

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

March 5, 2024

11:01 a.m.

MEMBERS PRESENT

Representative Sarah Vance, Chair
Representative Kevin McCabe
Representative CJ McCormick
Representative Ben Carpenter
Representative Craig Johnson
Representative Louise Stutes
Representative Rebecca Himschoot

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 14

Calling on the United States Congress and all federal agencies to adopt policies and engage in certain efforts to improve the competitiveness and resiliency of the state's seafood industry.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SJR 14

SHORT TITLE: SUPPORT STATE SEAFOOD INDUSTRY

SPONSOR(S): SENATOR(S) BISHOP

02/15/24	(S)	READ THE FIRST TIME - REFERRALS
02/15/24	(S)	FIN
02/23/24	(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/23/24	(S)	Heard & Held
02/23/24	(S)	MINUTE(FIN)
02/26/24	(S)	FIN RPT 6DP
02/26/24	(S)	DP: HOFFMAN, OLSON, WILSON, KIEHL, MERRICK, BISHOP
02/26/24	(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/26/24	(S)	Moved SJR 14 Out of Committee
02/26/24	(S)	MINUTE(FIN)
02/28/24	(S)	TRANSMITTED TO (H)
02/28/24	(S)	VERSION: SJR 14

03/01/24 (H) READ THE FIRST TIME - REFERRALS
03/01/24 (H) FSH
03/05/24 (H) FSH AT 10:00 AM GRUENBERG 120

WITNESS REGISTER

SENATOR CLICK BISHOP
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SJR 14.

JULIE DECKER, President
Pacific Seafood Processors Association
Wrangell, Alaska

POSITION STATEMENT: Gave invited testimony in support of SJR 14.

TRACY WELCH, Executive Director
United Fishermen of Alaska
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony in support of SJR 14.

JOHN DALY, Vice President of Sales and Marketing
OBI Seafoods
Seattle, Washington

POSITION STATEMENT: Gave invited testimony in support of SJR 14.

JEREMY WOODROW, Executive Director
Alaska Seafood Marketing Institute
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony in support of SJR 14.

ERIN SHINE, Staff
Senator Click Bishop
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on SJR 14 on behalf of Senator Bishop, prime sponsor.

ACTION NARRATIVE

[11:01:04 AM](#)

CHAIR SARAH VANCE called the House Special Committee on Fisheries meeting to order at 11:01 a.m. Representatives McCabe, Stutes, Carpenter, C. Johnson, Himschoot, and Vance were present at the call to order. Representative McCormick arrived as the meeting was in progress.

SJR 14-SUPPORT STATE SEAFOOD INDUSTRY

[11:01:44 AM](#)

CHAIR VANCE announced that the only order of business would be SENATE JOINT RESOLUTION NO. 14, "Calling on the United States Congress and all federal agencies to adopt policies and engage in certain efforts to improve the competitiveness and resiliency of the state's seafood industry."

[11:02:10 AM](#)

SENATOR CLICK BISHOP, Alaska State Legislature, as prime sponsor, introduced SJR 14 and read from the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Alaska's seafood industry is a vital part of Alaska's economy, benefiting fishermen, coastal communities, plant workers and the many businesses that rely on seafood production statewide. As the largest contributor to the United States' seafood harvest, Alaska plays an important role in global seafood production, exporting to over 100 countries worldwide.

Despite its significance, Alaska seafood faces numerous challenges in the global market. High interest rates, inflation, and increased competition from farmed fish and foreign countries threatens the economic viability of our fishermen and seafood businesses. These challenges impact fishing families and local economies and jeopardize our state's food security and supply chain integrity.

In recognition of these challenges, SJR 14 encourages similar treatment of Alaska seafood by the federal government as other sources of domestic food production and supports efforts by the federal government to establish an Office of Seafood Policy and Program Integration within the United States Department of Agriculture (USDA). This could play a

crucial role in ensuring that domestic seafood is treated equitably while competing in the global market.

USDA provides critical support for agricultural products but lacks in its support for seafood products. Some of the issues within the USDA are the inability of fishermen and processors to participate in certain loan, grant, or tax credit programs; suboptimal timing of federal nutrition program purchases; and a lack of programs to help the industry develop new products and update aging infrastructure. An Office of Seafood Policy and Program Integration would provide needed leadership on addressing issues with USDA programs.

SJR 14 also encourages greater federal interagency cooperation and greater emphasis on various support mechanisms for the seafood industry from USDA and the National Oceanic and Atmospheric Administration (NOAA). This is increasingly necessary if the Alaska seafood industry is to survive these significant economic challenges.

Additionally, SJR 14 supports an increased seafood presence in the Office of the U.S. Trade Representative which could help address the unbalanced tariffs that result in higher export fees for Alaskan seafood than for competing seafood imports.

SJR 14 aims to support the Alaska Congressional Delegation in their strategic efforts to improve federal programs to give the seafood industry equal support that many other U.S. food products receive.

[11:06:34 AM](#)

REPRESENTATIVE MCCABE referenced previous discussion about U.S. trade and that Alaska seafood was not even mentioned in data. He asked whether it was still being ignored.

SENATOR BISHOP replied that invited testifiers may better speak to the question.

[11:08:01 AM](#)

CHAIR VANCE welcomed invited testifiers.

[11:08:11 AM](#)

JULIE DECKER, President, Pacific Seafood Processors Association, gave invited testimony in support of SJR 14. She gave a description of Pacific Seafood Processors Association (PSPA). She spoke about investments, technology, marketing, and contributions. She said the industry is facing economic conditions, and this time, it is across multiple species. Millions of dollars are lost and in 2023 alone it was \$2 billion. Economic conditions in 2024 are unlikely to improve, she opined. She stressed the need for state and federal government action being critical at this time in order to support the seafood industry and meet current challenges.

[11:11:30 AM](#)

TRACY WELCH, Executive Director, United Fishermen of Alaska, gave invited testimony in support of SJR 14 and stated that the fishing industry faced unprecedented times. She said over 17 processing plants are up for sale currently and workers are searching for other opportunities. The international markets are not in the U.S. fishing industry's control, but in the U.S., many things can be controlled as outlined in SJR 14.

[11:13:20 AM](#)

JOHN DALY, Vice President of Sales and Marketing, OBI Seafoods, gave invited testimony in support of SJR 14 and provided a brief background on his service in Alaska in the seafood industry. He noted international percentages that have fluctuated in recent years due to price behavior from Russia. He went over species of salmon and noted some had a 50 percent price decline. He said that U.S. markets operate on a "just in time" inventory basis so producers are holding inventory for longer. He added that interest rates are higher and there was a drop in consumer spending. He stressed that the most immediate pathway to relief would be via the U.S. Department of Agriculture (USDA) and briefly explained his rationale. He reiterated his strong support for SJR 14.

[11:18:32 AM](#)

REPRESENTATIVE HIMSCHOOT noted there was a commitment to providing fish into the future through USDA.

MR. DALY opined that the problem is two-fold and restated that the inventory was backed up; however, the USDA does offer a quick relief and adds to the long-term goal, which is a dependable supply chain process.

[11:20:11 AM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood Marketing Institute, gave invited testimony in support of SJR 1. He stated that the Alaska Seafood Marketing Institute's (ASMI's) job is to drive demand and expand Alaska's seafood market. He stressed that the problem was the global market being extremely difficult and challenging for Alaska seafood. He used China as an example and spoke to higher tariff rates. He referenced international trade policy and noted the Japanese yen being low, which made it more difficult for Alaska seafood to expand internationally. He encouraged the legislature's support and speaking to the issues that will help the industry to have security in the future.

[11:23:31 AM](#)

REPRESENTATIVE MCCABE emphasized Alaska's significant seafood industry and that the U.S. trade representative does not even mention it on the website, and he asked, "How do we solve this?" He said the state's industry must be recognized, and if not, he questioned how negotiating tariffs can even take place.

MR. WOODROW agreed and offered his belief it is why the resolution is of utmost importance. When it comes to seafood, he said that the Alaska industry is ignored and not treated as fairly as other agricultural products.

[11:26:40 AM](#)

REPRESENTATIVE HIMSCHOOT referred to Norway investing in marketing to the U.S. and asked Mr. Woodrow what his total budget was.

MR. WOODROW said for the current fiscal year, it was just over \$21 million.

REPRESENTATIVE HIMSCHOOT asked for particulars regarding who was represented by ASMI.

MR. WOODROW responded that ASMI's direction was to market Alaska's seafood as a holistic brand. He added that resources

are provided for industry members, no matter their size, and there was a growing sector for direct marketers.

REPRESENTATIVE HIMSCHOOT expressed concern about Alaska king salmon's place in the market and asked whether there was anything being done to market wild caught king salmon.

MR. WOODROW answered that marketing wild caught king salmon was increasingly a niche market and offered brief statistics of wild salmon versus farmed salmon and their origins. He said king salmon does well in high end markets such as restaurants so it can be kept at premium pricing.

[11:31:26 AM](#)

CHAIR VANCE spoke to trying to partner with USDA, whether it would increase the value of Alaska fish, and what the portfolio plan was as a potential buyer.

MR. WOODROW said the work with USDA is to become a better customer. He explained that more programs would raise the value of Alaska seafood and the goal is to find more customers and have a higher demand.

CHAIR VANCE noted previous comments about fishermen being treated the same as farmers and what that would look like to the seafood industry.

MR. WOODROW noted certain relief programs provided to land-based farmers that are not provided to the seafood industry and gave an example of crop insurance. He said fishermen need more assurance that they can get back on the water season to season.

[11:34:25 AM](#)

REPRESENTATIVE CARPENTER said the resolution spoke about coordinating committees and asked whether the 2023 national export strategies have been summarized.

[11:35:00 AM](#)

ERIN SHINE, Staff, Senator Click Bishop, Alaska State Legislature, on behalf of Senator Bishop, prime sponsor of SJR 14, said she had a copy of the Chapter 9 short section of the report that she could provide to the committee.

REPRESENTATIVE CARPENTER reiterated that he would like to learn more about what the strategies were before he signed on to the resolution.

[11:36:37 AM](#)

CHAIR VANCE referenced page 2, lines 28 and 29 of the resolution, noting it sounded promising, but expressed concern about being a type of subsidy for the state that may not be the best long-term plan. She commented that it sounded "broad."

MS. SHINE responded that it was included as more of a broad resolve for any market or any way to increase the promotion and purchase of Alaska seafood.

CHAIR VANCE agreed that every available market should be looked into, but there was a growing concern with what was seen in the farming industry relying on government subsidies that has turned into corporate farming, and individual farmers are not thriving. She said that that shift, over time, has not benefited families, and she stressed that she did not want to see it happen with Alaska's fisheries. She wished to increase the value of the product and its return to Alaska's fishermen.

[11:40:18 AM](#)

REPRESENTATIVE MCCABE inquired about amendments and the possibility of adding the Pacific States Marine Fisheries Commission (PSMFC) to "the copies sent."

CHAIR VANCE said she planned to set an amendment deadline.

[11:41:25 AM](#)

REPRESENTATIVE CARPENTER acknowledged that the state's fishing industry was currently suffering, and it was a complex issue. He summarized that the body's attempt to alleviate suffering by requesting help is acknowledging there is a trade imbalance and marketing challenge, and there would be a potential for a subsidy situation if things did not go as planned. He noted massive feedlots and fewer family farms being a result of federal involvement in the U.S. farming industry where smaller family farms cannot compete anymore. He shared that he was not sure he could be on board and again expressed the need for more information to determine what the legislature would be asking via SJR 14.

CHAIR VANCE referred to page 2, lines 16 through 20, about supply chain integrity and strategies and asked who could speak to the issue of needing assistance.

[11:45:08 AM](#)

MR. WOODROW offered his interpretation and pointed out that USDA had multiple different programs to help farmers. He said the supply chain for seafood is complex and does not always make sense to people, such as why fish is being sold at higher rates, but the fisherman is not making much money. He opined that it could be solved with some federal government help, and that many of these "asks" are also being asked by other seafood groups in the U.S. He stressed to fix what was broken in the supply chain.

CHAIR VANCE brought up origin and whether it was a requirement placed on the supply chain.

MR. WOODROW responded that there were different label requirements when it came to origin, and part of it dealt with trade and how to track the origin of fish. He said there was an ability to track from origin, but it was not being done.

[11:50:07 AM](#)

REPRESENTATIVE MCCABE commented on the billions of fish released into habitat by private individuals from Russia and questioned how local fishermen could combat that.

[11:51:29 AM](#)

REPRESENTATIVE CARPENTER restated that he was leery of a central government-managed fishery economy. He noted he thought the resolution had good points, but he did not want government strings.

[11:53:25 AM](#)

CHAIR VANCE announced that SJR 14 was held over.

[11:53:47 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:54 a.m.