

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

January 28, 2014

10:04 a.m.

DRAFT

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Eric Feige
Representative Lynn Gattis
Representative Bob Herron
Representative Craig Johnson
Representative Kurt Olson
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 177

"An Act relating to interest rates on loans from the commercial fishing revolving loan fund and the community quota entity revolving loan fund; and providing for an effective date."

- HEARD & HELD

OVERVIEW: ALASKA DEPARTMENT OF FISH & GAME - DIVISION OF COMMERCIAL FISHERIES

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 177

SHORT TITLE: COMMERCIAL FISHING LOANS

SPONSOR(S): REPRESENTATIVE(S) EDGMON

03/20/13	(H)	READ THE FIRST TIME - REFERRALS
03/20/13	(H)	FSH, FIN
04/02/13	(H)	FSH AT 10:00 AM CAPITOL 120
04/02/13	(H)	Heard & Held
04/02/13	(H)	MINUTE (FSH)
01/28/14	(H)	FSH AT 10:00 AM CAPITOL 120

WITNESS REGISTER

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As sponsor, presented a power point review of HB 177.

TIM CLARK, Staff
Representative Bryce Edgmon
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided aspects of the power point slide presentation, during the hearing on HB 177, on behalf of Representative Bryce Edgmon, sponsor.

JOSEPH JACOBSON, Director
Division of Economic Development
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Responded to questions, during the hearing on HB 177.

JIM ANDERSEN, Lending/Collection Manager
Financing Section
Division of Economic Development
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Responded to questions, during the hearing on HB 177.

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

POSITION STATEMENT: Presented the ADF&G overview of the Division of Commercial Fisheries.

ACTION NARRATIVE

[10:04:23 AM](#)

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 9:52 a.m. Representatives Seaton, Kreiss-Tompkins, Olson, Feige, and Johnson were present at the call to order. Representatives Gattis and Herron arrived as the meeting was in progress.

DRAFT

HB 177-COMMERCIAL FISHING LOANS

[10:04:40 AM](#)

CHAIR SEATON announced that the first order of business would be HOUSE BILL NO. 177, "An Act relating to interest rates on loans from the commercial fishing revolving loan fund and the community quota entity revolving loan fund; and providing for an effective date."

[10:05:57 AM](#)

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, introduced a power point, slide presentation to refresh the committee's understanding of the bill; held in committee over the interim.

[10:06:44 AM](#)

REPRESENTATIVE FEIGE moved to adopt the proposed committee substitute (CS) for HB 177, labeled 28-LS0607\0, Bullard, 3/26/13, as the working draft. Without objection, Version 0 was before the committee.

[10:07:10 AM](#)

REPRESENTATIVE EDGMON projected slide 1 and explained that HB 177 restores the ability for the Department of Commerce, Community, and Economic Development (DCCED), Division of Economic Development, to offer incentivizing interest rates for loan programs within the Commercial Fishing Revolving Loan Fund (CFRLF); a measure altered in 2010 with the passage of HB 20. The bill will allow fisherman, working in a volatile industry, the ability to procure loans for the purpose of upgrading vessels and gear to enhance product quality and repower vessels with fuel efficient propulsion and generator class engines. These types of loans can be difficult to secure from, and are often denied by, commercial lending agencies. The intended purpose is to provide low cost loans as encouragement for Alaskan fishermen to improve the efficiency and profitability of their businesses. He emphasized that many of these businesses are small "mom and pop" operations, existing throughout all of

Alaska, particularly coastal areas. Access to a state run loan program, providing favorable interest rates and terms, is an important support for Alaskan's whose livelihoods are dependent on a fluctuating fishing industry. The bill stipulates that such loans be offered at two percent below the prime rate, with a floor of three percent. Additionally, a technical fix ensures that income earned on investments of the Community Quota Entity (CQE) Revolving Loan Fund, revolves back into the fund, as opposed to the CFRLF, as a whole.

[10:10:09 AM](#)

REPRESENTATIVE EDGMON pointed out that the revolving loan program is comprised of six sections, labeled A through F, as detailed on the second slide. He explained that Sections A and B are primarily pertinent to HB 177, addressing the crux of the CFRLF. Aspects of the sections are tailored to specifically assist fishermen starting-up in the industry, with limited access to funding sources, as well as to provide support for the established producers who may have other loan options. He stated that Section B allows loans up to \$200,000 for entry permits, or a maximum of \$100,000 for vessel purchase and gear upgrades including product quality improvement and engine fuel efficiency. An established fisherman whose business has progressed and acquired an appropriate credit history, could be eligible for the Section A options of loans up to \$300,000 for entry permits or vessel and gear upgrades specific to product quality improvement and engine fuel efficiency. He briefly noted that the remaining sections address a variety of loans, and underscored that they are not in play with regards to HB 177. The sponsor emphasized the residency requirements indicated on slide 4, paraphrasing the language, which read [original punctuation provided]:

Section A

Must have been a state resident for a continuous period of two years immediately preceding date of application.

Must have possessed a commercial fishing license or permit for the year preceding the loan application and for any two years of the past five years.

Also, must have participated in those fisheries during those periods.

Must not be past due on any child support obligations.

Section B

Must have been a state resident for a continuous period of two years immediately preceding date of application.

Must be ineligible for financing through a commercial bank or through the Commercial Fishing and Agriculture Bank (CFAB).

Must lack employment opportunities other than commercial fishing in area of residence, or must be economically dependent on commercial fishing as a livelihood and as a traditional way of life.

Must not be past due on any child support obligations.

[10:12:34 AM](#)

REPRESENTATIVE EDGMON referred to slide five, to compare the current prime interest rates with what would be allowed under HB 177. He explained that the revolving loan program has been in operation since the 1970's and considered integral to supporting Alaskan fishermen. Characterized as an extremely successfully program, it has also incentivized generational continuance/ownership in the fishing fleet.

[10:15:14 AM](#)

TIM CLARK, Staff, Representative Bryce Edgmon, Alaska State Legislature, continued with the slide presentation, paraphrasing from slide 6, titled "Technical Fix: The Community Quota Entity Revolving Loan Fund," which read [original punctuation provided]:

Section 6 of HB 177 establishes that income earned on investments of the Community Quota Entity Revolving Loan Fund rolls back into the fund - a feature that is absent in current statute.

This section also allows monies in the fund to be used for administering the CQE loan program (in the same way that CFRLF earnings are used to pay for its programs' administrative costs).

MR. CLARK emphasized that the administrative costs associated with the CFRLF have been, and continue to be, entirely satisfied through the recovery and income activity of this very successful, self-sustaining program.

[10:16:45 AM](#)

REPRESENTATIVE GATTIS asked where earned income generated by the fund has been deposited, if it is not being returned and incorporated back into the program.

REPRESENTATIVE EDGMON responded that, in past years, not only have all administrative costs been covered but the success of the program has allowed contributions of overflow income to be deposited to the state's general fund. He deferred to the department for an update on current practices.

[10:17:39 AM](#)

REPRESENTATIVE EDGMON finished with slide seven, to recap the overall economic benefits provided by HB 177. He pointed out that the department requested introduction of this bill and the legislation is fully supported by the agency.

[10:18:26 AM](#)

REPRESENTATIVE FEIGE inquired whether the program is restricted to Alaskan residents.

REPRESENTATIVE EDGMON said absolutely, and he stressed that it carries a two year residency requirement prior to making application.

[10:19:08 AM](#)

SENATOR OLSON asked about the fiscal note.

MR. CLARK answered that there is a fiscal note, which reflects reduced income to the fund, due to the lower interest rates that would go into effect. However, he emphasized, the fund is more than solvent and producing profits since 1985, requiring no state appropriation.

[10:20:51 AM](#)

REPRESENTATIVE EDGMON offered that it would be important to understand the impact of the bill on commercial lending agencies and whether there is an unfair undermining of the private sector by allowing the state to offer low interest loans. However, as pointed out, commercial agencies are not eager to make high risk loans, which is the inherently germane nature of the volatile fishing industry. He cited the difficulty of obtaining private sector, fishing industry loans in contrast to the productive history of the state funded program.

REPRESENTATIVE FEIGE referred to the state loan prerequisite for the applicant to be turned down by a commercial lender. Expressing concern for the process, he said it could be possible for someone to solicit a denial letter from a bank in order to qualify for the state program. He opined support for the intent of HB 177, bearing in mind the need to also support the banking industry. He inquired about applicants possibly gaming the system, and asked whether the bill would require amending, or regulations be written, to ensure the state does not issue loans obtained through devious actions.

REPRESENTATIVE EDGMON said that there are no specific examples of anyone entering the state system via underhanded means, and he offered an anecdotal story to typify how fishermen in his district have utilized the program. Further, he offered that

loans from the fund average \$46,000, providing a term savings of \$6,000; which may represent a significant, make or break, amount to a small business fisherman.

REPRESENTATIVE FEIGE agreed that not all applicants are looking for an easy means to enter the program, and he suggested that the banking industry may bring forward specific testimony to reflect that side of the issue, and validate such concerns.

[10:27:18 AM](#)

CHAIR SEATON said DCCED would explain how the specifics of the application process are handled, and noted that a number of young fishermen, without a loan history or sufficient assets to satisfy commercial lenders, are particularly served by the state loan program.

[10:28:15 AM](#)

REPRESENTATIVE EDGMON added that any business activity in Alaska has a higher cost than in the contiguous United States, and underscored the need for the state to offer incentives to small business owners.

[10:29:09 AM](#)

REPRESENTATIVE GATTIS offered her personal experience with a similar state program, the Agricultural Revolving Loan Fund (ARLF), and said it can be difficult to qualify. She testified that small businesses, including fisherman and farmers, typically have difficulty obtaining commercial loans.

[10:31:32 AM](#)

JOSEPH JACOBSON, Director, Division of Economic Development, Department of Commerce, Community, and Economic Development (DCCED), said Alaska's global quality improvement marketing effort has required fisherman to upgrade equipment and practices to keep pace. Maximizing product value is essential, he underscored. He then addressed Representative Feige's concern for a turndown statement and said that private sector lending

institutions are contacted to verify the validity of a CFRLF applicant's claim of loan denial.

[10:34:32 AM](#)

JIM ANDERSEN, Lending/Collection Manager, Financing Section, Division of Economic Development, Department of Commerce, Community, and Economic Development (DCCED), assured the committee that due diligence is given to every applicant that presents a turn down letter; legitimacy is verified and loan denials are substantiated. In follow-up, he indicated that the verification process is required by statute, included in department regulation, and followed as standard policy.

[10:36:25 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked how frequently fraud is attempted among applicants, and whether it is a common practice to solicit denial letters from banks in order to qualify for a state funded loan.

MR. ANDERSEN responded that lenders have reportedly been solicited for denial letters. He pointed out, however, that if the applicant meets the commercial terms, the private institution has the first opportunity to provide the loan.

[10:37:57 AM](#)

REPRESENTATIVE JOHNSON opined that the CFRLF is treated differently than the CQE, and asked for an explanation; specifically that there is no floor for the community quota fund, but here is for the revolving loans.

MR. ANDERSEN explained that the CQE fund is subject to the same statutes as govern the CFRLF, and does have the same structural parameters: a ceiling no higher than ten and one half percent, and a floor which is currently prime interest rate plus one percent and cost of funds.

REPRESENTATIVE JOHNSON noted that the cost of funds to the state seems to disappear in HB 177.

MR. ANDERSEN responded that the cost of funds aspect is handled differently between the CFRLF and the CQE. An alternate loan structure is in place in the CFRLF to allow for the incentive program. For further clarification, he explained how two years ago, changes to the program removed the three percent floor requirement [HB 20, 26th Alaska State Legislature], replacing it with cost of funds language; HB 177 reinstates the three percent floor.

CHAIR SEATON recalled that three percent was determined as the base requirement to cover the department's administrative costs.

[10:41:44 AM](#)

REPRESENTATIVE JOHNSON asked for assurance that HB 177 will not jeopardize the funds future through lack of appropriate cost recovery. He reminded members that solvency came up in previous bill versions and cautioned that it is an important point to address.

CHAIR SEATON indicated that the requirement to recoup the prime lending rate plus two percent, with a floor of three percent, provides the appropriate safe guard for the program.

REPRESENTATIVE JOHNSON asked what has changed in the program that compels the department to request this bill be brought for consideration.

MR. JACOBSON answered that the bill provides additional incentives.

MR. ANDERSEN added that the bill reinstalls the interest rate structure responsible for the historic monetary success and solvency of the program while restoring the incentive aspects as well.

[10:50:32 AM](#)

REPRESENTATIVE FEIGE expressed concern for the principle of the fund be maintained and grown and stated support for the

legislation; noting that the default rate is minimal and administrative costs appear to be in line for continued success.

[10:52:45 AM](#)

REPRESENTATIVE JOHNSON stated support for the repowering of the program and said he had no questions regarding the financial quality of the fund. He opined the importance for state loan programs to be considered equally and said the solvency of one entity should not jeopardize another. Some programs may represent a means for communities to recoup waning economies, and caution should be taken regarding the possibility for regional disparities, he finished.

[10:55:17 AM](#)

CHAIR SEATON clarified that the quota program refers to the federal quotas on halibut and black cod, versus the state fishing vessel permits for individual purchase. These are two separate issues, and he acknowledged the distinction for the committee.

MR. JACOBSON interjected that HB 177 requires accrued interest be returned to the fund, thus strengthening the program; functionally there is no change from a borrowers standpoint. To a follow-up question, he said that gains remain in the fund.

[10:57:40 AM](#)

REPRESENTATIVE GATTIS requested a graph be generated to illustrate fund activity over the last ten years and a similar one projecting expected outcomes with and without the proposed change.

MR. ANDERSEN said there is no concern for loss of revenue or fund solvency, rather the bill is intended to reinstall the program incentives that were altered two years ago.

REPRESENTATIVE GATTIS maintained her interest in a visual illustration of the fund.

[10:59:32 AM](#)

REPRESENTATIVE OLSON requested that a representative from CFAB be available at a subsequent meeting.

[11:00:22 AM](#)

CHAIR SEATON closed public testimony and announced HB 177 held over.

[11:01:10 AM](#)

The committee took an at-ease from 11:01 a.m. to 11:06 a.m.

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

OVERVIEW: Alaska Department of Fish & Game - Division of Commercial Fisheries

[11:06:34 AM](#)

DRAFT

JEFF REGNART, Director, Division of Commercial Fisheries, Alaska Department of Fish & Game (ADF&G), began the presentation by reading the mission statement of the Division of Commercial Fisheries, which states [original punctuation provided]:

Manage subsistence, commercial, and personal use fisheries in the interest of the economy and general wellbeing of the citizens of the state, consistent with the sustained yield principal, and subject to allocations through public regulatory processes

MR. REGNART followed with the division's primary responsibilities, which read [original punctuation provided]:

Manage subsistence, commercial, and personal use fisheries within state waters

Manage shellfish species and some groundfish out to 200 miles

Conduct applied research on Alaska's aquatic resources

Plan and permit salmon hatcheries and mariculture operations

Negotiate fishing agreements subject to the Pacific Salmon Treaty and Alaska-Yukon Treaty

Coordinate with federal and international fisheries management agencies

[11:08:08 AM](#)

MR. REGNART said the core services included in today's report are as follows [original punctuation provided]:

Harvest management

Stock assessment and applied research

Aquaculture permitting

Customer service and public involvement

MR. REGNART explained the harvest management practices, listed as follows [original punctuation provided]:

Supporting the Board of Fisheries in establishing regulations and management plans

Opening and closing fishing areas and setting fishing times

Collecting harvest and biological data

Writing annual management reports to synthesize information

MR. REGNART expanded on the harvest management component, describing how the in-season practices employ a cadre of managers proximate to the fisheries, who utilize a broad authority to open and close the focus areas. Applied science is used to ensure that management of Alaska's fisheries are consistent with the sustained yield principle. The managed fisheries range from the seine fishing efforts of Southeast Alaska, extend to the harvest areas of the Aleutian Islands, as well as north to the Bering Sea crab boats delegated for state management by the federal government, as the range exceeds the three mile limit.

[11:10:41 AM](#)

MR. REGNART described stock assessment and research techniques, which include [original punctuation provided]:

Salmon Escapement Enumeration via weirs, towers,
sonar, foot/aerial surveys

Juvenile salmon estimation

Groundfish and shellfish surveys

Herring spawn deposition and hydro acoustic surveys

Aerial surveys for herring

Dive surveys

Biological, genetic, coded-wire tag sampling

[11:11:30 AM](#)

REPRESENTATIVE FEIGE asked about the enumeration process and how the department accounts for declines and surpluses.

MR. REGNART responded that a large part of the enumeration is following-up with studies to understand the fluctuations.

[11:13:57 AM](#)

CHAIR SEATON announced that a presentation on the sonar programs would come before the committee at a future meeting.

[11:14:47 AM](#)

MR. REGNART projected images to illustrate a variety of methods used by the division to enumerate managed species including a variety of weirs and gill nets for adult fish, as well as pictures of means used to survey populations of shellfish, octopus and other species.

[11:16:00 AM](#)

MR. REGNART reported that aquaculture permitting is also handled by the division for private nonprofit salmon hatcheries, aquatic shellfish hatcheries, and aquatic shellfish farms. In response to a question from Chair Seaton, Mr. Regnart said the division permits shellfish farms with consideration given to the presence or absence of a species, water quality, site selection, and whether the species will impact existing ocean life.

[11:18:24 AM](#)

REPRESENTATIVE FEIGE mentioned rearing techniques and said hatchery facilities can be expensive. He asked whether the division is considering how to minimize cost and maximize performance perhaps through methods other than industrial hatcheries; i.e. incubator boxes.

MR. REGNART concurred that hatchery facilities are a costly endeavor, and said support is offered by the division biologists who provide a voice of experience to user groups working on species augmentation on a smaller scale.

REPRESENTATIVE FEIGE noted that genetics are also a concern in regards to hatcheries, and asked about the validity of this issue.

MR. REGNART said the division maintains a strict policy regarding hatchery donor stocks and genetic diversity in order to assure sustainability and compatibility. In-stream incubation boxes are not a concern, as the eggs and smolt are maintained in the source stream.

[11:24:24 AM](#)

MR. REGNART reported that salmon hatchery programs are conducted in partnership with operators to increase salmon harvests, while protecting wild stocks. Research has increased consumer confidence in Alaskan salmon by assuring the marketplace that these products come from a sustainable managed program. The result is a long term program that puts more dollars in fishermen's pockets. He said that, through the legislative backed hatchery/wild research project, the department has

partnered with hatchery operators to study the interactions of hatchery stocks with wild stocks to address long standing questions that have not been solved through the current technology and information. A \$3.5 million appropriation was provided to the department specifically for this effort. Along with the appropriation and cooperation of private non-profit hatcheries, the processors purchasing Alaskan fish contribute \$500,000 per year to help fund this long term project.

[11:26:57 AM](#)

MR. REGNART said the division maintains customer service and public involvement via a number of avenues, which are to [original punctuation provided]:

Design and maintain division website

Publish brochures and other informational materials on divisional programs

Produce custom reports from fish ticket and other databases

Develop and administer divisional publication policies and procedures

MR. REGNART said laboratories are maintained to handle pathology studies, coded wire tag and otolith aging, and genetic stock identification.

[11:28:00 AM](#)

MR. REGNART described the data processing requirements maintained by the division, which include [original punctuation provided]:

Fish tickets systems

eLanding electronic catch reporting system

Internet-accessible in-season catch and escapement databases

Geographical information system (GIS) databases

Internet-accessible news release database

Seafood processor/buyer intent to operate system

Commercial Operator Annual Reports (COAR)

Databases for biological data

[11:29:05 AM](#)

CHAIR SEATON referred to the e-Landing electronic catch reporting system, recalling the difficulties that occurred when the program was first instituted, and asked how the process is working.

MR. REGNART reported that the ability to capture the data now exists.

[11:29:48 AM](#)

REPRESENTATIVE FEIGE addressed the topic of data bases for biological data and said the ability for transmission of paperless reports now exists. He asked whether the department is digitizing data for this type of dissemination; stressing the benefit for informational access.

MR. REGNART replied that it is an on-going endeavor; the state library system is the primary access point.

REPRESENTATIVE FEIGE noted that some state agencies have received additional funding to accomplish the digitalization of backlogged material and asked if ADF&G requires additional support to accomplish similar goals; does a large backlog still exist in the division.

MR. REGNART offered to provide that information.

[11:33:17 AM](#)

CHAIR SEATON asked whether data is available prior to formal publication of reports and asked if statute needs to be invoked to allow data access in a timelier manner.

MR. REGNART said delays in reporting do exist, but data can be procured through the division, when possible. He said the Division of Commercial Fisheries works with non-governmental agencies to provide as much information, in as timely a manner as possible. The primary concern is to have the data fact checked prior to dissemination. To a follow-up question, he assured the committee that neither statute nor regulation requires a formal report be published prior to the release of information.

[11:36:16 AM](#)

MR. REGNART described the organization of the division, comprised of four regions and the divisional headquarters, which are titled and located as follows [original punctuation provided]:

Southeast Fisheries Management Region - Douglas

Central Fisheries Management Region - Anchorage

A-Y-K Fisheries Management Region - Anchorage

Westward Fisheries Management Region - Kodiak

Divisional Headquarters - Juneau

[11:37:20 AM](#)

MR. REGNART listed the fiscal year (FY) 2015 permanent and seasonal staff to be as follows:

309 permanent staff
432 seasonal staff
20 permanent offices
84 seasonal offices/field camps
6 research vessels

[11:37:41 AM](#)

MR. REGNART provided a pie chart to illustrate the budget request for FY15, of \$73,260 [million]. The complete budget is parsed as follows [original punctuation provided]:

Unrestricted GF (67.7%)
Designated GF (5.8%)

Federal (12.7%)
Other Sources (13.8)

[11:37:59 AM](#)

MR. REGNART stated that the economic impact of the seafood industry on Alaska's economy, as summarized from the McDowell Group report of 2013 for the 2011 season, is as follows [original punctuation provided]:

Generated 63,100 Alaskan jobs in seafood harvesting, processing sectors, and support industries

Approximately 41,530 of these employees were Alaskan residents

Generated \$1.73 billion in direct payments to labor with \$1.28 billion going to Alaska residents

Generated total seafood sales of \$4.6 billion.

MR. REGNART explained that the exvessel value is used to describe the success of fisheries. He provided a bar graph to illustrate the performance of Alaska's commercial fisheries, which indicated that the overall price for fish has been good.

[11:39:03 AM](#)

MR. REGNART described the divisional highlights of 2013. He said the commercial salmon harvest value approached \$700 million, close to the record high set in 1988; the Western Alaska salmon stock identification program was completed, representing the largest genetic stock identification project undertaken; the commercial shellfish harvest value approached a record of \$350 million; and the Chinook salmon symposium was conducted, which included distribution of materials to product marketers regarding Alaska's approach to sustainable fisheries.

[11:40:57 AM](#)

REPRESENTATIVE FEIGE directed attention to the committee handout titled "Alaska Department of Fish & Game Division of Commercial Fisheries," page 25, containing the McDowell Group 2013 economic

summary, to note that the seafood industry generates 63,100 jobs employing 41,530 Alaskan resident. He asked whether a statistic could be extracted from these totals specifically for the Bristol Bay Region.

MR. REGNART agreed to provide the information.

[11:42:01 AM](#)

CHAIR SEATON reported having attended the Chinook Symposium and the Arctic Yukon-Kuskokwim (AYK) Sustainable Salmon Initiative meetings and said there appeared to be two very different approaches being taken to address the on-going Chinook salmon issue. He reported that the AYK meeting identified a number of key questions, which were then released for request for proposal (RFP) action in order to gather data and provide responses via scientific prove/disprove methods. Conversely the symposium identified knowledge gaps without specific questions being identified or means for answering those questions via scientific theory. The symposium did identify the need for informative data, but there did not appear to be a plan to scientifically test theories and provide answers regarding the decline in Chinook populations in identified watersheds. He conjectured that data could be collected, but without specification, the information may not withstand scientific challenges and support a workable theory for solving the Chinook salmon problem. He asked how the department is handling these scenarios.

MR. REGNART responded that the division approach is towards applied science; to fill in the gaps and gain a greater understanding of Chinook productivity and run totals. Through determining that the fecundity of a fish is within a standard range, and that the fry through smolt survival is within expectations, the conclusion can be drawn that something needs to be addressed during the ocean phase. He reported that currently division studies are being focused on the freshwater phase of the Chinook life cycle. The applied science approach and gap analysis is providing a fuller understanding of this aspect of the Chinook issue. Additionally, the division is working in concert with federal agencies to obtain a better understanding of the ocean phase, including distribution,

feeding habits and general health/mortality. The ongoing ocean work will answer such variables as changes in oceanic currents, food availability, predatory influences and other challenges that an ocean going salmon experiences prior to return.

[11:46:48 AM](#)

CHAIR SEATON expressed concern that, although general knowledge may be increased, presenting specific theories to be proven or disproven regarding Chinook populations of the AYK area is important. He requested the division provide the committee with the theories currently being applied to the decline of the AYK Chinook stocks, including the testing methods.

CHAIR SEATON referred to the committee packet and noted that it contained an additional departmental report, titled "Chinook and Sockeye Salmon Migration Patterns in Cook Inlet, 2013," which he requested be postponed to a future committee meeting due to time constraints.

DRAFT

[11:51:38 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:52 a.m.