ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES
February 28, 2017
10:02 a.m.

MEMBERS PRESENT

Representative Louise Stutes, Chair
Representative Zach Fansler
Representative Jonathan Kreiss-Tomkins
Representative Geran Tarr
Representative Mike Chenault
Representative David Eastman
Representative Mark Neuman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 12
Opposing the United States Food and Drug Administration's approval of AquaBounty AquAdvantage genetically engineered salmon; and urging the United States Congress to enact legislation that requires prominently labeling genetically engineered products with the words "Genetically Modified" on the product's packaging.

- MOVED CSHJR 12(FSH) OUT OF COMMITTEE

HOUSE BILL NO. 107
"An Act relating to certain fish; and establishing a fisheries enhancement permit."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HJR 12
SHORT TITLE: OPPOSING GEN ENGINEERED SALMON
SPONSOR(s): REPRESENTATIVE(s) TARR

02/22/17	(H)	READ THE FIRST TIME - REFERRALS
02/22/17	(H)	FSH, RES
02/28/17	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 107
SHORT TITLE: FISH ENHANCEMENT PERMITS
SPONSOR(s): REPRESENTATIVE(s) TALERICO

02/06/17	(H)	READ THE FIRST TIME - REFERRALS
02/06/17	(H)	FSH, RES
02/28/17	(H)	FSH AT 10:00 AM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE DAVE TALERICO
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Introduced HB 107, as prime sponsor.

ELIJAH VERHAGEN, Staff
Representative Dave Talerico
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented HB 107, on behalf of Representative Talerico, prime sponsor.

BRUCE CAIN
Glennallen, Alaska
POSITION STATEMENT: Testified in support of HB 107.

ERIC GEBHART, Superintendent
Nenana City School District
Nenana, Alaska
POSITION STATEMENT: Testified in support of HB 107.

WILL MAYO
Tanana Chief's Conference (TCC)
Fairbanks, Alaska
POSITION STATEMENT: Testified in support of HB 107.

NANCY HILLSTRAND
Katchemak Bay, Alaska
POSITION STATEMENT: Testified in opposition to HB 107.

PETE VELSKO
Homer, Alaska
POSITION STATEMENT: Testified in support of HB 107.

MIKE MANN
Juneau, Alaska
POSITION STATEMENT: Testified in support of HB 107.

SAMUEL RABUNG, Section Chief
Private Non-Profit Hatchery and Aquatic Farming and Planning and Permitting
Division of Commercial Fisheries (DCF)
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska
POSITION STATEMENT: Answered questions during the hearing on HB 107.

ACTION NARRATIVE

10:02:34 AM

CHAIR LOUISE STUTES called the House Special Committee on Fisheries meeting to order at 10:02 a.m. Representatives Stutes, Chenault, Fansler, Tarr, and Neuman were present at the call to order. Representatives Kreiss-Tomkins and Eastman arrived as the meeting was in progress.

HJR 12-OPPOSING GEN ENGINEERED SALMON

10:03:32 AM

CHAIR STUTES announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 12, Opposing the United States Food and Drug Administration's approval of AquaBounty AquAdvantage genetically engineered salmon; and urging the United States Congress to enact legislation that requires prominently labeling genetically engineered products with the words "Genetically Modified" on the product's packaging.

10:03:47 AM

REPRESENTATIVE TARR, as prime sponsor of HJR 12, began by saying the proposed resolution would support efforts by Alaska U.S. Senator Lisa Murkowski at the federal level. She began a PowerPoint presentation and referred to Slide 2, entitled "Why the need for HJR 12?" She stated that in November 2015, the U.S. Food and Drug Administration (FDA) allowed genetically modified (GM) salmon, which is the first time a GM animal has been approved for human consumption. She expressed that she is strongly opposed to this. The approval process used by the FDA was the "veterinary drug" approval process. She maintained that since the product is for human consumption, it is questionable whether the veterinary drug approval process is the appropriate process for considering this use of technology. She mentioned

that traditionally a different regulatory route would have been utilized.

10:03:59 AM

REPRESENTATIVE TARR turned to Slide 3, entitled "What is GM salmon?" She explained that the GM salmon approved by the FDA is produced by adding the deoxyribonucleic acid (DNA) from two different species of fish to Atlantic salmon. She identified the two fish as follows: the ocean pout, shown on the left side of the slide, is an eel-like fish that offers continuous growth due to its natural life cycle; and the Chinook salmon, shown on the right, is selected for its size. Consequently, the GM fish grows bigger and faster.

REPRESENTATIVE TARR turned to Slide 4, entitled "How does it work?" to illustrate the different growth rates. The goal is to produce a salmon that grows to full size twice as fast.

REPRESENTATIVE TARR moved on to Slide 5, entitled "Why GM Salmon?" She cited statements on the website of the company who proposed GM salmon, AquaBounty, to point out that the actions of the company were "never really about sustainability; this has always just been about profit." She relayed the information on the website, which read [original punctuation provided]: "The innovative faster growing AquAdvantage Salmon, which would shorten production cycles by half and drastically reduce feed costs, could finally make land-based fish farming economically viable." She commented that "we have to question ... the difference between what's healthy for an ecosystem versus what is an economic opportunity."

10:06:47 AM

REPRESENTATIVE TARR referred to Slides 6 and 7 to illustrate Alaskan salmon. She moved on to Slide 8, which portrays the production environment of GM salmon: it is grown in an industrial warehouse setting with land-based pens. She stated that the proposal from AquAdvantage includes making the GM salmon fish eggs on Prince Edward Island (PEI) in Canada; growing them to size in Panama; and shipping the fish back to the U.S. for market. She asserted that three different countries are involved because of opposition [to GM salmon] from other countries and the United States.

REPRESENTATIVE TARR referred to Slide 9, entitled "Concerns about GM salmon," and listed the concerns: threats to wild

salmon, risks to human health, and risk to the state economy. She turned to Slide 10, entitled "Threat to Wild Salmon," and relayed that escapement is always an issue. She mentioned that the Alaska Department of Fish & Game (ADF&G) solicits reports from fisherman who have caught farmed salmon, and she added there have been many such reports.

REPRESENTATIVE TARR referred to the map on Slide 11. She relayed that she was invited by residents of PEI to the site where the AquaBounty eggs would be produced; the residents were concerned about the negative effects of being known as the home of the "Frankenfish." She said the AquaBounty site was on the bay leading to the St. Lawrence Seaway and on to the Atlantic Ocean. She maintained that there are concerns about escapement at that location, because of its proximity to a water body.

REPRESENTATIVE TARR turned to Slide 12 showing photographs of her visit: the AquaBounty facility, which appears to be low technology ("low-tech"); meeting with the Premier of PEI to ask his opinion of the proposal; and local residents who have expressed opposition to the proposal.

10:09:36 AM

REPRESENTATIVE TARR moved on to Slide 13, entitled "Threat to Wild Salmon," and relayed the threats: GM salmon can spread disease; GM salmon are more aggressive and can outcompete wild salmon; and GM salmon can cross breed with wild fish. She continued with Slide 14, which displayed screenshots of several articles on the results of scientific studies on GM salmon. She referred to the headline, "GM salmon can breed with trout and harm ecosystem," and explained that scientists learned that GM salmon can breed with trout, and the new fish which results can outcompete both the GM salmon and the wild relative. She added that the new, more aggressive fish could be very damaging to natural ecosystems.

REPRESENTATIVE TARR continued with Slide 15, entitled "Risks to Human Health." She mentioned that no long-term studies have been conducted on the safety of human consumption of GM salmon. Since the FDA used the veterinary drug approval process, it was not necessary for it to consider the safety of human consumption.

REPRESENTATIVE TARR referred to Slide 16, entitled "Risk to State's Economy," and reminded the committee of the dramatic drop in the price of Alaskan wild salmon when farmed salmon came

onto the market. The state responded by creating the Alaska Seafood Marketing Institute (ASMI) and investing tremendously in branding Alaska's wild salmon. She stated that the state's marketing efforts have been very successful; Alaska wild salmon is a widely recognized brand; and people consider Alaska wild salmon to be a healthy source of protein. She declared, "That creates a lot of value." She added that another economic risk is the risk to Alaskan jobs, since the seafood industry is the largest private sector employer with over 70,000 jobs.

10:11:56 AM

REPRESENTATIVE TARR stated that Alaskans are not alone in opposing GM salmon and named the various sources of opposition listed on Slide 17: Alaska's congressional delegation oppose GM salmon; Senator Murkowski has been a leader and will be introducing additional legislation on this matter; more than 40 members of the U.S. Congress oppose GM salmon; more than 1.5 million comments opposing GM salmon were received by the FDA in the comment period; more than 90 percent of Americans support labeling of GM foods reflecting greater public interest in the source and healthfulness of food; and 65 retailers, many of them major, will not sell GM salmon.

REPRESENTATIVE TARR referred to Slide 18, "International Opposition," to report that there have been lawsuits regarding GM salmon; there is concern for the damage to wild salmon populations on the East Coast of the U.S.; and there have been dam removal projects on the West Coast of the U.S. to restore traditional fish passage areas. She concluded that people are working hard to support and sustain wild salmon populations.

10:14:01 AM

The committee took a brief at-ease at 10:14 a.m.

10:14:26 AM

REPRESENTATIVE TARR referred to Slide 19, entitled "US Lawsuit filed March 31." She mentioned the various groups and efforts opposing GM foods and imposing regulations, especially on the West Coast: legislators; Pacific NorthWest Economic Region (PNWER); ballot initiatives in Canada, Washington, and Oregon; and local ordinances opposing GM foods. She relayed that a lawsuit was filed in the United States in March 2016; the lawsuit went to court on Election Day last year; and no

judgement has been issued yet. The lawsuit claims the approval process was not adequate in considering GM salmon a food source for humans, and there are unanswered questions about ecological impacts. She asserted that since salmon is so important to Alaska - to its culture, its tradition, its communities, and to the health of Alaskans - "we should stand together as we have in the past and say 'No' and stand together in opposition of GM salmon."

10:16:00 AM

REPRESENTATIVE CHENAULT asked if HJR 12 addresses only GM fish and no other products.

REPRESENTATIVE TARR replied, "Yes, that is correct."

REPRESENTATIVE CHENAULT relayed that the proposed resolution states that more than two million Americans are opposed to the FDA approval [of GM salmon]. He mentioned that Representative Tarr testified that about 1.5 million people had submitted testimony during the FDA comment period.

REPRESENTATIVE TARR explained that one of the numbers reflects the individual comments received, and a single comment may represent many signatures on a petition.

REPRESENTATIVE CHENAULT asked for confirmation of his understanding of the GM salmon production process: the eggs are incubated on PEI, then moved to Panama for rearing.

REPRESENTATIVE TARR answered, "That is the proposal that's been approved. It requires the three countries' involvement: the eggs in one location; the growing the fish in Panama; and then, for sale in the United States."

10:18:02 AM

REPRESENTATIVE CHENAULT asked for more clarification regarding the danger a [fish] egg poses. He mentioned that the discussion has addressed concern for the eggs growing into bigger fish and destroying what is left of the [wild] Atlantic salmon. He said eggs are not usually released into the wild and grown, thus he questioned the concern about the facility being on PEI, the movement of eggs to Panama, and the shipment of the fish back to the U.S.

REPRESENTATIVE TARR replied that the concern is that the process includes early stage development, and there is opposition to interbreeding with wild [salmon] populations. She maintained that there is concern that Panama environmental standards would not be the same as those in the U.S. She asked, "Is the likelihood of escapement low?" She attested that it probably is low because of the [prevention] measures put in place. She said she didn't want to suggest negligence on the part of Panama; however, she maintained that the threat is real. She stated that the McGill [University] study that she referred to on Slide 14 [Oke KB, Westley PAH, Moreau DTR, Fleming IA. 2013 Hybridization between genetically modified Atlantic salmon and wild brown trout reveal novel ecological interactions. *Proc. Royal Society B*] was published just after the closing of the comment period for the proposal. She relayed that she wrote to the FDA asking that it consider this recent research report. She asserted that the dynamic of the conversation on the proposal changed once there was research showing that interbreeding occurred, and that interbreeding was problematic.

10:20:14 AM

REPRESENTATIVE EASTMAN asked if the sponsor would consider adding "salmon" after the word "engineered" on line 3, page 1, of the resolution. He stated that the resulting phrase would read, "urging the United States Congress to enact legislation that requires prominently labeling genetically engineered salmon products". He maintained that "GM products" is difficult to define; if the resolution was limited to salmon, it may receive more support.

REPRESENTATIVE TARR responded that is a great suggestion, which had been considered. She explained that the proposed resolution reflects the broader labeling legislation efforts by Congress; however, since the intent of Alaska's resolution is to be specific to salmon, she said she did not have a problem with limiting the resolution to salmon.

REPRESENTATIVE EASTMAN asked for more information about what happens if a fertilized salmon egg escapes the PEI facility: Would the salmon egg grow naturally and result in a salmon or would that be less likely due to the genetic engineering?

REPRESENTATIVE TARR responded that the way the proposal is written, it is specific to certain life stages, and that is what has been approved by the FDA. She added that the PEI facility has more than just the eggs that will be used for the GM fish,

which is the concern of the local residents. She stated that AquaBounty has proposals for several other species. She maintained that there is a lack of confidence in their work, and the people she contacted want to take every precautionary measure.

10:23:52 AM

REPRESENTATIVE EASTMAN opined that based on the public concern for the proposal, placing the facility near a water body was particularly unreceptive to that concern. He maintained that there are more appropriate locations.

REPRESENTATIVE TARR said that she totally agrees with Representative Eastman. She stated that AquaBounty was at one time based in Massachusetts and wanted to locate the facility in that state. She relayed that the local community refused, which lead to the company changing locations. She opined that having three countries involved in the production of a product makes regulation more challenging and the public less comfortable with the process.

10:25:03 AM

REPRESENTATIVE EASTMAN moved to adopt Conceptual Amendment 1, which would be to limit the proposed resolution to GM salmon. He opined that due to the many definitions of "genetically engineered," it would be subject to additional criticism.

10:25:23 AM

CHAIR STUTES objected for the purpose of discussion.

REPRESENTATIVE TARR declared that she is not opposed to the offered conceptual amendment. She suggested that the proposed resolution specify "genetically engineered salmon or salmon products".

REPRESENTATIVE EASTMAN said he concurred with Representative Tarr's suggestion.

10:25:50 AM

CHAIR STUTES removed her objection to Conceptual Amendment 1, [as amended]. There being no further objection, Conceptual Amendment 1, as amended, was adopted.

10:26:02 AM

REPRESENTATIVE CHENAULT clarified that the committee's action was the adoption of Representative Eastman's conceptual amendment, as amended by Representative Tarr's addition of "salmon or salmon products".

10:26:24 AM

CHAIR STUTES opened public testimony on HJR 12. After ascertaining that there was no one who wished to testify, she closed public testimony.

10:26:44 AM

REPRESENTATIVE KREISS-TOMKINS expressed his appreciation of the action and advocacy on the issue addressed by HJR 12.

10:27:29 AM

REPRESENTATIVE FANSLER moved to report HJR 12, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHJR 12(FSH) was reported from the House Special Committee on Fisheries.

10:27:51 AM

The committee took an at-ease from 10:28 a.m. to 10:30 a.m.

HB 107-FISH ENHANCEMENT PERMITS

10:30:13 AM

CHAIR STUTES announced that the final order of business would be HOUSE BILL NO. 107, "An Act relating to certain fish; and establishing a fisheries enhancement permit."

10:30:25 AM

REPRESENTATIVE DAVE TALERICO, Alaska State Legislature, as prime sponsor of HB 107, stated that HB 107 is a fish fertilization enhancement bill. He maintained that the permit proposed in HB 107 could boost fish egg fertilization rates - from the 5 percent occurring in nature to 95 percent using incubation. He mentioned that fish eggs would be collected, fertilized, incubated, hatched, and released back as unfed fry into the same

water from whence they came. He opined that releasing the fry into the original water would make the process as natural as possible. He stated that fish incubation is not new; it has been done in many areas for 40 years. He maintained that the proposed legislation would clarify the statutes regarding permit requirements. He offered that HB 107 would facilitate fish fertilization enhancement projects as a collaborative effort - undertaken by the private sector, but under the auspices of the Alaska Department of Fish & Game (ADF&G). He maintained that there would be quite a few requirements for the permit and the permit holder that would preclude an unqualified person receiving a permit.

10:32:55 AM

ELIJAH VERHAGEN, Staff, Representative Dave Talerico, Alaska State Legislature, presented HB 107 on behalf of Representative Talerico, prime sponsor. He referred to AS 16.05.050(a)(5), which states that one of the duties of the commissioner of ADF&G is to propagate fish and fish populations. He relayed that ADF&G has offered fish enhancement permits like those proposed under HB 107: permits for educational purposes in schools and universities, and for scientific research. He said that these permits are available to tribes, government agencies, and various other entities through cooperative agreements with ADF&G. He stated that none of the education or science permits are outlined in statute. He maintained that the proposed legislation would outline in statute a fish fertilization and enhancement permit and put these permits under the management and scrutiny of ADF&G.

MR. VERHAGEN stated that pages 2 and 3 of HB 107 list the information that would be required on the application for a permit: the reason the applicant wishes to conduct fish fertilization; the type of fish that would be collected; the number of fish that would be collected; and the agreements that are in place with local shareholders around fish collection. He maintained that the information requested on the application is very similar to that which is required for the education and science permits; however, HB 107 would allow people and corporations to obtain permits for the simple reason that they need more fish. He relayed that in many of the rivers in State House District 6 in the Interior, ADG&G does not have the resources to perform fish counts and does not have escapement goals; however, local residents have reported a great reduction of fish over the years.

MR. VERHAGEN related that meeting all the conditions of the application would be difficult; therefore, permits would not be readily available to everyone. He reiterated that the fish propagation process addressed in HB 107 would be a natural process: it would not involve fish farming; it would simply boost the fertilization rate from the 5 percent in nature up to roughly 94 percent; the unfed fish would be released back into the water; there would be a ten-day window for them to become emergent fry fish; and they would return to the same watershed. He claimed that the fish would be "as natural as possible." He maintained that the process would boost the salmon population and maximize the resource, as called for in the Alaska State Constitution.

10:37:40 AM

CHAIR STUTES opened public testimony on HB 107.

10:38:00 AM

BRUCE CAIN testified that he works for Ahtna, Incorporated (Ahtna) as special projects manager, serves on the Prince William Sound Aquaculture Corporation (PWSAC) board of directors, and is president of the Copper Valley Chamber of Commerce, but he is speaking on his own behalf. He expressed his support for HB 107. He relayed an incident that occurred in 1971 when he was 14 years old: He was working on the docks in Auke Bay in Juneau at a fish buying station. The business served hand trollers and a fleet of commercial fishermen. It was before limited entry, before the 200-mile limit, and before any hatcheries. He mentioned that at the time, there were no fish. He relayed that a gentleman, about 70 years old, returned to the dock with three fish after having fished all week. The man earned about $23 for his fish. When he put 100 gallons of diesel fuel into his boat for $30, there wasn't enough money from the fish to pay for the fuel. It was a very sad, but defining moment for Mr. Cain as a 14-year-old boy and inspired him to be committed to increasing fish populations.

MR. CAIN relayed that much was done in that regard: setting the 200-mile limit; forming the Division of Fisheries Rehabilitation, Enhancement, and Development (FRED) in ADF&G; building the hatchery system; and enacting limited entry. He mentioned that he could not have imagined back then that there would be so many fish one day that people would worry about the effects of hatcheries. He relayed that he has lived in Glennallen in the Copper River Basin for many years,

participated in the commercial fishery, participated in the personal use fishery, sport fished, and subsistence fished. He asserted that the Gulkana Hatchery is a "big blessing" for his region, which uses incubation boxes. The facility was built by Ken Roberson, a state biologist, from donated fish totes, gravel, and plywood. This large sockeye salmon facility keeps the river healthy. This year there has been a very low king salmon run on the Copper River, which has prompted state restrictions. He maintained that the incubation system has worked well on the Copper River for many years.

MR. CAIN encouraged the committee to support HB 107. He maintained the [incubation] process could be used to restore salmon that has been lost due to highway construction and other activities, and he mentioned that it would be good to try it on the Yukon River.

10:44:46 AM

ERIC GEBHART, Superintendent, Nenana City School District, testified that he supports HB 107. He mentioned that he had experience with fish enhancement in Kake. He relayed that his current school district has the capacity through the education permit to engage in fish enhancement projects, but he asserted that HB 107 would encourage more people to participate in these activities and the schools could provide an education component. He maintained that the impact of education is greater through partnerships with science and fisheries; increased fish enhancement projects would have a positive effect on the fish populations; and education of youth would help to sustain the enhancement projects into the future.

10:47:09 AM

MR. VERHAGEN relayed that his office is excited that Mr. Gebhart has had experience in fish enhancement and is working toward doing more of this in his school district. He emphasized the value of youth participating in the incubation and fertilization of fish eggs and observing the entire process from beginning to end. He expressed his hope that for these young minds, the "excitement and potential" that could stem from this education would culminate in pursuing education and careers in the field of fish propagation.

10:50:03 AM

WILL MAYO, Tanana Chief's Conference (TCC), testified that he supports HB 107. He relayed that he has spent much time on the Yukon River and the primary "eating" fish in the area was the king salmon. He stated that due to depletion of the king salmon population, there have been limitations placed on king salmon harvest. He maintained that he has witnessed no activity in the fish camps along the river, which deprives the young people of the education that the salmon harvest offers them. He stated that TCC wants to help maintain robust wild salmon stocks; it employs a scientific program; and it wants to develop the capacity to address future needs. He said that as resources diminish, the people diminish, because they are dependent on their rural economies; the rural economy is the wild resource economy.

MR. MAYO maintained that discreet salmon populations need assistance in most regions of the state; a permit process tailored to restoring wild salmon is what is needed and what is lacking today. He said that ADF&G permits are not adequate for the task of restoring wild salmon: they are designed for research and education; they are limited; or they are for conventional hatcheries. He maintained that HB 107 would create a process for restoring discreet wild salmon populations using guidelines and clear oversight by ADF&G based on good science and proven practices. He asserted that HB 107 represents a conservative approach to assure that wild salmon are kept wild: they are not pen-fed fish; they are not conventional hatchery fish; and they are returned to their river of origin. He added that HB 107 speaks to the importance of collaboration, data collection, and education within the process of restoration of wild salmon stocks. He said that TCC finds the proposed legislation necessary to fill a niche that is currently not filled; the current permits have been unreliable for this effort. He asserted that HB 107 would allow the state to proceed with a program to assist wild stocks.

10:54:59 AM

NANCY HILLSTRAND testified that she has 21 years' experience as a fish culturist of five species of salmon and two species of trout, and she opposes HB 107. She said that although it is well intentioned, Alaska can "go wrong" with enhancement and has multiple times. She asserted that HB 107 would be dangerous legislation for Alaska's wild spawning salmon resource. She maintained that the danger lies in multiple people handling the fish with no oversight. She mentioned that ADF&G does not have the resources to do the proper oversight that would be needed.

She stated that the simple act of "adding fish" has consequences. She claimed that HB 107 is a "Band-Aid" approach to underlying symptoms affecting distinct stock.

MS. HILLSTRAND referred to an excerpt of a sentence in the sponsor statement, which read as follows [original punctuation provided]: "Although the Dept. of Fish & Game is currently not counting the fish population in many rivers in our interior district such as the Nenana, Tanana and upper Yukon rivers ... " and testified, "That's what we need." She asserted that Alaska needs more focus on these areas to learn "what is going on" and to get the Board of Fisheries "on-board" to make sure it is aware of what is transpiring in these areas.

MS. HILLSTRAND stated that in the last couple years, Chinook salmon has been slowly rebounding; the North Pacific [Fishery] Management Council (NPFMC) has placed caps on the huge bycatch of Chinook in the Bering Sea. She relayed NPFMC's statement as follows: "The majority, 64 percent, of Chinook salmon bycatch in the Bering Sea is from aggregate coastal Western Alaska stock, which includes rivers from Norton Sound to Bristol Bay, including Yukon and Kuskokwim." She expressed that these are symptoms and there are multiple symptoms causing problems with salmon. She offered that the bycatch caps do seem to be helping the salmon rebound, but she opined that Alaska needs to monitor the distinct stocks in the upper tributaries and take care of its wild fish before altering them with any type of enhancement. She stated that as a fish culturist, she is very concerned; she witnessed fish hatcheries evolving from what was considered an enhancement to a factory production costing the state millions and millions of dollars. She emphasized that the state needs to "slow down," look at the habitat, determine why ADF&G is not paying more attention to the habitat and the food web interactions. She reiterated that Alaska does not need a Band-Aid but needs to study the symptoms.

10:57:53 AM

PETE VELSKO testified that he supports HB 107 and referenced a letter sent to the committee detailing his experience. He mentioned that he began working with ADF&G at the Tutka Bay Hatchery in Homer in 1976. He said when the hatchery was transferred to the Cook Inlet Aquaculture Association (CIAA), he was transferred to Nome, which was having problems with chum salmon. He was sent to Nome to test in-stream incubation boxes to determine the feasibility of putting them in area streams to help rebuild the run. He worked from 1991 to 1997 under FRED in

Nome. His job was to try to implement small scale salmon restoration enhancement projects for 15 villages in the Norton Sound area and it included educational programs in the schools. Nome had a very active high school incubation project.

MR. VELSKO stated that in 1993-1994, FRED was combined with the Division of Commercial Fisheries (DCF) [ADF&G] due to budget cuts. As a result, the salmon restoration and enhancement projects in Nome became very low priority and were abandoned. He stated that the need for these projects was real and people wanted to see them continued. He maintained that the disappearance of FRED left a void not readily filled by the private non-profit (PNP) aquaculture associations or by CFD. He maintained that the PNPs are in the business of producing large numbers of fish, primarily for commercial fisherman located along the coast, and DCF focuses on managing fish, as opposed to producing fish. He said that his question is: "Who's out there to assist the more rural villages who might want help increasing salmon opportunities in those areas?" He opined that HB 107 might be a "step in the right direction."

MR. VELSKO summarized by saying that he was doing the kind of work in Nome that he believes HB 107 would do. He said that all the villages in the area were very enthusiastic and helpful in providing him with good information. He maintained that to check the feasibility of chum salmon in Nome, "you've got to complete the experiment." He added that when FRED was combined with DCF, the project was not finished. He stated that the incubation boxes did produce salmon - as much as 70 percent on one incubator - but because the experiment was never completed, he does not know the return of fish. He maintained that more than one life cycle is needed to see if such an experiment is working.

11:03:22 AM

MIKE MANN testified that he has been fishing for 55 years throughout Southeast, Bristol Bay, Cook Inlet, and areas outside of Alaska; he was a board member of the Douglas Island Pink and Chum (DIPAC) Macaulay Salmon Hatchery for ten years; and he was president of the United Southeast Alaska Gillnetters (USAG) Association. He stated that he supports HB 107 because he supports the actions by DIPAC and the Northern Southeast Regional Aquaculture Association (NSRAA). He expressed his belief that the communities can prove, with the help of the experts at the hatcheries, that the fish enhancement is being done correctly. He maintained that one can identify the run

entry program where it is being intercepted. The personnel at DIPAC invented a way to identify the specific fish from a specific area, so that fish following the Japanese current and coming into Icy Straits or by Noyes Island can be easily identified. They know where the fish are going, where they belong, and who is catching them; therefore, appropriate regulations can be put into place for commercial fishing.

MR. MANN mentioned that he was involved with incubation boxes for sockeye salmon, spawning channels on the Chilkat River, and incubation boxes throughout the tributaries of the Chilkat River. He maintained that these activities have been very successful [for fish enhancement] and asserted that fish enhancement is important for other communities. He said that once there are large numbers of fish coming back to the river systems that can handle it, the state will do well not only in commercial fishing, but in sport fishing and personal use fishing, as well. He suggested that GM fish are emerging because of the popularity of salmon in the world and the desire to make money from that. He maintained that Alaska is becoming the "number one place in the world" [for salmon] and should recognize and take advantage of that.

11:07:55 AM

CHAIR STUTES, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 107.

11:08:05 AM

REPRESENTATIVE TARR asked for someone from ADF&G to respond to the concern that an unqualified individual might do fish enhancement and to speak to the qualifications of someone receiving a permit.

11:09:01 AM

SAM RABUNG, Section Chief, Private Non-Profit Hatchery and Aquatic Farming and Planning and Permitting, responded that the provisions [for receiving a permit] are stringent and the requirements are designed for applicants who are not amateurs. He stated that the permits would be subject to ADF&G genetics policies, fish health policies, sustainable escapement goal policies, sustainable salmon fisheries policies - all the existing guidance ADF&G currently has for permits; therefore, nothing amateurish would be allowed to proceed.

11:09:55 AM

REPRESENTATIVE TARR asked if Mr. Rabung regarded HB 107 as an opportunity for a public-private partnership because more work is needed to have more fish, but the state is not able to support that work alone. The state would still regulate the activity, but private dollars would infuse the effort.

MR. RABUNG answered that there is nothing in HB 107 that gives ADF&G a permitting authority that it does not already have. He said that ADF&G crafts the enhancement or restoration projects as research under the Fish Resource Permit (FRP) policy, which is for scientific and educational objectives; this research involves studying the efficacy of this technique to restore salmon runs. He opined that the supporters of the proposed legislation want it clearly defined in statute that they can conduct this fish enhancement activity. He added that he did not expect a rush of applicants for new projects; the proposals would be well thought out; and there are provisions in the proposed legislation that require considerable pre-work before permits are awarded. He offered that a permit would only be awarded if stakeholders and ADF&G deemed it appropriate.

11:11:53 AM

CHAIR STUTES asked if ADF&G has the funds to oversee this program.

MR. RABUNG replied that ADF&G views the proposed legislation as having a zero fiscal note, because the permits fall within a category that ADF&G already processes. He offered that the proposed legislation requires the permit holder to be responsible for collecting the data; it is a stakeholder-driven, user-paid approach.

11:12:47 AM

REPRESENTATIVE TARR stated that Alaska's current fish enhancement and hatchery development policy seeks to segregate wild fish from hatchery fish to avoid interbreeding, and activity under HB 107 would not. She asked Mr. Rabung for his response to that concern.

MR. RABUNG responded that the PNP program is a different model altogether; it is large scale fishery enhancement designed to enhance fisheries, not fish populations. He said that by definition, it is designed to produce additional harvestable

surplus paid for by the commercial fleet and for the benefit of the commercial fleet. He added that the PNP programs were designed to have terminal harvest areas; the fish would return to where they would not have significant interaction with natural spawning stocks. He reiterated that fish enhancement under the proposed legislation is a different model; it is referred to as rehabilitation or restoration, as opposed to fishery enhancement; and it is designed to restore existing fish populations to the higher levels of the past.

11:14:19 AM

REPRESENTATIVE FANSLER asked the sponsor of HB 107 if he would be opposed to a friendly amendment substituting the term "enhancement" with the term "rehabilitation".

REPRESENTATIVE TALERICO agreed that "rehabilitation" would be the correct term.

REPRESENTATIVE FANSLER suggested that the change may make the intent of the proposed legislation clearer and avoid a misunderstanding among the public.

11:15:40 AM

REPRESENTATIVE KREISS-TOMKINS asked if ADF&G supports HB 107.

MR. RABUNG answered that ADF&G's position on HB 107 is neutral.

11:16:18 AM

REPRESENTATIVE EASTMAN expressed his concern that the use of the term "rehabilitation" might fail to communicate to ADF&G that the committee supports anything that would help increase maximum yield of the resource. He said that even if Alaska's fish production level has never been at the point Alaska wants it to be, that doesn't mean Alaska should not try to achieve it.

11:16:55 AM

CHAIR STUTES stated an amendment would be drafted to accommodate all [suggestions].

11:17:14 AM

CHAIR STUTES announced HB 107 was held over.

11:17:26 AM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:17 a.m.