

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

April 2, 2008

8:41 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Peggy Wilson
Representative Lindsey Holmes

COMMITTEE CALENDAR

SENATE BILL NO. 304

"An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

- HEARD AND HELD

ROUND-TABLE DISCUSSION: STATUTORY REGULATOR TOOLS TO ADDRESS OVER-ESCAPEMENT AND FOREGONE HARVEST IN PRINCE WILLIAM SOUND & LOWER COOK INLET

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 304

SHORT TITLE: CFEC AS INFORMATION RESOURCE

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

03/12/08	(S)	READ THE FIRST TIME - REFERRALS
03/12/08	(S)	CRA
03/18/08	(S)	CRA AT 3:30 PM BELTZ 211
03/18/08	(S)	Moved SB 304 Out of Committee
03/18/08	(S)	MINUTE(CRA)
03/19/08	(S)	CRA RPT 2DP 2NR
03/19/08	(S)	DP: OLSON, THOMAS
03/19/08	(S)	NR: KOOKESH, WAGONER

03/26/08 (S) TRANSMITTED TO (H)
03/26/08 (S) VERSION: SB 304
03/27/08 (H) READ THE FIRST TIME - REFERRALS
03/27/08 (H) FSH, FIN
04/02/08 (H) FSH AT 8:30 AM BARNES 124

WITNESS REGISTER

DAVE GRAY, Staff
to Senator Donald Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 304 on behalf of Senator Olson, chair of the Senate Community and Regional Affairs Committee the bill sponsor.

DAVE COBB
Valdez Fisheries Development Association (VFDA)
Valdez, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

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 Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

DAN GRAY, Regional Management Biologist
Bristol Bay Salmon
Togiak Herring and Prince William Sound Salmon & Herring
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

TRACY LINGNAU, Regional Management Biologist
Cook Inlet Salmon and Central Region Shellfish & Groundfish
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

LEE HAMMARSTROM, Area Management Biologist
Lower Cook Inlet Salmon & Herring
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)
Homer, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

JERRY MCCUNE, Lobbyist
Cordova District Fishermen United (CDFU)
Cordova, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

GLENN HOLLOWELL, Area Management Biologist
Copper River and Prince William Sound Salmon
Division of Commercial Fisheries
Alaska Department of Fish & Game (ADF&G)

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

ANTHONY SYVERTSON, Offshore Commercial Fisherman
Juneau, Alaska

POSITION STATEMENT: During the discussion on Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet, asked questions regarding Southeast region.

DAVID REGGIANI
Prince William Sound Aquaculture Corporation (PWSAC)
Cordova, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

DAVID OTNESS, Independent Operator
Cordova, Alaska

POSITION STATEMENT: Participated in the round-table discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet.

ACTION NARRATIVE

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 8:41:15 AM. Representatives Seaton, Johnson, LeDoux, and Edgmon were present at the call to order. Representative Johansen arrived as the meeting was in progress.

SB 304-CFEC AS INFORMATION RESOURCE

8:41:33 AM

CHAIR SEATON announced that the first order of business would be SENATE BILL NO. 304, "An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

CHAIR SEATON stated his intent to have SB 304 introduced today, and hold it in committee for testimony, and discussion at a future hearing.

8:43:10 AM

DAVE GRAY, Staff, to Senator Donald Olson, Alaska State Legislature, explained how commercial fishing is a substantial economic engine for each region of the state. This legislation allows the Alaska Regional Development Organization (ARDOR) groups to obtain Commercial Fisheries Entry Commission (CFEC) information free of charge. He reported that the senator has received many requests to have this service made available to assist ARDOR programs in attaining the goals established under AS 44.33.895; to wit:

Sec. 44.33.895. Alaska regional economic assistance program. [See delayed repeal note]

(a) The department shall

(3) gather information about regional economic issues, international trade, and tourism from organizations;

(4) serve as liaison between organizations and other state agencies and encourage other agencies to make resources available to help accomplish goals of the organizations;

(5) assist each organization to

(A) provide services designed to encourage economic development to local communities and businesses;

(B) collect and distribute economic information relevant to the region;

(C) participate in state marketing campaigns and join state trade missions that are relevant to the region; and

(D) develop and implement strategies to attract new industry, expand international trade opportunities, and encourage tourism within the region.

[8:47:26 AM](#)

REPRESENTATIVE LEDOUX questioned:

There are a number of us in this building that have heard that this bill ... is simply a vehicle bill, designed to add ... the scallops and the hair crab; a bill [HB 16] which hasn't progressed. What's your comment on this.

MR. GRAY responded the title is fairly tight, and remains specific to the ARDOR group's receipt of CFEC information.

REPRESENTATIVE LEDOUX asked if the sponsor would commit to opposing the bill, should efforts be made to add additional topics.

MR. GRAY said it would be presumptive, on his part, to make that commitment on behalf of Senator Olson. However, the core substance represents the intent of the bill, which the senator would like to see move forward. To a follow-up question he indicated that the senator may be available for questions, at the next hearing.

[8:49:27 AM](#)

CHAIR SEATON requested the current statutory/constitutional limitation language, that restricts CFEC from providing this information, be made available to the committee.

[SB 304 was held over.]

Round-Table Discussion: Statutory Regulator Tools to Address Over Escapement and Foregone Harvest in Prince William Sound & Lower Cook Inlet

[8:50:19 AM](#)

CHAIR SEATON announced that the next order of business would be a round-table discussion on the statutory regulator tools to address over escapement, and foregone harvest, in Prince William Sound and Lower Cook Inlet.

CHAIR SEATON reminded the committee that the purpose of the discussion is not a fault finding mission, but rather a means to dialogue with the department, industry, processors, and other concerned entities. He provided the definition of foregone harvest, for purposes of this hearing, and explained the consequences when a monitored stream either surpasses or does not realize maximum or minimum escapement goals. Consequences of these escapement goal disparities raise concerns for the biological health of the stream, salmon run survival, and economic concerns. Decidedly, it is important to recognize that the means for meeting these goals is not a precise science, and thus reviewing monitored systems on a continuous basis is an important part of the process. For the systems where statistics indicate continued trends for being above goals, solutions need to be explored, by the assembled group. He recalled highlights of the previous two meetings [3/19/08, Southeastern region, and 3/26/08, Bristol Bay and Westward regions]: adaptation of processing schemes, improvement of product transportation, and reviewing the allowed fishing time. Discussion also ensued regarding the pink salmon escapement goal analysis, means of viewing the foregone harvest goal, potentials for direct marketing vessels, and aggregative transport methods.

[8:57:09 AM](#)

DAVE COBB, Valdez Fisheries Development Association (VFDA), described the VFDA as a small, hatchery, aquaculture organization in the eastern district of Prince William Sound (PWS); not a regional association. Despite its size, the VFDA is one of the largest producers of pink salmon in PWS.

[8:59:24 AM](#)

CHAIR SEATON directed attention to the ADF&G Regional Information Reports No. 5J08-01, titled "Success in Achieving Salmon Escapement Goals in Monitored Systems," [No. 5J08-02,

titled "Potential Unrealized Harvest and Exvessel Value,"] and 5J08-03, titled "Estimated Numbers of Salmon Above the Upper Range of the Escapement Goal and Estimated Value of Unharvested Fish," contained in the committee packet.

9:00:15 AM

JOHN HILSINGER, Director, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), introduced the departmental biologists participating in the discussion.

9:01:26 AM

DAN GRAY, Regional Management Biologist, Bristol Bay Salmon, Togiak Herring and Prince William Sound Salmon & Herring, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), paraphrased from a prepared statement, which read as follows [original punctuation provided], with referrals to a table in report #5J08-1 page 4:

Copper River Sockeye

Comm. fishery opens on or near May 15 w/ 2 periods per week. Escapement monitored at Miles Lake Sonar.

Many individual stocks of sockeye and kings.

Typical situation leading to excess escapement is delayed run associated with cold spring temps and low water levels.

This results in early season closures - problem occurs when the run resumes in a strong wave and jumps ahead of the [escapement] curve.

The dept is attempting to find a sonar site in the lower river to give early notice of run entry.

Copper River Coho

Two causes of large escapements:

Fish move on high water events when aerial assessment is difficult.

Loss of markets as processors close for the season.

PWS pink salmon

Wild stock pink salmon [escapement] goal is spread among 200 index streams. Few areas of concentration for seiners.

Through most of the return the majority of seine effort is focused on hatcheries.

In 2003, the excess [escapement] was a result of limited processing capacity.

Recent increase in processing capacity allowed a record harvest of 60 million in 2007 with wild stock escapement within the range.

[9:07:21 AM](#)

TRACY LINGNAU, Regional Management Biologist, Cook Inlet Salmon and Central Region Shellfish & Groundfish, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), provided statistics for the Lower Cook Inlet. The pink salmon represent the largest part of the harvest, with a 10 year average of about 1.6 million, followed by sockeye, at 300,000 thousand. Other fish are harvested, but pink and sockeye are the targeted species. For the last 10 years, sockeye has averaged \$1.6 million in exvessel value to the fisherman, and pink salmon have averaged \$525,000 thousand. The price for salmon in Lower Cook Inlet has remained stable, with slight increases. The over escapement goal concerns for Lower Cook Inlet differ from those of the Central Region. The inlet has multiple small fisheries, in remote locations, that are weather dependent for access. Fuel costs effect the availability of tenders, which play an important role on whether the fishermen choose to make the trip. Management is very flexible in the Lower Cook Inlet. The ten year average for seine permits is about 30, but last year only 19 fisherman participated. The ADF&G area manager plays an important role in coordination of the fisheries to optimize the harvest.

[9:11:08 AM](#)

CHAIR SEATON asked how the remote stream systems have been harvested; by direct market vessels or small seiners with tender support.

MR. LINGNAU deferred to the Area Management Biologist.

[9:12:06 AM](#)

LEE HAMMARSTROM, Area Management Biologist, Lower Cook Inlet Salmon & Herring, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), asked for a clarification of the term "direct marketer," and if it acquaints to a floating processor.

CHAIR SEATON explained that regulatory changes now allow a fishing vessel to process their own boat caught fish. This marketing approach has seen significant development in the Southeast region, and has proven particularly productive for harvesting remote stocks.

MR. HAMMARSTROM replied that he is not aware of any interest for direct marketing. He described the Lower Cook Inlet seine fleet, as being comprised of small vessels that require tender service to transport remote area harvests. Only a few fishing boats would have the ability to chill, brine, and transport their own catch.

[9:14:03 AM](#)

CHAIR SEATON asked if direct marketing would be a possibility for remote streams where escapement is not being utilized.

MR. HAMMARSTROM stated that the department would consider anything that helps utilize stock abundance. He stressed that in Lower Cook Inlet the systems have relatively low returns. With species of low value, such as pink salmon, the volume required for economic gain is not sufficient for members of the fleet to pursue the stock. However, some of the more productive remote systems may lend themselves to a direct market approach.

CHAIR SEATON noted that the Lower Cook Inlet foregone harvest values are low and inconsistent, compared to other areas.

[9:16:37 AM](#)

JERRY MCCUNE, Lobbyist, Cordova District Fishermen United (CDFU), pointed out that, on paper, the over escapement may look

high for the Copper River system. In reality the fish tend to hold in the river and don't arrive at the sonar counting station, creating a situation that contributes to the possibility of over escapement. He described the fishing strategies used to maximize effort, by the Copper River fleet. Locating a "lower" site for a second sonar station to track and better target the run would be helpful. Additionally, many direct marketers are challenged to meet their orders and need to rely on the ability to purchase from other boats. Under current regulation this is not allowed, and he suggested relaxing that regulation. Further, he pointed out that the Delta stocks need to be considered, when reviewing the Copper River run, and that the Prince William Sound Aquaculture Corporation (PWSAC) raises 200-400 thousand sockeye that all users on the Copper River benefit from.

[9:19:56 AM](#)

CHAIR SEATON asked if anyone uses the transporter provisions to aggregate their catch, without purchase, as is allowed in current regulation.

MR. MCCUNE explained how the 12-24 hour open seasons occur on the Copper River, and the availability of the tenders. He opined that he does not believe anyone aggregates their catch.

CHAIR SEATON said the transporter permit is free, and available from the local state office. He asked if there has been activity with this permit in the seine or gill net fisheries of PWS.

[9:21:41 AM](#)

GLENN HOLLOWELL, Area Management Biologist, Copper River and Prince William Sound Salmon, Division of Commercial Fisheries, stated that there have been no requests to issue a transporter permit through his office.

CHAIR SEATON suggested that there may be a lack of knowledge and understanding within the commercial fleet of this regulation and permit availability. In the absence of a tender, the regulation allows one vessel to convey their catch to another vessel, which then transports to the processor. Previously, transference of catch was considered a point of sale, and was disallowed. He opined that utilizing this permit could solve some of the remote fishery issues.

9:23:45 AM

ANTHONY SYVERTSON, Offshore Commercial Fisherman, inquired whether the Taku River gillnetters could benefit from the transporter permit.

CHAIR SEATON said it is a free permit, available statewide.

9:25:28 AM

MR. MCCUNE explained that the fishery in the sound is complex, where the wild returns to index streams and the hatchery stocks must both be responsibly harvested. During the 2007 harvest, the processors worked to full capacity, 24 hours a day, alternating two crews. The ferry system and AML [Alaska Marine Line] barges were used to transport the 63 million fish harvested to Whittier and Anchorage. He opined that it was good year for everyone, and it would be hard to do much better. A task force, comprised of representatives from each fishing group, will be sitting down soon to work out a scheme for the coming harvest.

9:27:24 AM

CHAIR SEATON noted that the records for the Cooper River sockeye indicate that there is no significant over escapement, and thus not much foregone harvest on a predictable basis, for that system.

MR. MCCUNE offered praise for the department's efforts that have contributed to successful harvests in PWS. He referred to his previous testimony, for additional sonar equipment and regulatory loosening, as additional means of supporting this harvest. In response to a query from Chair Seaton, he said the loosening of the regulation would allow direct marketers to purchase small numbers of fish from other boats, to fill orders.

CHAIR SEATON suggested that for the interim, the fishermen could investigate the possibilities of a transporter permit.

9:31:04 AM

DAVID REGGIANI, Prince William Sound Aquaculture Corporation (PWSAC), said that PWS is fortunate to have a tremendous amount of processing capacity, and that he had nothing to add to Mr. McCune's suggestions.

[9:31:31 AM](#)

DAVID OTNESS, Independent Operator, said he has experienced inconsistencies with Department of Environmental Conservation (DEC) requirements. He suggested that DEC consider practical level vs. book level requirements, and cited the regulation that boat processing occur 1.5 miles offshore. With the absence of birds and blue bottle flies at sea, this requirement appears to be superfluous. He also pointed out that the Crescent River has seen over escapement for the last five years, due to the tender/transport situation.

[9:34:48 AM](#)

CHAIR SEATON acknowledged how the subject of direct market vessels, and how that program can be improved, has been a common denominator in these discussions, which he expects will be addressed.

[9:35:29 AM](#)

REPRESENTATIVE EDGMON inquired if the biological/genetic study of the salmon stock will be broached for discussion.

CHAIR SEATON characterized the topic: What genetic analysis, or in-season stock identification, is occurring, or needs to occur, to provide ADF&G knowledge of where the fish are going, and thus tailor openings to accurately manage the stock. Additionally, Chair Seaton queried if this would benefit fisheries statewide.

MR. HILSINGER said there is some ability of in-season stock identification. The Port Moller test fishery performs this task in Bristol Bay, and improved the ability to harvest some stocks such as a record run returning to Nushagak Bay. He explained the limited ability to perform this procedure, but stated that the department is attempting to implement it more frequently.

[9:39:48 AM](#)

MR. MCCUNE conjectured that genetic stock identification might be helpful in PWS.

[9:41:22 AM](#)

MR. COBB praised the department's management of the fisheries.

[9:41:47 AM](#)

CHAIR SEATON asked if the concern for the dispatch of roe carcasses has been resolved.

MR. COBB responded that the hatchery has developed a market for the carcasses with a pet food company. Also, aggressive management by ADF&G has been helpful in optimizing the useable catch.

[9:44:05 AM](#)

REPRESENTATIVE EDGMON asked if DEC will be participating in a future discussion to address the direct marketing theme.

CHAIR SEATON responded that DEC would be invited to participate, at the upcoming discussions.

[9:44:33 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:44 a.m.