

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

March 13, 2013

3:29 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Fred Dyson, Vice Chair
Senator Peter Micciche
Senator Lesil McGuire
Senator Hollis French

MEMBERS ABSENT

Senator Click Bishop
Senator Anna Fairclough

COMMITTEE CALENDAR

SENATE BILL NO. 69

"An Act establishing the Alaska Chinook salmon research and restoration endowment fund and relating to grants from the fund."

- HEARD & HELD

SENATE BILL NO. 60

"An Act relating to sea otter population management."

- HEARD & HELD

CS FOR HOUSE JOINT RESOLUTION NO. 5(FSH)

Opposing the United States Food and Drug Administration's preliminary finding relating to genetically engineered salmon; urging further examination of genetically engineered salmon; opposing AquaBounty's petition to produce genetically engineered salmon; and proposing, if AquaBounty's petition is approved, that its product should be labeled as "genetically modified."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 69

SHORT TITLE: CHINOOK RESEARCH & RESTORATION ENDOWMENT

SPONSOR(s): SENATOR(s) OLSON

02/28/13 (S) READ THE FIRST TIME - REFERRALS
02/28/13 (S) RES, FIN
03/13/13 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 60

SHORT TITLE: BOUNTY ON SEA OTTERS
SPONSOR(S): SENATOR(S) STEDMAN

02/20/13 (S) READ THE FIRST TIME - REFERRALS
02/20/13 (S) RES, JUD, FIN
03/13/13 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HJR 5

SHORT TITLE: OPPOSE GENETICALLY ENGINEERED SALMON
SPONSOR(S): REPRESENTATIVE(S) TARR

01/28/13 (H) READ THE FIRST TIME - REFERRALS
01/28/13 (H) FSH, RES
02/12/13 (H) FSH AT 10:00 AM CAPITOL 120
02/12/13 (H) Moved CSHJR 5(FSH) Out of Committee
02/12/13 (H) MINUTE(FSH)
02/13/13 (H) FSH RPT CS(FSH) 3DP 3NR
02/13/13 (H) DP: HERRON, KREISS-TOMKINS, SEATON
02/13/13 (H) NR: JOHNSON, GATTIS, OLSON
02/13/13 (H) RES REFERRAL WAIVED
02/20/13 (H) TRANSMITTED TO (S)
02/20/13 (H) VERSION: CSHJR 5(FSH)
02/21/13 (S) READ THE FIRST TIME - REFERRALS
02/21/13 (S) RES
03/13/13 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

DAVID SCOTT, staff to Senator Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on SB 69 for the sponsor.

FREDDIE OLIN, staff to Senator Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on SB 69 for the sponsor.

JILL KLEIN, Executive Director
Yukon River Drainage Fisheries Association (YRDFA)
Anchorage, Alaska

POSITION STATEMENT: Supported SB 69.

ORVILLE HUNTINGTON, Director
Wildlife and Parks, Tanana Chiefs Conference
Huslia, Alaska

POSITION STATEMENT: Fully supported SB 69.

KATIE WILLIAMS, Program Manager
Bering Sea Fishermen's Association (BSFA) &
Arctic/Yukon/Kuskokwim Sustainable Salmon Initiative (AYKSSI)
Anchorage, Alaska

POSITION STATEMENT: Supported SB 69.

BOB CLARK, Fisheries Scientist
Division of Sport Fish
Alaska Department of Fish and Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Answered questions relating to the scientific research aspect of the department's statewide study and the one in the proposal in SB 69.

TOM BROOKOVER, Deputy Director
Division of Sport Fish
Alaska Department of Fish and Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Explained how the department's plan stemming from a comprehensive statewide effort to cover all areas of the state through using 12 indicator stocks differed from the proposal in SB 69.

BEN MULLIGAN, legislative liaison
Alaska Department of Fish and Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: Stated that ADF&G didn't have a position on SB 69.

JAMES SULLIVAN
Southeast Alaska Conservation Council (SEACC)
Juneau, Alaska

POSITION STATEMENT: Supported SB 69.

SENATOR STEDMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 60.

CRAIG FLEENER, Deputy Commissioner

Alaska Department of Fish and Game (ADF&G)
Anchorage, Alaska

POSITION STATEMENT: Provided history of sea otters in Alaska.

JOSEPH SEBASTIAN, representing himself
Kupreanof, Alaska

POSITION STATEMENT: Opposed SB 60.

JULIE DECKER, representing herself
Wrangell, Alaska

POSITION STATEMENT: Supported SB 60.

PHIL DOHERTY

Southeast Alaska Regional Dive Fisheries Association (SARDF)
Ketchikan, Alaska

POSITION STATEMENT: Supported SB 60.

DENNIS WATSON, City Council
City of Craig
Craig, Alaska

POSITION STATEMENT: Supported SB 60.

PAT MCBRIDE, representing himself
Homer, Alaska

POSITION STATEMENT: Supported SB 60.

REPRESENTATIVE TARR
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HJR 5.

ACTION NARRATIVE

[3:29:54 PM](#)

CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators French, Dyson, and Giessel. She said other members should arrive shortly.

SB 69-CHINOOK RESEARCH & RESTORATION ENDOWMENT

[3:31:00 PM](#)

CHAIR GIESSEL announced SB 69 to be up for consideration.

DAVID SCOTT, staff to Senator Olson, sponsor of SB 69, introduced himself.

[3:31:45 PM](#)

FREDDIE OLIN, staff to Senator Olson, sponsor of SB 69, explained that the fund in SB 69 will be established in the Department of Revenue and the commissioner shall manage it as an endowment with the goal being that the purchasing power of the fund will not diminish over time.

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SENATOR MICCICHE joined the committee.

[3:32:43 PM](#)

SENATOR MCGUIRE joined the committee.

MR. OLIN explained that the grant will be designed to provide block grants to Alaska organizations identifying and administering research and restoration projects for salmon stocks that have been approved by the Alaska Department of Fish and Game (ADF&G). The grants will be managed by a board called the Alaskan Chinook Salmon Research and Restoration Endowment Fund Board that will be within the Department of Commerce, Community and Economic Development (DCCED); it will have six appointed members including the commissioner of ADF&G; they will be from different regions in the State of Alaska including Southeast, Southcentral, Southwest, Western, Arctic and Interior Alaska. The board will monitor and approve projects for compliance with specific grant conditions; it will adopt regulations creating the process for soliciting and awarding the grants and provide an opportunity for the public to comment on the merits, methods, and parameters of research and restoration projects and other matters relating to the board and fund.

The Board will give an annual report to the governor including number of applicants and types of grants awarded, the total dollar amounts and the results of the projects.

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It will also review grants and give weight to whether Chinook salmon stocks targeted in the grant applications provide a significant commercial, subsistence, sport or personal use fishery for Alaska residents and their importance to the fisheries those stocks support, taking into consideration the use of stocks by Alaska residents for nutritional, economic, social and cultural wellbeing, and whether the applicant has experience in administering research and/or restoration projects for Chinook salmon and taking into consideration recommendations of state agencies or organizations involving Chinook salmon in the state.

The board shall give priority to grant applications for research and restoration projects targeting Chinook salmon stocks that within the preceding 10 years have been listed by the ADF&G as stocks of concern, or stocks that have been subject to a state or federal fisheries disaster declaration, were closed or significantly restricted for commercial, sport or personal use, or used for subsistence use only and stocks that have declined significantly from historic yield levels.

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MR. SCOTT recapped that SB 69 creates a trust fund, a grant account and a board that would help disperse those grants.

CHAIR GIESSEL asked where the original funding for the trust fund comes from.

MR. SCOTT replied there is no initial funding and it would have to come from a separate appropriation.

CHAIR GIESSEL opened public testimony.

[3:38:36 PM](#)

JILL KLEIN, Executive Director, Yukon River Drainage Fisheries Association (YRDFA), Anchorage, Alaska, supported SB 69. She said they have represented families all along the Yukon River who fish for both subsistence and commercial fisheries for over 20 years and have seen the Chinook salmon runs continue to decline, which severely impacts families. They feel the creation of an endowment fund that will be used for long-term research and restoration of the state's salmon stocks can only benefit the people that rely on them for their food, culture, and income opportunities.

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ORVILLE HUNTINGTON, Director, Wildlife and Parks, Tanana Chiefs Conference, Huslia, Alaska, fully supported SB 69. He said he also sits on the Board of Fisheries. He said Chinook salmon are a stock of concern across Alaska; more scientific information is needed on this subject and this bill has the potential to enhance Chinook populations that are depressed. Science has many unknowns: recruitment, juvenile survival (in-stream and marine), post juvenile survival, by-catch interception, and adult return to the spawning area to name a few.

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KATIE WILLIAMS, Program Manager, Bering Sea Fishermen's Association (BSFA) and the Arctic/Yukon/Kuskokwim Sustainable Salmon Initiative (AYKSSI), Anchorage, Alaska, supported SB 69. She said Alaska had accepted 23 salmon related disaster declarations since 1997 and some of Alaska's salmon fisheries are models of success with management structures that have maintained biomass, stock diversity and biological yields. At the same time there are fisheries facing severe challenges. Alaska has lost the ability to provide an abundance of resources to meet the needs of Alaskans. A two-pronged approach is required; there is a distinct difference between monitoring and management, what ADF&G typically does, and research and restoration of Alaska's salmon stocks. Both are necessary and important components of how salmon stocks are understood and therefore managed.

She said that in order to identify the causes of declines and recoveries of salmon returns to Western Alaska, Native regional organizations joined with state and federal agencies to form an innovative partnership to cooperatively address salmon research and restoration needs. This partnership includes the Association of Village Council Presidents, the Tanana Chiefs Conference, Kawerak, Inc., Bering Sea Fishermen's Association, ADF&G, NOAA, U.S Fish and Wildlife Service, and additional Native governmental and non-governmental ex-officio partners and institutions. In 2001, the partners established the Arctic/Yukon/Kuskokwim Sustainable Salmon Initiative for AYK/SSI through an MOU and created a process and structure to ensure the coordinated expenditures of research funds governed by an eight-member steering committee and advised by a six-member scientific technical committee. The AYK/SSI is the largest salmon research coalition in the state and one of the most diverse groups on the entire Pacific Coast working to rebuild Alaska Salmon runs.

MS. WILLIAMS explained that federal disaster money and appropriations were the sole contributors to the research and restoration effort in the AYK until 2010 when state legislators began fully appreciating the potential benefits of these efforts and appropriated \$5.5 million into the research and restoration of AYK salmon stocks. However, they have learned that although these stocks have been researched since 2002, they are just now beginning to understand the many variables such as the role of ocean temperatures and currents on Chinook salmon. These variables may be inhibiting restoration. An endowment will allow the continued building of knowledge about these variables and this information can be used to improve management decision making. They have learned that return predictions will improve

and with improved predictions will come better management. With better management, she said the extreme levels of variations seen recently in the salmon population should be reduced. Right now, long term forecasts of the implications of climate change and fisheries management in Alaska are highly speculative.

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SENATOR DYSON asked if conditions that might contribute to the lack of King salmon returns are much different for Red salmon returns.

[3:46:23 PM](#)

BOB CLARK, Fisheries Scientist, Division of Sport Fish, Alaska Department of Fish and Game (ADF&G), replied they don't know all the environmental variables that control Chinook salmon production versus Red salmon, but they feed on very different things. Chinook salmon are primarily fish eaters and Reds are primarily plankton eaters.

SENATOR DYSON asked if information from the commission becomes available would some of it be valuable in evaluating the problems with Reds' returns.

MR. CLARK answered yes, the oceanographic research on ocean currents and temperatures could especially help in understanding survival patterns of all salmon.

SENATOR DYSON said he assumed by-catch data could help, as well and asked if upland conditions - beaver dams, culverts and pike - are similar between the two species.

MR. CLARK answered there are some similarities. One of the major differences might be that Red salmon spawn and rear primarily in lakes, so some of the factors more prevalent in lake systems would apply more to Red salmon than Chinook salmon that are stream spawned and reared.

SENATOR DYSON asked if anything that man or beavers do to streams or rivers that lead to lakes or spawning grounds have the same impacts to spawning salmon.

MR. CLARK answered yes; there are enough similarities, especially with spawning, that you could reasonably expect that anything they learn while looking at Chinook salmon might be applied to other species of salmon like Red salmon.

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SENATOR MICCICHE said one section of the bill talks about considering the process and structure when monitoring research and restoration grants, ensuring peer reviews and considering the process and structure of the North Pacific Research Board, and asked if there is a reason the National Fish Habitat Partnership Evaluation structure wouldn't be considered as well.

MR. CLARK answered that the National Fish Habitat Partnership Evaluation structure is a national board and some aspects of that structure could work, but he would have to give it more thought.

SENATOR MICCICHE said he was thinking of leveraging some federal funding to use for the endowment. He asked what level of funding would be needed to make a dent for a helpful product.

TOM BROOKOVER, Deputy Director, Division of Sport Fish, Alaska Department of Fish and Game (ADF&G), said he couldn't answer that question, because they had not been involved in fiscal discussions of this bill. The closest he could come is just a reference to the Chinook Research Plan that they had undertaken as their statewide effort to develop a comprehensive plan in collaboration with folks, and that funding amount is \$30 million as per the governor's initiative.

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MR. SCOTT went to language on page 2, line 24, that said if the trust fund would grow to over \$50 million the rest would go into the grant fund.

SENATOR MICCICHE said his question was directed to what would fund the bill.

SENATOR DYSON said this bill speaks about coordinating with other agencies and contracting for lots of different kinds of research and asked his perception of what this commission might possible duplicate what the division was doing at the same time.

MR. BROOKOVER answered that the efforts are somewhat different in approach. This bill represents a call for proposals type of approach, which would allow for a variety of possible projects to be funded across the state, subject to approval of the board. However, the department's plan was developed and stemmed from a comprehensive statewide effort to cover all areas of the state through using 12 indicator stocks. It includes certain program elements for each river, typically referred to as stock assessment work that includes, for instance, estimating adult

and smolt abundance, escapement and harvest. This information provides a foundation for other types of work that is needed to address a number of questions like marine survival versus fresh water survival and other research-oriented questions related to the causes affecting the recent declines.

He summarized that this bill and efforts such as AYK/SSI pose those questions and count on a call for proposals type process, which would allow a wide variety of projects across the state subject to the approval of the board, whereas the plan in SB 69 sets up a foundation for getting foundational elements and estimates that would then help projects funded under this bill get to the answers they are seeking. In that sense they are complimentary.

[3:57:13 PM](#)

MR. SCOTT commented that they augment each other in that the governor's plan is limited by time and this fund would be created theoretically for research and restoration in perpetuity.

SENATOR FRENCH asked if the commissioner shouldn't already be doing this. The way the bill is structured, what happens if there is a conflict between what the professional biologists in the department are saying and what six public members want to do with public money?

MR. SCOTT said that any project receiving funding from the grant would have to be approved by the department (page 3, lines 4 & 5).

SENATOR FRENCH asked the difference between a project and a plan (on line 5).

MR. SCOTT said he would read those as the same; it could be a drafting issue.

CHAIR GIESSEL asked if ADF&G had a position on this bill.

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BEN MULLIGAN, legislative liaison, Alaska Department of Fish and Game (ADF&G), Juneau, Alaska, said the department didn't have a position on SB 69.

[4:00:46 PM](#)

JAMES SULLIVAN, Southeast Alaska Conservation Council (SEACC), Juneau, Alaska, supported SB 69. He said it was also supported

by the Alaska Center for the Environment, Alaska Community Action on Toxics, the Northern Alaska Environmental Center, Pacific Environmental Center, and the Sierra Club Alaska Field Office.

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CHAIR GIESSEL found no further testimony and closed public testimony.

MR. SCOTT concluded that everyone is wondering what has happened to the salmon.

CHAIR GIESSEL said she would hold SB 69 in committee.

SENATOR DYSON asked if anyone was against it.

MR. SCOTT answered no and that this was in play last session; it just didn't make it through.

SB 60-BOUNTY ON SEA OTTERS

[4:03:13 PM](#)

CHAIR GIESSEL announced SB 60 to be up for consideration.

[4:03:16 PM](#)

SENATOR STEDMAN, sponsor of SB 60, said that sea otters significantly impact his district. First, he wanted to put this issue in a historical context. A few hundred years back when the Russians moved into Alaska they went after the fur trade, and sea otters were at the top of their list. They worked their way down the coast and impacted populations that had been here probably ten thousand-plus years. Somewhere around 1911 taking sea otters was outlawed, because they were decimated and the Russians left Alaska because of it.

Between 1911 up to the present day, 402 sea otters were taken from the Aleutian Islands and relocated to Southeast Alaska. They are in three regions: Prince William Sound, Kodiak and out the Chain and Southeast. The major concern today is the one in Southeast.

He explained that in 1972 Congress passed the Marine Mammal Protection Act (MMPA) that took management of sea otters from the state and put it under the U.S. Fish and Wildlife Service (USFWS). That action made substantial changes that made it difficult for the state to mitigate and manage the otters. Being federally protected under the Marine Mammal Protection Act made

harvesting sea otters illegal, except for Coastal Alaska Natives who were allowed to harvest them for subsistence, and making and selling traditional arts and crafts. The rules are very strict.

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SENATOR STEDMAN said in 1994 the U.S Fish and Wildlife Service approved a conservation plan for the sea otters in Alaska that was to be reviewed annually and revised at least every three to five years and modified subject to new findings, changes in a species status, completion of task, legal interpretations, policy changes, or congressional direction. But, contrary to their own direction, the U.S. Fish and Wildlife Service has not revised this plan for 19 years, and since that time sea otters have increased exponentially, particularly in Southeast where they have devastated the shellfish industry.

SENATOR STEDMAN explained that there are three population stocks: Southwest from Kodiak to the Aleutians, Southcentral from Cook Inlet and Prince William Sound and the Southeast stocks, which is Dixon Entrance to Yakutat. In Southeast the population is growing by 12 to 14 percent a year. Southeast was estimated to have 25,000 sea otters in 2012, the same year 848 animals were taken for subsistence, the highest ever reported in Southeast Alaska. The USFWS reviewed that and said 2,180 otters could be harvested per year without hurting their population factoring in general mortality.

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He said the economic impacts are of concern to the human side of the discussion, because sea otters have a very high metabolism requiring a lot of food to survive. Their diet consists mainly of crabs, clams, sea urchins, sea cucumbers, shrimp and abalone. They don't have a lot of fat insulation so they have to burn a lot of calories and have a rich diet. They live and hunt along the shallows, mainly in kelp beds. One sea otter consumes about 7,300 pounds of food a year and weighs an average of 65 pounds; they consume 25 percent of their body weight in food each day. A sea otter population of 25,000 animals will consume about 148 million pounds of shellfish per year. To be conservative, say they only eat 100 million pounds. For perspective, the whole 2012 Southeast Alaska harvest in dive and Dungeness crab fisheries was only 4.8 million pounds. So, the impact of the commercial fisheries relative to the impact of the sea otters is quite dynamic in comparison.

In 1995, it was estimated that the Southeast commercial fisheries lost \$22.4 million in wholesale value due to sea otter

predation, and in recent years, ADF&G has closed 17 dive harvest areas due to sea otter predation.

SENATOR STEDMAN explained that in the Dungeness crab fisheries you can have a permit for 150 or 300 pots. As the sea otters move in they start at the top of the food chain and eat down until they are eating even the star fish; they literally eat everything and the gravelly bottom looks like it has been bombed out. What happens is that Dungeness crab fishermen migrate their gear north and inland a little to get away from them and then more gear gets concentrated in fewer and fewer bays. Without proper management and control of this alarming growth in the sea otter population, subsistence and commercial fisheries will continue to decline. This jeopardizes jobs and tens of millions of dollars in economic activity.

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SENATOR STEDMAN said it's really difficult to legally harvest sea otters; they have to be tagged and significantly altered. The difficulty in dealing with the feds on the definition of what you can and can't do is troublesome, because his constituents don't understand that definition and inadvertently break federal laws to the point where they are gun shy to harvest them.

Over the last several years through the legislative process, they have talked about helping a couple of local tanneries get off the ground so people could not only harvest sea otters but tan them. That industry is in the incubation stage and the one in Sitka has capacity challenges; also, hides can be sent out to Anchorage and have a pretty fast turnaround. He said that areas in southeast and western Prince of Wales Island to the western side of Barnaoff Island and Kake are overwhelmed by sea otters.

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SENATOR STEDMAN explained that covering the cost of harvesting sea otters is a struggle for people who are interested in doing it, and this summer conversations came up that they should actually help try to defer those costs that range from paying for gas and ammunition to tanning and the \$100-figure per legally harvested sea otter came up. He thought a bill was needed to get this discussion going and about how to have some flexibility moving forward with U.S. Fish and Wildlife so the residents of the state could have some resemblance of their historic life circumstances of the last couple hundred years on the coast in being able to harvest clams, geoducks and crab. Kake has two places left and they are continually moving north.

SENATOR STEDMAN said the sea otter fur is very fine and extremely dense; it's very valuable and makes beautiful coats, shawls, and hats.

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He noted that the USFWS had not come back every three to five years to revisit the population according to their 1994 conservation plan. Some people think Alaska is a wilderness and the coastal areas are beyond wilderness, but it is the center of the world for the people who live there.

[4:19:16 PM](#)

SENATOR DYSON said they have a similar situation with beaver; and the value of the hides doesn't make it worthwhile for people to harvest them. He asked what the fiscal note was.

SENATOR STEDMAN said \$28,000 for 2800 otters.

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SENATOR MICCICHE asked if a carrying capacity for sea otters had been established for any particular area.

SENATOR STEDMAN said that would be a better question for a scientist, but he didn't think there was. He said they raft themselves together, eat themselves out of house and home and then move on. He had a discussion with the head guy from USFWS in Washington a couple of days ago and his impression was that they would just as soon let nature take its course: let them breed and clean out the beaches and then have mass starvation. But he thought they could accomplish the goal of allowing sea otters to spread through Southeast at a lower number and not devastate our clam beds and crab beaches. It's a balance.

SENATOR FRENCH asked if he had an Attorney General's opinion about the legality of this bill.

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SENATOR STEDMAN said yes; and if this mechanism is not palatable with the attorney and the Judiciary Committee can't work it out, they could always move funds to the tannery to help encourage the same solution.

SENATOR FRENCH asked him to share the opinion with the committee.

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SENATOR MCGUIRE said she supported the shellfish industry and asked if he had any opinions from the Alaska Department of Fish and Game (ADF&G). She was sympathetic to their concerns about shellfish, but when they tinker with an ecosystem other impacts occur and asked if he had talked to biologists to see what they thought would happen.

SENATOR STEDMAN said the short answer was that he hadn't had a sit-down conversation with ADF&G biologists; and he was not trying to exterminate sea otters, but just slow the population down and mitigate their impacts as they spread through Southeast. He noted resolutions in support of SB 69 from Craig and the Southeast Alaska Fishermen's Alliance and said others would be coming from councils and assemblies.

[4:25:04 PM](#)

SENATOR MICCICHE said Southeast Alaska is not the only area that is impacted by the growing population of sea otters.

SENATOR STEDMAN agreed and said the concept is to make the bill simple so it could go through the committee process.

[4:26:19 PM](#)

CRAIG FLEENER, Deputy Commissioner, Alaska Department of Fish and Game (ADF&G), Anchorage, Alaska, covered some more history of sea otters saying they are part of the weasel family and are related to mink and river otters. Adult males weigh 70-90 pounds, but some weigh up to 100 pounds. Females average 40-60 pounds and adults may reach a length of 4.5 feet. Because sea otters don't have an insulting blubber layer, they depend upon air tract in their fur and require about 25 percent of their body weight in food each day to help them maintain body temperature.

He said that sea urchins, crabs, calms, muscles, octopus, other marine invertebrates and fishes make up the normal diet of sea otters. They usually dive to the bottom and can go up to about 300 feet of water and return with several items of food; they roll on their backs, place the food on their chest and eat it piece by piece using their forepaws. Sometimes they bring a rock up with them to crack the shells. The principal part of their diet is shell fish and marine invertebrates including abalone, sea cucumbers, urchins and geoducks.

In recent years, sea otters have been linked to declines in these species to a degree that has led to fisheries restrictions and closures. Dive fisheries impacted by sea otters including

Dungeness crab, red sea urchins, California sea cucumbers and geoduck clams are valued at about \$16 million annually. Sea otters also consume, to a lesser degree, other commercially important species including shrimp, tanner crab, red King crab and abalone. The dive fisheries in Ketchikan, Craig, Sitka, and Petersburg are likely losing about \$2 million a year, because of sea otter depredation and if the current trajectory continues, the harvest levels will not be able to sustain those fisheries.

Sea otters are important elements of the Southeast Alaska ecosystem and should be managed under conservation principles that assure long term health, but they should not be protected at the expense of other elements of the ecosystem and should be managed to assure it doesn't destroy the very ecosystem it depends upon for survival.

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MR. FLEENER said the department has long expressed grave concerns about the devastating impact Southeast Alaska sea otters are having on shellfish populations, subsistence and commercial fishing opportunities. Over the past several years, they have considered several options to return a sensible ecosystem based approach that manages for sustainable shell fish and sea otter populations; these include statutory changes to ease restrictions on selling hides and returning management authority to the State of Alaska. Under state management mechanisms, legislative amendments could exempt the state from the Marine Mammal Protection Act for species that the state reintroduces, exempt sea otters in Southeast Alaska from the Marine Mammal Protection Act, assist coastal Alaska Natives in developing marine mammal protection authorized co-management plans that focus on Alaska Native sea otter harvest in important fishing areas, work with coastal Alaska Natives with funding applications that assist in revitalizing a Southeast Alaska cottage industry to promote sustainable economies, enhance availability of sea otter pelts for traditional regalia, and impart harvest handling and traditions to the next generations.

The department's long term goals are to continue to encourage the Fish and Wildlife Service to ease overbearing federal enforcement on subsistence hunters - work with the them to liberalize federal interpretation of "handicraft items" and "significantly altered" to be more responsive to the customs and traditions of Coastal Alaska Natives - and work with Congress to amend components of the Endangered Species Act and the Marine Mammal Protection Act to better reflect the health and abundance of Southeast Alaska sea otter populations. They also want to

work closely with Southeast Alaska Coastal Natives to develop sea otter management plans that are compliant with the Marine Mammal Protection Act encouraging increased sea otter harvest, and also to restore shellfish populations to healthy sustainable levels to meet subsistence needs and provide commercial fishing opportunities. They also want to ensure holistic management approaches in Southeast Alaska that ensure the persistence of a fully functional and healthy coastal ecosystem and finally to seek federal reimbursement to commercial fishers for lost economic opportunity.

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MR. FLEENER addressed a couple of the earlier questions: what harvest level they would like to go to, carrying capacity and legal issues. If the number 2,800 was used for harvesting sea otters that would probably bring the growth down to about 2 percent, which be pretty decent and sustainable. Carrying capacity has not been established, but the Fish and Wildlife Service is intending to conduct a carrying capacity study this year. He said that Fish and wildlife thinks they are nowhere near carrying capacity and if the 12-14 percent growth rate is an indicator of future growth rate that there is a long way to go, and there seems to be plenty of room for growth in Southeast.

One of the legal solutions that could be considered is to possibly exclude ESA-listed sea otters, thereby avoiding the concerns about interfering with the Endangered Species Act. Also, potentially the funds that are being discussed could be provided to a Southeast Alaska tribal entity and that way its tribes working with other tribes to resolve the problem. Finally, if a maximum harvest amount was considered that didn't exceed federal limits that might keep the Fish and Wildlife Service from making a determination that too many are being harvested and thereby, restricting harvest even more.

[4:33:39 PM](#)

SENATOR DYSON asked how management is accomplished between the state and the feds and how passing this legislation would help if the USFWS has jurisdiction.

MR. FLEENER said the state reintroduced sea otters and management of them was transferred to the feds in 1972; now the state has no jurisdiction over sea otters whatsoever. So the state's role has been to work closely with tribes and subsistence users while looking at a lot of options like amending the Marine Mammal Protection Act (MMPA). Protecting all

marine mammal populations regardless of the health of those populations is kind of over-reaching and should be pulled back if possible. The department supports the legislation, but he didn't have an answer.

[4:36:43 PM](#)

SENATOR MICCICHE asked what the scope of the carrying capacity study is.

MR. FLEENER said the USFWS study would focus on Southeast Alaska.

[4:37:42 PM](#)

SENATOR MICCICHE asked if there is a waiver system for the MMPA and if a species had ever been removed due to overpopulation in an area.

MR. FLEENER said he didn't know about that specifically, but there are exemptions for Coastal Alaska Native harvest of sea otters and some activities like incidental catch with commercial fishing.

[4:38:52 PM](#)

JOSEPH SEBASTIAN, representing himself, Kupreanof, Alaska, opposed SB 60 saying it's a knee-jerk attempt to solve a complex problem and makes a scape goat out of a non-offensive sea mammal. Over-fishing of crabs has been a problem for years when they are also known to be subject to cyclic changes and diseases. Blaming all the problems in that fishery on sea otters seems to be unfair if not documented by scientific research. In fact there is no science to be found in SB 60. It is unprofessional, unscientific, racist and culturally destructive.

He said it would start the new sea otter gold rush with little or no oversight or scientific direction. In fact, the whole white history of exploitation and settlement in Alaska since the Russians has been built on the trade of sea otters.

He said in "Hunters of the Stormy Sea" by Harold McCracken in 1955 makes the assertion that if not for the Russian sea otter trade, Alaska would have surely gone to England and Canada and the United State would have never been able to purchase it in 1867.

He said he had seen sea otters eat starfish but not crabs, but he has seen overfishing of crabs and abalone by fishermen and he didn't think this program would achieve the desired result.

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JULIE DECKER, representing herself, Wrangell, Alaska, supported SB 60. She said bringing the sea otter population back was a conservation success story until it was turned into a nightmare by the USFWS. Sea otters are a renewable resource and can contribute to the economy of Southeast, but if they are protected and allowed to grow at the rate they are growing now, they will destroy all of the shellfish resources.

She observed that this interaction is just a sliver of what actually happens in the entire ecosystem; human interaction and harvest of sea otters has happened over the last 10,000 years in this region. She supported SB 60, because it will encourage the legal harvest of sea otters and is one step towards the goal of sustainable management of the entire ecosystem in Southeast Alaska.

[4:45:13 PM](#)

PHIL DOHERTY, Southeast Alaska Regional Dive Fisheries Association (SARDFA), Ketchikan, Alaska, supported SB 60. SARDFA's mission is to develop, expand and enhance new and existing dive fisheries in Southeast Alaska. They currently harvest sea cucumbers, geoduck, clams and sea urchins.

He said that ADF&G's entire miscellaneous shellfish program is supported by the assessment on a dive resource, which has a mandatory tax of 7 percent on sea urchins and sea cucumbers and 5 percent on geoducks. Without SARDFA members he didn't know how the department would manage to keep its Southeast Alaska shellfish research program and vessels operating.

There are approximately 200 active divers in these fisheries; in recent years the annual ex-vessel value of the fisheries has been approximately \$12-15 million. These dive fisheries are now some of the most important economic contributors to coastal economies of Ketchikan, Craig, Klawock, Sitka, Petersburg, and Wrangell, especially in the fall and winter time. However, due to sea otter predation these fisheries will eventually drop to such a low level that in the foreseeable future the guideline harvest level and ex-vessel values will not be able to sustain these fisheries.

Perhaps the sea otter will not move to the Inside waters of Southeast Alaska as quickly as they have on the outer coast, but the largest fisheries occur on the outer coast of Prince of

Wales. Eventually, if left unchecked, he thought sea otters would move into most of the waters of Southeast Alaska.

MR. DOHERTY said the abalone fishery was the first to fall prey to sea otters; it no longer exists and it is obvious that sea urchins, geoduck clams, sea cucumbers and Dungeness crab are being impacted. Otters have been observed eating red King crab, tanner crab and shrimp. The University of Alaska (UAS), largely funded by SARDFFA, did a dive study of sea otters and knows what they eat.

[4:49:15 PM](#)

DENNIS WATSON, City Council, City of Craig, supported SB 60. He gave his background of commercial fishing and said he had been a general manager for the Inter Island Ferry Authority that operates a 200 foot ferry between Prince of Wales Island and Ketchikan. He was involved with the commercial dive fishery for 16 years and served as board president for SARDFFA for six years. When he first arrived in Craig, a sea otter was a rare sight, but now you can't see a spot without them.

MR. WATSON related how for 16 years he stared into a viewer while he and his partner dragged an underwater camera around the bottom of the ocean surveying for sea cucumbers; and he witnessed first-hand the devastation these creatures caused as their numbers grew. Areas that once supported good numbers of urchins, sea cucumbers, crabs and many other shellfish are now virtual waste lands. The only legacies remaining are the large holes they have left in searching for the food they are wiping out.

When SARDFFA was first formed around 2000, he said they immediately contacted federal regulators about the otter problem, and as they can see, the response was poor. The only way this issue can be reined in is by reducing the sea otter population and it needs to happen quickly. A bounty would speed that process up.

As a mayor he was extremely concerned about losing an industry that brings \$20 million annually into Southeast communities in the off season months when there is very little other economic activity.

[4:52:11 PM](#)

PAT MCBRIDE, representing himself, Homer, Alaska, supported SB 60. He said he was a board member of the North Pacific Fisherman's Association, but he was speaking on his own behalf

today only because the board didn't have enough time to get together and vote on it before it came up in committee, but he knew they would fully support it.

Between 2002 and 2008, the sea otter population in Kachemak Bay increased by 26 percent, up to almost 3,000. When the tide in the estuary where he lives is low, you used to be able to walk for miles across the Bay in hip boots and see every kind of sea urchin, star fish, baby King crab, baby and full size Dungeness crab - and it's now a desert. There are sea otters everywhere. He participated in the Dungeness fishery that used to thrive there, but it doesn't exist anymore, neither is there a tanner crab fishery.

MR. MCBRIDE agreed that crab is over-fished, but if they had overfished the crab in their three-month annual season, why hadn't they come back in 15 years? The reason is now if you set a tanner pot in Kachemak Bay in 300 fathoms of water, you will catch Dungeness crab, but they have to go into the shallow estuary to breed and raise their young and the otters immediately wipe them out. He couldn't agree with the Petersburg fisherman who said he had been fishing for 35 years; maybe he only fished for salmon. If you are worried about the crustaceans that live on the bottom of the ocean, Kachemak Bay has been "wiped clean." Lastly, he commented that it was amazing that the state has an expensive research vessel that goes to the far Aleutians every year and eradicates the rats to save the bird populations.

[4:57:00 PM](#)

CHAIR GIESSEL stated she would hold SB 60 in committee and keep public testimony open.

HJR 5-OPPOSE GENETICALLY ENGINEERED SALMON

[4:57:31 PM](#)

CHAIR GIESSEL announced HJR 5 to be up for consideration. [CSHJR 5(FSH) was before the committee.]

[4:57:38 PM](#)

REPRESENTATIVE TARR, sponsor of HJR 5, remarked that saying "yes" to HJR 5 is saying "no" to genetically modified salmon.

She said the Federal Drug Administration (FDA) is in the final process of deciding whether to approve genetically modified salmon. In addition to it being the final stage, this would be the first time a genetically modified organism (GMO) will have

been approved for human consumption. She described how an Ocean Pout could be crossed with a Chinook salmon to grow year-round.

She said this resolution is responding to the FDA announcing a finding of no significant impact (FONSI) the day after Christmas; a comment period had been extended to April 26. She hoped to get this measure through this body and deliver it as part of the public comments.

REPRESENTATIVE TARR said she had been contacted by folks from Prince Edward Island who are also opposed to this program, because the eggs would be produced there and then be sent to Panama where the "grow out" would take place. The processing would happen there and it would be brought back to the United States, actually involving other countries in this decision. She was interested to learn that individuals outside of the U.S. are also opposed. Two letters from the governor to the federal government spoke in opposition as did our congressional delegation's efforts.

There are three concerns: the threats to wild salmon because of escapement, and because a GMO can be more aggressive it could out-compete wild stocks since they grow twice as fast, and risk to human health. Consumer advocates say that the FDA hasn't done enough research to know the impacts to fish of continual exposure to growth hormones.

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REPRESENTATIVE TARR said the introduction of farmed salmon in the early 90s caused the price for Alaska wild salmon to drop, which was very damaging to the fishing industry. The state has successfully helped build up consumer confidence by investing through Alaska Salmon Marketing Institute (ASMI) and other efforts that promote the health benefits of our wild Alaska salmon. She explained that even though state law requires labeling of genetically modified foods that is not a requirement under this federal proposal and a stipulation in the resolution speaks to that. ASMI has said that right now Alaska seafood is the second most recognized brand in restaurants.

[5:04:15 PM](#)

SENATOR MICCICHE said he appreciated the resolution saying that salmon is important to all of us; farmed salmon is enough competition but essentially creating salmon is a scary other source of competition.

REPRESENTATIVE TARR said that is why it is called "Franken fish."

CHAIR GIESSEL noted a thick packet of supporting letters.

[HJR 5 was held in committee.]

5:05:21 PM

Finding no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 5:05 p.m.