSDA)
Dillingham, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

BOB WALDROP, Executive Director
Bristol Bay Regional Seafood Development Association (BB-RSDA)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

JERRY MCCUNE, Lobbyist
United Fishermen of Alaska (UFA)
Cordova, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

KRIS NOROSZ, Government Relations
Icicle Seafoods
Petersburg, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

MARVIN EBNET
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion:
Statutory and Regulatory Tools to Address Over Escapement and
Foregone Harvest in Bristol Bay and Westward Regions.

KRISTIN RYAN, Director
Division of Environmental Health
Department of Environmental Conservation (DEC)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory and Regulatory Tools to Address Over Escapement and Foregone Harvest in Bristol Bay and Westward Regions.

DAVID HARSILA , President
Alaska Independent Fishermen's Marketing Association (AIFMA)
Seattle, Washington

POSITION STATEMENT: Participated in the round-table discussion: Statutory and Regulatory Tools to Address Over Escapement and Foregone Harvest in Bristol Bay and Westward Regions.

ROBIN SAMUELSON, President and CEO
Bristol Bay Economic Development Corporation (BBEDC)
[No address provided]

POSITION STATEMENT: Participated in the round-table discussion: Statutory and Regulatory Tools to Address Over Escapement and Foregone Harvest in Bristol Bay and Westward Regions.

ACTION NARRATIVE

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at [8:40:16 AM](#). Representatives Seaton, Johnson, LeDoux, and Edgmon were present at the call to order.

OVERVIEW: ROUND-TABLE DISCUSSION: STATUTORY AND REGULATORY TOOLS TO ADDRESS OVER ESCAPEMENT AND FOREGONE HARVEST IN BRISTOL BAY AND WESTWARD REGIONS

[8:40:16 AM](#)

CHAIR SEATON announced that the only order of business would be a round-table discussion addressing the statutory and regulatory tools to address over escapement and foregone harvest in Bristol Bay and Westward regions. The state constitution requires the legislature to endeavor to maximize the value of the resources to benefit Alaskan's. The Alaska Department of Fish & Game (ADF&G) has compiled reports, included in the committee packet, based on monitored index streams indicating where escapements have fallen short of the minimum, attained the minimum, or exceeded goals. The minimum escapement is required to sustain a healthy, continuous run of salmon. Where escapement goals are exceeded the number represents a surplus of fish entering a system, which could have been harvested, hence a foregone harvest. In the case of sockeye salmon, he stated, this can be detrimental, due to an overabundance of fry creating stress on a system. Furthermore, 55 percent of the monitored streams, for

2006, experienced an over escapement, a situation which may occur for various reasons. Chair Seaton explained that these interest groups discussions are being held in an effort to discover means for optimizing the fishery resources. He encouraged participants to offer ideas for implementing change in state regulation, consider utilization of fishing methods, explore processing procedures, and suggest improved management techniques.

[8:46:25 AM](#)

JOHN HILSINGER, Director, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), stated that the issue of excess escapement is a complex topic that lies at the intersection of conservation, economics, allocation, and the practicalities of fisheries management. He agreed that the dissection of this topic may be helpful, given the variables that occur from year to year.

[8:47:31 AM](#)

CHAIR SEATON added that the effect on Bristol Bay and the western regional fisheries of lost harvest, represented by the chinook salmon by-catch in the Bering Sea, is another topic he would like to hear addressed in today's discussion.

[8:48:07 AM](#)

JEFF REGNART, Central Regional Supervisor, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), said the Bristol Bay sockeye salmon run is the largest in the state, and the department conducts intensive monitoring on its numerous watershed systems, to establish escapement goals. Over escapement occurs due to several factors. He said:

One, the department's made a mistake in-season. Either we should have fished earlier or more time, and that does happen, on any given year, for any of the systems. ... Second ... [a] forecast that might be inaccurate. ... We're not prepared early in the season for the large ... run that we're experiencing. It comes to strategy of how we prosecute the fishery in-season. ... You also have capacity issues ... that can cause issues in-season, which can result in potentially going over goals, [and] having lost opportunity.

8:50:10 AM

REPRESENTATIVE LEDOUX queried how quickly an in-season management adjustment can be made, when an inaccurate forecast is realized, and over escapement is occurring.

MR. REGNART responded that Bristol Bay fisheries are managed on an hourly basis, and from tide to tide, during the peak of the season. The department utilizes EO (emergency order) authority to issue openings 5-6 times per day, which last an average of 10-12 hours. The department is able to react quickly to run information sources, often within 2-3 hours, issuing an EO accordingly.

8:55:01 AM

JIM MCCULLOUGH, Central Regional Supervisor, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), said that the directed fisheries for chinook salmon only occur in a few minor systems, in the central region. Sockeye are a major target species, however a portion of the catch are fish that are migrating to systems located in the Bering Sea and North Pacific waters. Pink and chum salmon are the abundant species, and coho are becoming more important throughout the region. The central region fishery begins the first of June and continues through October, due to each species being targeted, as well as multiple runs. The department has established weirs on the major sockeye systems, providing accurate counts. Pink and chum escapements are estimated via aerial survey counts, and those runs are managed using averages vs. exact counts. He reported that industry plays a major role, regarding control of the run escapement. When the Bristol Bay sockeye runs overlap with those of the central region, processing capacity is over taxed to handle the harvest from both areas. Some years have seen fish transported to British Columbia, Canada, for processing.

9:00:00 AM

CHAIR SEATON directed attention to the committee packet, referred to the ADF&G report 5J08-1, [page 24], appendix D2, and pointed out that several systems were noted, to wit: "Surplus escapements were primarily due to lack of industry interest and minimal fishing effort rather than any specific management action." He asked why there was a lack of interest in these systems, and whether fishing effort could be generated via direct marketing techniques, or other methods. The included

systems were Cinder River, Meshik River, Bear River Early Run, North Creek, Orzinski Lake, Mortensen Lagoon, and Thin Point Lake.

MR. MCCULLOUGH many of these areas are unfortunately distant to the necessary support infrastructure. Transportation costs, combined with the price of processing, prohibit an economic harvest.

[9:03:08 AM](#)

ROBERT HEYANO, President, Bristol Bay Regional Seafood Development Association (BB-RSDA), explained that the association has 1,800 members, who are experiencing loss of economic opportunity in Bristol Bay, and he deferred to the association's director to provide recommendations for rectifying the situation.

[9:04:09 AM](#)

BOB WALDROP, Executive Director, Bristol Bay Regional Seafood Development Association (BB-RSDA), said the association has been in business about four months, after two years aborning. He acknowledged the spirits, on all fronts, to assist in optimizing the fishery. A possible solution would be to allow an aggressive early season fishery. For the past three years, the Bristol Bay region has experienced a foregone harvest worth \$55 million wholesale, representing 39 million round pounds, with an exvessel value of \$22 million to the fishermen. He stressed the magnificence of the Bristol Bay sockeye run, where the 2007 over escapement totaled approximately 6 million fish, representing more than the combined sockeye harvests in the remainder of the state.

[9:08:31 AM](#)

CHAIR SEATON directed attention to ADF&G report J508-3, table 1 page 2 of 2 [report page 3], and asked if this is the data that he is using in his calculations.

MR. WALDROP responded that he is actually starting from a mid point estimate of the escapement goal, not the upper end, to which the document refers.

CHAIR SEATON clarified that ADF&G has been focusing on maintaining an escapement above the lower range, and below the upper range. The 2007 numbers that the association is using

differ from the departments. He read the over escapement figures from the report: 2007 at 2.5 million sockeye, valued at \$8.87 million; 2006 at 2.69 million sockeye, valued at \$8.5 million; 2005 at 1.4 million sockeye, valued at \$5.3 million. Apparently the association is using the same numbers, but is calculating what is above the mid point vs. what is above the upper range.

MR. WALDROP explained his method for interpreting the department's figures.

[9:10:59 AM](#)

CHAIR SEATON asked for clarity on how Mr. Waldrop's interpretation might interface with the numbers provided from the department.

MR. REGNART responded the numbers in table 1, page 2 of 2 are the upper end of the bound, and the numbers Mr. Waldrop is using are from the mid point. The BOF, for regulatory purposes, uses the mid point range as an in-season target, however the department cannot manage the run appropriately utilizing that figure.

MR. HILSINGER pointed out:

In the sustainable fisheries policy, ... [it] specifies that, over time, the department will try to distribute escapements evenly throughout the range of a biological escapement goal range, which these are. ... Our policy for salmon management says that we should have some escapements near the low end, some escapements in the middle, and some escapements at the high end. So we don't, by policy, try to target any particular point within the range.

[9:14:21 AM](#)

REPRESENTATIVE EDGMON, considering the sustainable fisheries policy, asked does that preclude the department from allowing an early harvest on the run, minimizing the bottleneck, which traditionally occurs in early July.

MR. REGNART answered that the policy would not preclude an early fishery. Further, the department is preparing a revised 2008 outlook for Bristol Bay, which will include a more aggressive approach beginning June 1.

REPRESENTATIVE EDGMON queried if this indicates the department is assessing a more aggressive early season, or will the opportunity be instituted.

MR. REGNART said the department is taking a more aggressive stance to allow more fishing days per week, from June 1 through the third week of June, for the sockeye fisheries in the eastside districts. The Nushagak district is managed for the chinook harvest and will require a different approach.

MR. WALDROP stressed the magnitude of the issue. He described how an early season, aggressive harvest, would be a benefit to economic exploitation of the sockeye run, and provide an early season operational "shake-down" for the processors. It is encouraging that the department is looking at implementing this possibility, he opined.

[9:21:33 AM](#)

JERRY MCCUNE, Lobbyist, United Fishermen of Alaska (UFA), inquired if there will need to be more transportation, ice machines, or other infrastructure support to implement this plan.

MR. WALDROP stated the infrastructure is shallow, in the bay, and needs to be bolstered, however, those are long term solutions that will be brought on-line in the coming years.

MR. MCCUNE offered that RSDAs in every region could use infrastructure support to help deliver a quality product to market.

[9:23:33 AM](#)

KRIS NOROSZ, Government Relations, Icicle Seafoods, acknowledged the intensity of the Bristol Bay fishery. Fully funding the department would be helpful to expand management opportunities, and help the department to afford every available tool to maximize harvest possibilities. She pointed out that predictability is difficult, and this area becomes a reactionary fishery, which the department manages admirably. Attempting to not go beyond the mid point range could result in some streams not receiving enough escapement. There is over-escapement despite best efforts, which appears to be unavoidable. Icicle Seafoods has a salmon task force, which meets regularly to discuss post and pre season opportunities. Cultivating

discussions, such as these, the department's move towards early harvest, and continued dialogue with other regions, are all helpful in means for creating constructive solutions, she opined.

9:28:24 AM

CHAIR SEATON agreed that funding plays a part, but dialogue helps to identify the tools necessary for improved harvest and product. He referred to the round-table discussion on the southeast region [House Special Committee on Fisheries meeting 3/19/08], and described the concerns that arose regarding the direct market vessels. The fishermen find that they are inhibited in only being able to process their individual boats catch. If they purchase another boats catch, then they must be permitted as a floating processor and work under constraints that are prohibitive for a direct marketer. However, four or five vessels working together, could jointly gut and gill, ice, and transport a value added product that otherwise might not provide an economical harvest. The fast and furious Bristol Bay fishery may not apply, but he asked if other reaches of the westward region have similar issues with remote areas that could be served by allowing this type of joint effort.

9:30:44 AM

MR. MCCUNE said that not allowing the direct marketer to purchase fish, to back fill an order, is an inhibiting factor. Why a floating processor permit would be required by the state, does not appear to be in concert with the federal regulations, he opined. Every direct marketer stands on their reputation, which should be enough to ensure a quality product.

9:32:30 AM

KRISTIN RYAN, Director, Division Of Environmental Health, Department of Environmental Conservation (DEC), stated that a chart has been generated to clarify what process can be completed, by whom, and what permit is required. The intent of the direct market fishing vessel permit was created to allow fishermen to sell their catch, while maintaining sanitation standards. Cleaning under a covered area, clean water availability, and labeling the product in a traceable manner, are among the many requirements. In this way, fishermen have been able to cultivate a niche market, for a quality product not handled by a processor; a program invoked ten years ago. Restricting the program to the boat catch only, has provided a

delineation of the fundamental difference between a fisherman and a processor. The quantity of fish is restrictive, as fishing boats are not intended to process large numbers fish. Additionally, a category was implemented, to support fishermen who have a foot in both worlds, thus the small processor. Regulations for a small processor require safety measures beyond what the direct marketer must meet, to further protect the product from pests and dust. Boats that are 26 feet, have been outfitted with a fully enclosed, collapsible structure, which meets compliance standards. She explained that a small processor may process their product anywhere, however the direct marketer is restricted to processing on the fishing grounds. Accommodating the person who wants to process more than their boats catch, has created an issue which DEC is attempting to address in the best way, working with the fishermen to solve the conflicts.

[9:36:49 AM](#)

CHAIR SEATON pointed out that transporter vessels have been implemented in some areas, as a mechanism that creates a small cooperative. The point of sale regulation has been relaxed to allow the transporter permit to be utilized. This indicates that there may be other ways to work within regulations to help solve the issue. Some fishermen may not be aware of the free transport permit opportunity, he opined.

[9:38:48 AM](#)

REPRESENTATIVE LEDOUX clarified the structures required: a covered work space for the individual, direct market fisherman; and a fully enclosed area for the small processor.

MS. RYAN responded that the goal is to keep dust and pests out if the area where the meat is exposed. By restricting the direct marketer to process their fish 1 ½ miles off shore, only a cover is necessary for warding off bird droppings; dust and flies are not present when at sea. However, a processor can conduct business anywhere, and are required to have a fully enclosed facility, which can be can be a collapsible tarp structure with fly walls.

REPRESENTATIVE LEDOUX queried, if someone wants to buy another boats fish, on the fishing grounds to process with their own catch, what's the purpose of requiring that they have an enclosed structure.

MS. RYAN said, when another boat's catch is handled, the dynamic is shifted from being a fisherman to being a processor. Purchasing fish to sell to the public, puts the fisherman into another realm, hence the additional requirements.

CHAIR SEATON directed the participants back to the day's topic of over escapement.

9:41:50 AM

MARVIN EBNET, introduced himself as a Bristol Bay set net fisherman, with a focus on the Ugashik River district. He reported he has observed the up-river run continuing for a full month after the department has pulled the counting towers, in the fall. He suggested that, taking this into consideration, the escapement numbers may be significantly under reported. Further, he opined that the two major issues in Bristol Bay are processing capacity, and tender availability, inhibits the ability to process the harvest, and effectively limits the fishermen's catch in the Ugashik district. Processing capacity either needs to be ramped up in some way, or foreign processors allowed to assist with the volume. The tender capacity has been reduced, due to the crab rationalization, compounding the processing problem.

9:45:12 AM

CHAIR SEATON called attention to a letter [e-mail] in the committee packet, dated March 25, 2008, from Erick Sabo, regarding correspondence from Trident Seafoods addressing the Ugashik situation. The letter makes clear that handling capacity for the Ugashik run will not be available from Trident, and possibly not from other buyers. He asked if this appears to be an anomaly, and whether the anticipated 2008 run will lead to over escapement.

MS. NOROSZ stated that she is not familiar with the letter from Trident. She has been to the Ugashik area and observed the fishery. Historically, the Ugashik has been a difficult area to service, without many fishermen participating, and being an area that has not had a cannery. The capacity survey that was conducted this year, indicates that there will be adequate processing capacity in Bristol Bay, however, she declined to address the Ugashik situation directly.

9:47:31 AM

CHAIR SEATON referred to the ADF&G report escapement table, and pointed out the Ugashik had 1,270,000 fish last year, but the preceding six years do not indicate over escapement. He inquired if the department is concerned for the Ugashik district goals.

MR. REGNART responded that the department has received a copy of the letter. He pointed out how the Ugashik, on any given year, presents two concerns: The processors interest in operating in that area, as it is remote represents an expensive endeavor. Also, it is difficult to attract the fleet to the area, as they must relocate from a producing district, and possibly have to wait in Ugashik for the run to arrive.

9:50:13 AM

DAVID HARSILA, President, Alaska Independent Fishermen's Marketing Association (AIFMA), stated that over escarpment issues are compounded by processor capacity limiting the pounds of fish that a fisherman can deliver on any given opening. He predicted that the situation may worsen in the coming years; 2009 and 2010. Early fishing efforts were attempted in 2004, and in 1980, with mixed results. Inviting new processors in may be the most helpful solution, he opined.

9:53:07 AM

ROBIN SAMUELSON, President and CEO, Bristol Bay Economic Development Corporation (BBEDC), referred to ADF&G table 1, page 2 of 2, [report 5J08-03], and suggested that an escapement analysis should be considered from the medium range, for improved accuracy. The over escapement figures indicate a loss of economic opportunity between \$8-\$16 thousand dollars, for each permit holder, depending on how the numbers are interpreted. He reported that a major portion of the processing capacity in the area has been lost, and every bay has seen harvest limits imposed on the fishermen. A number of the processors closed down, or slowed capacity, when the price of salmon dipped to \$.40 cents. These actions have had dramatic impacts on the fishermen, during the last five years. An example was the early season Igiugig catch, when one day saw a million fish brought in. He said that the entire processing sector could not recover from that situation, for the remainder of the season, effecting other fishing districts in the bay in the form of fishing limits and closures. The BBEDC submitted a request to the governor's office, for a 2008 processing/capacity survey, to enable foreign processors to enter the bay and assist

should a surplus be evident. He said he was dismayed when he read the survey, which indicated confidence by the current processors to handle the run. However, a run projected to be 40 million fish, with a harvest expectation of 30 million, is overwhelming. Haul-out boats have been suggested, but they are heavily involved in the pollock fishery. He reported on the chinook by-catch, as part of the pollock fishery. Scale analyses indicate that the majority, 66 percent, of the 130 thousand chinook by-catch, are bound for western Alaska. The Bristol Bay chinook return has diminished, he reported, as well as the Kuskokwim and the Yukon River, which may not be allowed a commercial chinook harvest this year. He reiterated that without the presence of foreign processors, this year will again see limits on harvest, and the chronic problem of Ugashik will continue. The lost economic opportunities cannot be ignored. He suggested bringing in foreign processors to handle the custom processing. Further, he proposed an opening from 6/1-22, with the setnetters on 24 hours per day in the eastside districts, and allowing the drift net fishery to operate through 6/17, and then begin the regulation process, or not, depending on need. The BBEDC has invested millions in ice barges, slush bags, insulated totes, fish hold insulation, and other means to increase the value of these fish by \$1.00 or more per pound. He strongly urged the department to consider these options.

[10:01:25 AM](#)

CHAIR SEATON asked if the size of the anticipated run is expected to accentuate the problems experienced in the Ugashik and other out lying areas.

MS. NOROSZ, speaking only on behalf of Icicle Seafoods, which traditionally serviced Ugashik when the fleet is present, said the company does expect to be able to handle the run, based on the current capacity study. She said:

There is a lot of risk and down side, when we talk about bringing in foreign floaters. The number of processors, in Bristol Bay, is not limited. Anybody that wants to process can come in there with a U.S. hull and process. My main concern, when we talk about bringing in foreign processors, is the risk that we take to the Alaska brand, and the risk that we take to people who have invested millions of dollars in that region.

CHAIR SEATON noted that nothing is being promoted through this discussion, however, the ramifications of a large, damaging, over escapement needs to be considered.

[10:03:39 AM](#)

REPRESENTATIVE LEDOUX inquired if a capacity survey is conducted each year.

MS. NOROSZ responded this year one was specifically requested for Bristol Bay, but, to her knowledge, the department did not conducted a statewide survey.

REPRESENTATIVE LEDOUX asked whether there is a precedent for foreign processors being brought in for a fishery.

MS. NOROSZ answered, yes, certain fisheries, such as herring, have been tended by foreign vessels. However, she stressed, this is not about competition, but leveling the playing field.

CHAIR SEATON suggested that another facet is the Alaska buy-in for a quality product, and he speculated on whether that control could be established, by the state, on a foreign based vessel.

MR. SAMUELSON clarified that he advocates bringing in foreign processors for custom processing only, and imposing specifications that would protect the Alaska brand. Currently, much of the product is shipped to China for processing.

[10:06:12 AM](#)

CHAIR SEATON requested suggestions continue to be submitted to the committee. Additionally, he pointed out that the board made some changes in 2007, allowing ADF&G to adjust regulations in order to address over escapement in some areas; included in the ADF&G report.

[10:07:13 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries* meeting was adjourned at 10:07 a.m.