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SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 473*

BILL NAME: *Establishing an Alaska Fisheries Council*

SPONSOR(S): *Kerttula*

RELATED BILLS PENDING:

DATE INTRODUCED: *2/15/84*

REFERRALS: *Resources  
Finance*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR  
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE  
SUBSTITUTES DRAFTED:

• Bill Hall, SAC

3114

• United Fisherman Alaska - Cass Parsons 586-2820

• ADF&G - 4100 - Paddy McGuire

• Kerttula - Rousey

UDCED

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: March 15, 1984

REQUEST

Bill/Resolution No.: SB 473  
 Title: "establishing Alaska Fisheries Council..."  
 Sponsor: Resources & Finance  
 Requestor: Kerttula  
 Date of Request: March 15, 1984

FISCAL DETAIL

Agency Affected: Fish and Game  
 Program Category Affected: NRMEC  
 BRU, Program or Subprogram(s) Affected: Fisheries Resource Conservation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		95.8	100.6	105.6	110.9	116.5
200 TRAVEL		59.1	62.1	62.5	68.7	71.8
300 CONTRACTUAL		162.9	171.1	179.6	188.6	198.0
400 SUPPLIES		3.0	3.2	3.3	3.5	3.7
500 EQUIPMENT		13.0	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING		333.8	337.0	353.7	371.4	390.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		333.8	337.0	353.7	371.4	390.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Beverly Reame, Director Phone: 465-4120  
 Division: Division of Administration Date: March 15, 1984  
 Approved by Commissioner: R. W. Kerttula Date: 3-15-84  
 Agency: Department of Fish and Game

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

SB 473

Staff:	Executive Director at 24A	\$ 67.1
	Secretary I at 10A	<u>28.7</u>
		\$ 95.8
Travel:	Boards Members	42.0
	Staff	5.0
	10 3-day meetings	<u>12.1</u>
		\$ 59.1
Contractual:	Boards Annual Report	\$ 150.0
	Phones, postage, copiers, etc.	5.5
	Space	<u>7.4</u>
		\$ 162.9
Commodities:	Office Supplies	3.0
Equipment:	Furniture for two	4.0
	Displaywriters	<u>9.0</u>
		\$ 13.0
	TOTAL	\$ 333.8



# UNITED FISHERMEN OF ALASKA

319 Seward Street, Suite #10  
Juneau, Alaska 99801-1188  
(907) 586-2820

Cass M. Parsons  
Executive Director

April 10, 1984

To the Members of the Alaska Fisheries Task Force:

As you may be aware, the United Fishermen of Alaska have gone on record in support of a bill currently before the legislature that would establish an Alaska Fisheries Council.

As members of the Task Force, we want you to be apprised of our reasons for supporting the concept of a fisheries council. The UFA is not opposed to the present policy making structure. We believe the mini-cabinet and the Task Force can be made to work in the best interest of all parties.

We have objected, however, to what we perceive to be a lack of industry voice in the present structure. We are concerned as to industries recourse in a situation where the mini-cabinet makes a policy recommendation to the Governor that is incompatible with the views of industry.

We have been in communication with the administration on this matter and have suggested a solution. We have suggested that the presently existing Task Force be given the ability to present a dissenting opinion to that of the mini-cabinet in the cases where it is necessary. Some members of the administration believe the Task Force already has this authority, we hope this is true.

However, some members of the Task Force are not clearly aware that the ability to offer a dissenting opinion exist. We have therefore encouraged the administration to communicate with you on this matter.

The UFA is very willing to continue with the present structure, i.e., the mini-cabinet and the Task Force as long as we can be assured that you, as a member of the Task Force and a representative of industry, have a formal ability to make the voice of industry heard.

Sincerely,

Cass M. Parsons  
UFA Executive Director

Philip Daniel  
Lobbyist

cc: Governor Bill Sheffield  
Members of Mini-Cabinet  
Bettye Fahrenkamp, Chairman of Senate Resource  
President of Senate  
Speaker of the House  
Bill Hall

APR 12 1984

SB 473

ALASKA FISHERIES POLICY TASK FORCE  
RECOMMENDATIONS AND RESPONSES, March 13, 1984

RECOM. GENERAL-  
NO. ADMINISTRATIVE

1-1 Develop State fisheries policy with statements of goals and measurable objectives.  
  
p. 24

A state fisheries policy must be developed, adopted and implemented, that include a statement of goals that define the benefits which should be produced for the people of Alaska from the utilization of our fisheries resources. The policy should contain a list of measurable objectives against which the activities of State government can be evaluated.

The statement should also clearly articulate the expectations that the people of the State hold in regard to the utilization of fisheries resources. The role of government would then be to work cooperatively with private industry to ensure that, to the maximum extent possible, the expectations are satisfied.

The Fisheries Policy Task Force recommends that criteria be drafted by the Governor to be applied by the Board of Fisheries when making a decision on a proposal that deals primarily with matters of long-term allocation between various users.

It is recommended that each agency discard existing goals, start from scratch, and define what they expect to accomplish in compliance with the State

Adopted, work towards implementation in progress

This certainly is a primary goal of the Sheffield Administration. It is not an easy task, since such policies will cover a large variety of issues in a complex industry. Such policies will also have to be capable of update and modification based on changing circumstances. The task of policy development and implementation has been assigned to the Fisheries Mini-Cabinet. Individual agency goals and objectives prepared for the FY '85 budget submission will be used to develop an overall coordinated statement of goals and objectives for fisheries as a first step to policy development. Policy statements can be drafted concurrently. The Fisheries Task Force Report will serve as a useful guide for this work. It should become immediately apparent where goals are either coordinated or require coordination. The cabinet will assign agency staff to perform this function with completion of drafts due early in the next legislative session. Review by industry representatives and various regulatory bodies such as the Board of Fish and North Pacific Fishery

fisheries policy as developed by the Fisheries Policy Council and the Fisheries Policy Task Force.

It is recommended that representatives of the seafood industry participate in the formulation of a State fisheries policy that includes desirable objectives and activities which would be used to determine budget priorities and that a process to evaluate the performance of agencies be implemented.

Management Council will, of course, occur prior to final adoption. A draft policy concerning joint ventures is now being circulated for comment.

The Task Force Report does not give an appropriate weight to the needs of the recreational and subsistence fisheries of the State. Clearly, any policy statement development has to include determination of the role of the recreational fishery in Alaska and promotion the orderly growth and development of the sport fishing industry.

In the development of policies, goals and objectives, use of existing documents should be taken into account. Identification of these will be one of the first jobs facing the Fisheries Mini-Cabinet. For example, statutes require comprehensive salmon enhancement planning with regional users and regional associations. In those areas of the State where regional associations have been formed, short and long term harvest objectives have been established for both enhanced and natural stocks.

1-2 Public pledge by Governor to work for fisheries development.

p. 56

The new Administration should make a very strong and definite public pledge to work to ensure the existing fishing industry as well as to the expeditious development of our under-utilized fishery resources.

Adopted and implemented.

1-3 Design and adopt policy implementation plan.

p. 56

The statement of support (Recommendation 1-2) should be accompanied by the implementation of a program that will confirm publicly the Administration's pledge. A reorganization and upgrading of the various fisheries programs that are currently scattered through numerous departments would confirm the Administration's commitment.

Immediately following the adoption of a State fisheries policy, a plan of implementation must be developed that not only describes operational goals and objectives, but also identifies the modifications in governmental structure necessary to ensure the efficiency of actual activities and the realization of benefits to be derived therefrom.

Adopted, work toward implementation is in progress.

Responsibility for policy implementation has been given to the Fisheries Mini-Cabinet.

1-4 Apoint a Special Staff Assistant for fisheries in the Governor's office.

p. 35

A person of demonstrated leadership and management ability must be given a position of authority from which he/she can work to ensure the successful implementation of the State fisheries policy. That person must be able to interact with representatives of the seafood industry, provide the Governor with information on State fisheries activities, and coordinate the fishery-related activities of State Government so as to maximize the benefits accruing to the people of the State.

All State fisheries-related programs should be coordinated through the Governor's Special Staff Assistant for Fisheries.

Not adopted.

At the current time, it is felt that most needs can be met through a formally functioning Fisheries Mini-Cabinet with advisory groups called on an ad hoc basis as required. It is not apparent that the same advisors would be suitable for all the various issues that will face the Fisheries Mini-Cabinet. The Fisheries Mini-Cabinet is expected to provide for the Governor the type of services that would come from a special assistant.

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| <p>1-5 Establish permanent industry-based fisheries advisory group.</p> <p>p. 34</p> | <p>The Task Force recommends a permanent industry-based fisheries advisory group be established. This group would be on call to the Governor and other state officials to advise on fisheries policy matters of concern to the State. This advisory group would also participate in the budget planning process each fiscal year and would further participate in an evaluation process at the end of each management year.</p>   | <p>Not adopted.</p>             | <p>Please refer to the response to recommendation 1-4 above.</p>   |
| <p>1-6 Set up "fisheries cabinet."</p> <p>p. 108</p>                                 | <p>It is recommended that the Governor set up a Fisheries Cabinet, consisting of the Chairman of the Commercial Fisheries Entry Commission, the Chairman of the Board of Fish, the Commissioner of Fish and Game, the Commissioner of Commerce and Economic Development, and the Governor's Special Staff Assistant for Fisheries to promote interagency and intergovernmental cooperation and coordination in the conduct of fisheries programs.</p> <p>It is also recommended that the Chairman of the Board of Fish, the Commissioner of Commerce and Economic Development, the Commissioner of Fish and Game, the Chairman of NPFMC, the Governor's Special Staff Assistant for Fisheries, and the Chairman of the Commercial Fisheries Entry Commission should meet with the Governor on a regular basis to coordinate State fisheries policy direction. This group should meet frequently, including prior to and following the annual series of meetings, to establish Alaska positions on all important fishery matters for the purpose of discussing and evaluating the outcome of their activities.</p> | <p>Adopted and implemented.</p> | <p>Governor Sheffield has formally appointed a Fisheries Mini-Cabinet and provided a set of specific charges. Cabinet membership includes the Commissioners of the Departments of Fish and Game, Commerce and Environmental Conservation and the Special Counsel for State/Federal relations. The cabinet is chaired by a Special Staff Assistant to the Governor.</p> <p>Additionally, the Chairman of the Commercial Fisheries Entry Commission, and the Executive Director of the Alaska Seafood Marketing Institute serve as associate members and from time to time other departments will be requested to provide support and assistance.</p> <p>Governor Sheffield's directions to the Mini-Cabinet are contained in a memorandum dated January 10, 1984 which is available for distribution.</p> |

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| <p>1-7 Add a fisheries person to the Governor's office staff in Washington, D.C.</p> <p>p. 86</p> | <p>That a strong fisheries presence be created in Washington, D.C., by adding a fisheries person on the staff of the Alaska Office under John Katz.</p> <p>The Task Force recommends that the Governor's Office in Washington, D.C., include a person knowledgeable in domestic and international fisheries.</p> | <p>Adopted and implemented.</p> | <p>A specific individual has been assigned to work with fisheries issues in the Governor's Washington, D.C. office.</p>   |
| <p>1-8 Establish central fisheries data and research bank.</p> <p>p. 64</p>                       | <p>It is the recommendation of the Task Force that a central fisheries data and research bank be established for use by all government agencies.</p> <p>A comprehensive data bank program should be designed, using monies currently earmarked for fisheries development.</p>                                    | <p>Review continuing.</p>       | <p>It is an attractive idea to have a central place where industry, agencies and general public can go to extract pertinent fisheries data. The Fisheries Mini-Cabinet will give careful consideration to under what auspices and to what degree such centralization should take place. Each agency produces data regarding its own mission in an amount and detail that is not economically or logistically feasible, or even desirable, to centralize. Each agency uses that type of information in a way that the general public or other agencies would not utilize it; therefore, the utility of storing information in a central location must be carefully considered.</p> <p>There is also significant difference beyond storing information for general public use as opposed to a research data bank. It would seem there would not be much utility to putting a detailed research data bank in a central location. Agencies, both internally and with other agencies, need to know where</p> |

to go to get information in the detail that they require. It is not apparent that individual agencies at this moment have the type of internal coordination that allows the public or other agency representatives to go to a specific spot to acquire such information. For example, within the Department of Fish and Game, an individual should be able to acquire current catch and stock status information, hatchery status, and pertinent regulatory information from either a single source or at least very specific sources within the appropriate divisions. In the interface between agencies in terms of making sure that the appropriate information from each agency is brought to bear in a coordinated fashion, it should be clear where this data can be obtained and made certain that it can be easily obtained.

There is a need for a centralized fisheries research library. Currently, most agencies and even divisions within agencies, have their own library function. The State central library also maintains periodicals and journals, as do several Federal agencies. It is recommended at least in Juneau that the University of Alaska, the Alaska Department of Fish and Game, and the National Marine Fisheries Service, combine their resources into a single, central library

1-9 Allocate a larger portion of the State budget to fisheries programs.

p. 88

It is recommended that the State allocate a larger portion of the capital and operational budgets to fisheries programs since such expenditures constitute investments that generate considerable returns to the State.

Review continuing.

which could make appropriate articles, literature searches, journals, data reports, etc., available to professional people or to the public at large. This function also could be used to assist in training and education recommended elsewhere by the Task Force.

One of the specific charges by Governor Sheffield to the Fisheries Mini-Cabinet calls for an evaluation of the costs and benefits of existing State fisheries appropriations and programs. Such an evaluation is the necessary first step in any attempt to justify an increase or reallocation in fisheries appropriations.

There are numerous examples of cost effective improvements that could be made in the Department of Fish and Game's management program. In the area of resource regulatory management, it can be clearly shown that significant harvest increases are possible with better data analysis on resource population dynamics, allowing the opening of appropriate fishing areas and times to allow harvest of identified stock surpluses while doing a better job of protecting the required brood stock for future production. In the case of the hatchery program, many facilities have been developed to the point where it is a relatively

1-10 Use meaningful goals and measures of performance in the development of fishery agency budgets.

p. 90

Budgets for each fisheries agency should have meaningful goals and objectives stated. Instead, goals should state that which is expected to be accomplished, i.e., higher average income for Alaskan fishermen, maximizing the benefit of the fisheries resource to Alaskans, maximizing the participation of Alaskans in fish harvests and fish processing.

It is also recommended that measures of performance be expressed in terms of progress toward goals and not exclusively in quantifying activities. For example, the Enforcement Division of the Department of Public Safety does a good job of reporting quantitatively and states precisely the several thousand contacts they made with potential violators. However, no qualitative judgment was made about whether these contacts were beneficial to the State of Alaska. In the eyes of the Task Force, it is probably of more benefit to the State of Alaska to make ten contacts and arrests with major foreign vessels than it is to make 10,000 contacts with sport fishermen on the Kenai River.

Adopted, work towards implementation in progress

small capital investment to jump production significantly. For example, the present value of the program after the next proposed \$5 million capital investment would increase some \$47 million.

Meaningful goals and objectives are currently used, although improvement in this area is needed. The problem comes with quantifying how much better you are going to do in achieving these goals and objectives for a certain percentage of increase in agency fiscal resources. This is an area that will be examined during the process of using FY '86 budget submissions to provide initial steps toward a coordinated fisheries policy. Some of the examples given in the Fisheries Task Force Report are excellent and will be reviewed as part of the process of examining agency budget goals and objectives.

MARKETING

- 2-1 Increase ASMI funding in 1984 and future years.  
p. 97
- ASMI funding must be increased in the coming years to ensure an adequate effort for products produced by both the existing and developing fisheries.
- The State of Alaska and the Alaska fisheries industry should devote more dollars for generic promotion of Alaska seafoods through ASMI. The Task Force recommends the State's allocation to be increased to \$4.5 million for Fiscal Year 1984.
- Review continuing.
- The Governor's proposed budget for FY '85 is \$3,813,400 or 98.7% of the FY '84 adjusted base. The question of increased appropriations for ASMI is linked to the larger question of increased or reallocated appropriations to fisheries programs in general and requires the same response as #1-9 above. In ASMI's case, increased appropriations are also tied directly to the volume and value of seafood landings through the ASMI assessment paid by the industry.
- 2-2 Increase ASMI budget allocation for developing fisheries.  
p. 97
- The Task Force sees the need for increased emphasis within ASMI on white fish marketing. Funding for an expanded white fish marketing campaign has been identified in the attached budget recommendations, Appendix B.
- A review of the dollar allocation system by species should be conducted with the intention being to encourage promotion of developing fisheries production.
- Referred to ASMI Board of Directors.
- This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors and their functioning Marketing and Quality Assurance Committees.
- 2-3 Maintain ASMI independence.  
p. 97
- The Task Force is of the strong opinion that the industry composition of ASMI must be maintained, i.e., that ASMI must not be absorbed by bureaucracy and that even while functioning as a State entity, ASMI must be allowed to continue its independence from the bureaucracy itself.
- Adopted and implemented.
- Governor Sheffield continues to support independent program development by ASMI. However, because of the Administration's duty to ensure that State appropriations are spent legally and responsibly, it is important that clear and well developed administrative ties be maintained between ASMI and the Department of Commerce and Economic Development.

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| 2-4 | Continue ASMI emphasis on high quality.<br><br>p. 97 | The committee urges continued work by the Alaska Seafood Marketing Institute (ASMI) on its voluntary premium quality label concept and supports the on-going efforts of ASMI and the Dept. of Environmental Conservation in preparing, in cooperation with fishermen and processors, handling guidelines for all Alaska seafood from the water to the consumer table and on developing industry and consumer quality assurance education and training programs.<br><br>ASMI should continue its emphasis on promoting Alaska seafoods with the highest-quality image. | Referred to ASMI Board of Directors. | This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors and their functioning Marketing and Quality Assurance Committees. |
|-----|--|---|--------------------------------------|--|

FISHERIES  
DEVELOPMENT

- |     |   |   |              |   |
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| 3-1 | Establish Division of Fisheries Development in DCED.<br><br>p. 47 | Replace the Office of Commercial Fisheries Development with a Division of Fisheries Development. The division would have equal status with the Division of Tourism and would be responsible for coordinating fisheries activities within that department.<br><br>The role of fisheries development is so important to Alaska's future that the Task Force strongly recommends it be conducted from a "Division," rather than through an "office." | Not adopted. | Division vs. office designation is largely a question of perceived status as there is very little inherent operational or functional advantage of one over the other. Divisions of State Government generally encompass a greater number of people and scope of activity. given the level of staffing in UCFD, the "office" concept fits the present organizational scheme of the department. The task force recommendation that UCFD coordinate fisheries related activities within DCED is a matter of function rather than structure and the office will be performing that function within the context of its current organizational structure. |
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| <p>3-2 Acquire and report wholesale prices if requested.</p> <p>p. 134</p>                           | <p>The State, in the past, has commissioned market studies in an attempt to provide final product forecasts that would be useful by those engaged in fish price negotiations. Such studies have not proven helpful in the negotiation process. The State should continue to provide the vehicle for the voluntary reporting of average wholesale prices where the affected parties request such.</p>   | <p>Adopted and implemented.</p> | <p>Currently, the Department of Revenue collects and reports wholesale price data for canned salmon. The Department of Commerce and Economic Development and other relevant agencies were directed by the Legislature to study the costs and benefits of collecting and reporting price information for all salmon products. The results of that study have been organized in a report that was presented to the Legislature in January.</p>  |
| <p>3-3 Wait for Task Force recommendation before committing OCFD contractual funds.</p> <p>p. 95</p> | <p>That the Office of Commercial Fisheries Development should withhold committing existing contractual funds for Fiscal Year 1983 until the final recommendations of the Task Force are presented to the Governor. The Task Force has considered recommending "sunsetting" the division, but instead, the preliminary recommendation is to reorient the many programs into just a few which directly address the priority needs of the industry.</p> | <p>Adopted and implemented.</p> | <p>UCFD funds were not committed until the task force completed its report and virtually all professional services contracts are closed out or being closed out. The goals and objectives of the office are being reoriented and its role in fisheries development redefined. Generally for the remainder of FY '84 and for FY '85, small projects and professional service contracts will be kept to a minimum. A current summary of objectives and services provided by the office is available for distribution.</p> |
| <p>3-4 Concentrate and improve relevancy of OCFD program.</p> <p>p. 95</p>                           | <p>That the Office of Commercial Fisheries Development should withhold committing existing contractual funds for Fiscal Year 1983 until the final recommendations of the Task Force are presented to the Governor. The Task Force has considered recommending "sunsetting" the division, but instead, the preliminary recommendation is to reorient the many programs into just a few which directly address the priority needs of the industry.</p> | <p>Adopted and implemented.</p> | <p>UCFD funds were not committed until the task force completed its report and virtually all professional services contracts are closed out or being closed out. The goals and objectives of the office are being reoriented and its role in fisheries development redefined. Generally for the remainder of FY '84 and for FY '85, small projects and professional service contracts will be kept to a minimum. A current summary of objectives and services provided by the office is available for distribution.</p> |
| <p>3-5 Apply FY '83 operating funds saved by OCFD program reduction to ASMI.</p> <p>p. 78</p>        | <p>The committee recommends that the two projects proposed to be undertaken jointly with ASMI with a budget of \$202,000 also be reviewed by the industry committee. The committee also recommends that any dollars saved from the \$269,000 and/or from the operating appropriation budget noted above be added to that pool of money to be used by ASMI this year for its proposed projects.</p>   | <p>Adopted and implemented.</p> | <p>ASMI's summer salmon barbecue promotion was supported by a \$202,000 RSA from UCFD. Other funds were returned to the State General Fund or obligated to the Division of Finance and Economics for the procurement of a seafood market information system.</p>  |

3-6 Drop one planned OCFD project, continue with four others.

p. 77

1. The Resource Library Project should proceed;
2. World Food Patterns Project should be done by staff;
3. The Ozone/Quality Project has the endorsement of the Department of Environmental Conservation. We recommend proceeding;
4. The Process Cost Model Project ought to be dropped completely.

The Small Projects Program should proceed. An industry review team should be set up to critique the projects proposed and to aid in the selection of those to be funded.

Adopted and implemented.

OCFD's ozone/quality project and the small projects program were continued while the other projects were dropped as suggested by the task force.

3-7 Review all regulatory and taxing policies that affect the seafood processing industry. Encourage climate for growth.

p. 134

State regulatory and taxing policies can adversely affect the processing segment of the industry. The committee recommends a thorough review of all such activities with the objective of creating a regulation and taxing climate that will encourage the growth of the processing industry within the State.

Adopted, work toward implementation in progress.

The OCFD routinely monitors the taxing and regulatory posture of the State and will question policies that may discourage private commercial enterprise. Work on two component parts of the issue is underway. In conjunction with the study conducted regarding wholesale price reporting (recommendation 3-2), the question of duplication of forms and reports required by the State was examined and recommendations are contained in the report. Additionally, OCFD is cooperating with the Department of Revenue and others to investigate the potential of a fisheries business tax credit incentive program to stimulate investment in groundfish production, equipment for value added processing, and product quality assurance.

3-8	Continue use of Department of Labor commissioner to mediate price disputes when requested.  p. 132	The committee recommends against any additional government involvement in fish price disputes. However, the ability of the commissioner or deputy commissioner of labor to serve as an informal, nonbinding mediator should be continued as a means whereby the State can properly assist in keeping lines of communication open between the disputing parties.	Adopted and implemented.	The Commissioner of the Department of Labor will continue to mediate price disputes when requested.
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MANAGEMENT

4-1	Increase salmon run forecast accuracy.  p. 51	In the area of salmon run forecasts, there is a significant need for increased research to improve methods and accuracy. ADF&G must increase its forecast accuracy.  The State should allocate research funds for the purpose of improving forecasting accuracy.	Adopted (in principle), work towards implementation in progress.	This has been an objective of the Department of Fish and Game for some time, although meaningful progress has been slow and, in some cases, not apparent. The track record does not indicate that forecasts in general are becoming better. One of the primary problems is the inability to control or evaluate the influence of variable marine survival. There are also very few salmon runs around the State for which accurate data exists over a significant period of time to relate total escapement and freshwater production with resultant returns, including catch and total escapement by stock.
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Forecasts are used by industry, the Board of Fisheries, and the general public in planning for their seasons and in determining allocation plans. The resource manager uses the forecast as part of an updating procedure. Preseason forecasts are viewed as preliminary indications to

develop management strategies, but, due to potential inaccuracies and the fact that it is not possible to forecast all of the major runs, the manager relies on an inseason updating process. Various indicators of stock abundance are used inseason to continually update the forecast until finally the total run is accounted for. The forecast, therefore, serves as a first yardstick. Obviously, if forecasts were completely accurate, they would provide a very valuable management tool; with declining funding, it has been judged more important to be able to assess stock abundance during the season so that fleets can be steered to harvest of stock surpluses while protecting runs that may not meet brood stock requirements than to spend significantly greater resources on forecasts per se.

The department does want to increase forecast accuracy and, within the present level of funding, is addressing the issue by improving the data base on escapement and catch by stock, improving biometrics analysis of existing forecast related data and, in a very few cases, expanding measurement of important life history stages such as outmigrating smolt in Bristol Bay. Much of the same data that goes into a forecast is generally used to evaluate escapement requirements and

4-2 Take ecosystem approach to biological management.

p. 52

The Task Force recommends an "ecosystem" approach to biological management. It is biologically accepted that the rise and fall of particular fish species is directly related to the corresponding rise and fall of other species. It is therefore in the industry's, and the State's best interest to manage fishery harvests recognizing the relative impact of such management upon other fisheries so as to minimize resource fluctuations and maximize the stability of the industry as a whole.

The Task Force also recommends that ecosystem management replace single-specie management wherever possible.

Adopted (in principle), work towards broader based management implementation in progress.

the available harvestable surplus by stock and where these needs coincide, forecasts will be improved over time.

It is apparent that fishery managers need to spend more time communicating the reasons for their programs and management objectives to the public. It is apparent that the Department of Fish and Game should have spent more time with the Task Force on this topic. Ecosystem management could mean as much or as little as finances and practical ability dictate. In its most global sense, it may never be possible to ecosystem manage, simply because we cannot usually predict the effects of harvest of prey species on predator populations (or vice versa) until that harvest becomes very large. An example of this is the harvest of herring in the Bering Sea. Herring constitute an important part of the food chain in the Bering Sea and, for this reason, ADF&G harvest policies are conservative in light of those applied to some other species. This is not done because they are specifically trying to manage food for, say, pollock, but rather because it is known that the total stress on the herring population is such that it will not sustain that large an additional predation by man. It doubtful that this will ever be quantified

exactly, since to do so would require good data on the food habits and absolute population abundance by size and year class for an improbable number of species. There is no way currently even to collect this type of information.

A more realistic type of "ecosystem" management concerns whether you manage single species or multiple species in direct harvest. This is an area where managers can have very direct impact. For example, in its simplest form, how do you manage mixed stock and mixed species salmon fisheries to harvest a particular run that may be in overwhelming abundance while protecting other, less abundant, less productive stocks which may be important to some segment of the public? A good example is sockeye management in Cook Inlet where king salmon mixed in very small numbers are very important to the sports fishermen. Another example is in Southeastern Alaska where management has concentrated on pink salmon in the seine fisheries to the detriment of summer chum salmon runs. Still another example is the development of groundfish fisheries which may incidentally harvest stocks of halibut or salmon important to another user. These things are taken into consideration and more so all the time.

The Task Force criticism is valid since, in the past, the manager of one fishery did not always communicate on how his management objectives might interface with that of another fishery. This is less the case now than it may have been because of the Board of Fish and North Pacific Council review of fisheries and management strategy conflicts. Nevertheless, further work is required. Better data on the stock mixtures in various fisheries and on the gear and methods available to harvest stock surpluses while minimizing some of these problems is needed. The Department of Fish and Game must also improve its internal program review and communication to ensure that management does take these problems in account and that the best possible research and expertise is brought to bear in solving them.

4-3 Review and evaluate all ADFG management practices and personnel.

p. 110

The Task Force recommends a thorough review and evaluation of the fishery management practices and personnel of the Alaska Department of Fish and Game in all areas of the State.

It is recommended that the Alaska Department of Fish and Game review the professional capabilities of its fisheries managers.

The Task Force recommends that an evaluation be conducted of fisheries management

Adopted, work towards implementation to be accomplished as resources allow.

There is no such thing as too much program evaluation and performance review. Often such review does get lost in the day-to-day crisis of managing major fisheries. The Department of Fish and Game is working toward a project oriented program where reporting and review is accomplished on a more systematized basis than currently exists. All projects and all management programs in the department receive some level of annual review currently, and much

programs at the end of each cycle which includes industry participation and that the evaluation include measuring performance against the stated goals of the divisions and department.

of it is quite critical.

The Board of Fisheries process ensures that major management programs and decisions are reviewed annually and in public forum. This is probably one of the few agency programs that does receive this type of review. There is definite ability for public input through both the Advisory Committee and Regional Council systems directly to the board where problems with management programs are perceived. The department, in recent years, has gone to some lengths to assure that reporting to the board is done in a consistent fashion that considers the biological objectives of the department and the allocation objectives of the board and reflects how well these were achieved. In the past, these reports have been made available only to the board members and selected agency people. While expensive, it may be useful to achieve broader distribution of these reports.

The question of personnel training is a difficult one. The Division of Commercial Fisheries recently undertook a comprehensive evaluation of the education and training of all its permanent employees. This was done to assist the regional supervisors and the Director in choosing which employees would receive the benefits of limited training and

4-4 Increase basic research activities conducted by ADFG.

p. 100

The Task Force recommends that the Sheffield Administration instruct the Department of Fish and Game and each of its divisions to reorient their existing budgets to include a greater amount for hard scientific research which will increase the knowledge of our resources. This does not refer to monitoring-type research, such as counting escapements and other related activities.

The Task Force recommends additional research in the following areas:

1. Migratory research, including coded wire tagging;
2. Ocean condition research;
3. Habitat research; protection of the resource should also include protection of the habitat resource.

travel funds by evaluating which ones might need this training the most and which employees had simply not received such training in the past. All fisheries divisions with the department will be completing a similar review.

It is probable that the department cannot afford to pay for formal education and this may not even be desirable. The department can coordinate attendance at workshops and technical meetings or organize such workshops itself. Managers, researchers, administrative people, etc. all need improved training.

Adopted (in principle), work towards implementation to be accomplished as resources allow.

Additional research is needed. Research needs to be primarily concerned with determining the character and level of brood stock required to maintain fisheries at some optimum level and the determination of the character and abundance of the populations that are available to us to provide for human use. Biological investigations, then, must center around defining the total abundance of individual stocks, including harvest and escapement.

The Task Force appears to feel that too much fiscal resources go into monitoring harvest and escapement but, if these parameters are not known, it is not possible to take

4. Stock origin research; stock origin is important to make allocations among nations, states and even regions of our state.
5. Reproduction and life cycle research.

If more were known about reproduction and life cycles of shrimp and crab, chances are these fisheries would have been managed differently in recent years.

It is recommended that additional effort and funding be expended for research that expands the resource knowledge of fisheries managers which is necessary to their responsibility for maximizing resource benefits for the people of Alaska.

the next stop of describing why populations fluctuate in the way they do. More data is needed on absolute abundance of total fish stocks, which includes catches and escapement. It is also necessary to better define stock origins and migrations, reproduction, life history, habitat requirements, and relationships between species (as indicated by the Task Force). The problem is simply that ADF&G has not been able to quantify the abundance of the individual resources being harvested, let alone getting to the second step of saying why they vary the way they do. Some program reorganization is probably warranted in certain areas, but significant improvements in the important areas outlined by the task force will require increases in funding. "Management" that consists of counting fish, be it in harvest or escapement, is not something that can be reduced, although with better program design, perhaps more could be gotten out of the data that is collected.

It is not possible to ignore ongoing fisheries. Every fishery that occurs in the State must be monitored to some degree. For the more productive fisheries such as Bristol Bay salmon, the ADF&G research and resource inventory program is quite extensive. If each salmon fisheries, for example, could be upgraded

in management capability to the level of Bristol Bay, it still might not be possible to explain all the ecosystem relationships between species, but it would help ensure that effective use of stock surpluses was made and allow close definition of stock reproductive requirements. That is not the level management is at in most fisheries and it is not simply a question of reorienting management programs to accomplish that level of research.

ADF&G has increased research in certain areas such as stock separation and quantified fisheries data analysis by setting up a special Stock Biology Section within the Division of Commercial Fisheries. This section has tackled individual fisheries problems on a priority basis and currently a major part of its activity has been in Southeastern Alaska to address US/Canada Salmon Treaty Negotiation problems. The number of issues this section can handle on an annual basis, however, is small compared to the size and variability of the resources statewide. The section has primarily addressed salmon resources and a similar approach is probably needed in shellfish but is beyond the current level of funding. Contributions from the Fisheries Rehabilitation,

Enhancement, and Development Division program in terms of migratory patterns, marine survival, and fishery contribution are increasing as the number of tagged hatchery fish in select fisheries is increased.

One area where ADF&G does spend a considerable amount of money that does not contribute to the direct areas of stock knowledge and resource management is in public contact and public relations. Many management staff members spend a great deal of their time either in meetings or on the phone or in personal contact with fishermen talking about the resources and about the program. Probably this aspect of management could be reduced at no loss in direct management, but perhaps a great loss in the ability to manage given to us through better public understanding of the requirement to manage.

4-5 Clarify relationship between Governor's Office, Board of Fish and Commissioner of Fish and Game.

p. 107

It is recommended that the Governor's office clarify the relationship between the Board of Fish, the Commissioner's Office of Fish and Game and the Governor's office. The Task Force recommends that the Board of Fish maintain its independent status, yet be informed regularly and in detail of the Governor's fisheries policy positions. We strongly recommend that the chairman of the Board of Fish report directly to the Governor, jointly with the Commissioner of Fish and Game.

Adopted and implemented.

The Governor's policy on this issue is quite clear. The Commissioner of Fish and Game, as a Cabinet Member, is the primary contact the Governor has with management of fish and game resources. The Board of Fish is an extremely important part of this process. The Commissioner serves as Secretary to the Board and it is appropriate that he be the primary formal contact for the board activities with the Governor's office.

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| <p>4-6 Chairman of Board of Fish and Commissioner of Fish and Game report jointly to Governor.</p> <p>p. 108</p>  | <p>Although it is understood that as a practical matter, not all boards and commissions can report directly to the Governor, it is also obvious that the Board of Fisheries is perhaps the single most important board of the State of Alaska. For this reason, we recommend that the chairman of the board report directly to the Governor, with the Commissioner of Fish and Game.</p>   | <p>Not adopted.</p>                                      | <p>Please refer to the response to recommendation 4-5 above.</p>   |
| <p>4-7 Limited Entry Commission and DCED provide economic information for use by Board of Fish.</p> <p>P. 108</p> | <p>It is recommended that the Board of Fish be provided formal economic input from State Government, just as it is provided formal biological input from State Government. At issue here is the lack of balance in fisheries management, between biological and economic factors.</p> <p>It is recommended that the Limited Entry Commission and the Alaska Department of Commerce and Economic Development jointly prepare economic information for use by the Board of Fish.</p> | <p>Adopted, work towards implementation in progress.</p> | <p>For some time now the Subsistence Division within the Department of Fish and Game has provided socio-economic information regarding the use of fish and game resources to the Boards of Fish and Game to assist them in their allocative decisions. The department and the boards have long felt that economic information regarding fishermen and the fishing industry also need to be provided to the board. Their ability to judge the impact of various allocative decisions and even to develop some of the more specific allocative criteria, or at least judge whether their regulations match those criteria, has been hampered by this lack of information. The Commercial Fisheries Entry Commission has started to provide, on request, economic information regarding fishermen's earnings by area and gear type, to the board where allocation controversies are serious. Such information is not yet available for other sectors of the seafood industry.</p> |

Problems have been experienced in the past in judging the impacts of different harvest management strategies by the ADF&G in terms of getting the best possible use out of the resource. Such economic information would assist the fishery manager. An area not covered in the Task Force Report is the economic value of recreational fisheries and who should provide this type of information to the board. Social considerations also are not taken into account, although they are more difficult to deal with.

Better data is needed on the economic value of various resource uses. While reasonably accurate information exists as to the direct value to fishermen and the first wholesale value to the industry of the commercial harvest of fisheries resources, good information does not exist on the secondary values generated to the State, local communities, and businesses from this industry. Further study is also needed as to the relative economic value of recreational and subsistence fisheries. This data could be quite important in formulating policies to guide fisheries development, devising resource allocation schemes, and considering the benefit of increasing investments in fisheries management and research, including rehabilitation and enhancement. If there is more than

4-8 Base management decisions on economic as well as biological factors.

p. 117

It is recommended that the State's economic participation in fisheries be expanded to contribute to the same extent as its biological counterpart.

Adopted, in part, work towards implementation in progress.

one way to allow harvest of a stock surplus, it is the Administration's desire to allow that method which would promote the maximum social and economic benefit from the harvest.

This is an area that does require improvement, although in essence pre-season regulations passed by the Board of Fish are generally based on economic allocative criteria. There is nonetheless a need for better information to be given to the Department of Fish and Game on how its management could improve the economic value of fisheries harvest. For example, if there is more than one way to allow the harvest of a stock surplus, it would be desirable to allow that method that would promote the best social and economic benefit from the harvest within, of course, the allocative guidelines specified by the board. This information is not always available to the department or may be of conflicting nature.

The department's management is viewed as biological, but, in essence, is economic in both the short and long term sense. While the department may provide resources for nonconsumptive uses, the department primarily provides opportunity for human use of fisheries resources. The department attempts to allow the maximum harvest possible from a resource in a given year while

4-9 Establish resource allocation criteria that maximize benefits to Alaskans, are legally valid and address long-term conditions.

p. 112

The Task Force recommends that allocation decisions should maximize benefits to Alaskans, where possible. Examples of allocation criteria might include traditional fisheries, fisheries which are predominantly resident, fisheries in which the participants have a higher degree of economic dependency, fisheries which harvest the same species for higher value than other fisheries, and the economic benefits or harm of the allocation decision.

It is further recommended that the State seek a legal opinion on allocation criteria such as those just listed.

Adopted as recommendation to the Board of Fish.

still preserving the required brood stock to ensure future economic benefits from that resource. There may be times when the overwhelming good may be served by a short term gain, even if it costs the resource in future productivity but these are decisions which are very difficult to make. In the absence of different guidelines provided by bodies such as the Board of Fish, who can better judge through the public forum conflicting priorities for resource use in the short and long term, the department is generally forced to manage for "optimum escapements, while providing maximum use of stock surpluses."

This is a difficult but worthwhile goal. As the Board of Fish is the body primarily responsible for making allocative decisions, the Department of Fish and Game stands ready to provide its assistance in formalizing such criteria. The Governor's intention to "Alaskanize" the seafood industry through the development of a comprehensive fisheries policy should be done in conjunction with the formalization of the allocation criteria.

The State should initiate a process to address long-term changes in resource allocation. In most cases, changes in allocations are simply short-term changes of resource availability. But, in a few instances, some allocation changes are long-term. It is these few cases which we feel the State needs to address in setting up a process.

4-10 Consistent with good management practices, allow harvesting of fish and shellfish when stocks are in prime condition.

p. 133

The committee recommends that the Alaska Department of Fish and Game in regulating harvests, attempt, insofar as it is consistent with proper management techniques, to allow harvesting when stocks are in prime condition.

Adopted, work towards implementation in progress.

The Department of Fish and Game and, generally, the Board of Fish have completely concurred with this objective as long as the seasons suggested fall within parameters that will not be harmful to the stocks. The department does not oppose shifting of seasons to promote maximum public benefit. Again, better information is needed on quantification of how much economic return from the resource is improved through one strategy or another. For example, in terms of crab recovery rates, very little quantified information has been available to the board from industry to judge improvement in recovery with one season over another. In the absence of such data, seasons have been set for public convenience based on public testimony.

5-1 Develop "fish and chips" policy for the State.

p. 59

It is recommended that a team of State personnel and industry representatives begin immediately to develop a long-term "Fish and Chips Policy" position for the State.

Adopted, work towards implementation in progress.

The Fisheries Mini-Cabinet has been charged with the responsibility of developing and implementing a fish and chips policy for the State. New regulations governing the permitting of foreign processing operations in

5-2 Develop policies to guide "joint venture" activities in the FCZ and internal waters of the State.

p. 62

It is critical that the State and the NPFMC develop a policy with respect to joint fishing venture activities and foreign processing operations in internal and FCZ waters as soon as possible.

Such a policy would be directed toward gaining greater benefits from joint ventures and foreign processing operations to the domestic industry and should include requirements that the foreign participants: engage in, or offer to engage in, cooperative marketing arrangements with their domestic counterparts, purchase a corresponding poundage of white fish from domestic operations and utilize American labor on their processing vessels. The Task Force recommends a joint venture policy which clearly delineates the range of joint venture operations in order of preference be established by the NPFMC.

Adopted, work towards implementation in progress.

the internal waters of the State have been drafted and are being circulated for public comment. Governor Sheffield has, in several communications to applicants for permits to process in State internal waters specified that: "All Alaska internal waters joint ventures will actively promote the development of Alaska shore-based processing of seafood products and that the specific activities intended to promote Alaska's seafood industries will be negotiated and agreed upon prior to the issuance of any permit to operate."

A draft joint venture policy for internal waters is currently being circulated by the Fisheries Mini-Cabinet. Please also refer to the response to recommendation 5-1 above.

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| <p>5-3 Place seafood expert in Alaska State Asian Office and provide with support.</p>               | <p>A seafood expert should be placed in the Alaska Asian office and this office should be provided with full-scale seafood promotional materials. The Asian office needs to have a significant travel budget.</p>   | <p>Review continuing.</p>                                |  |
| <p>p. 70</p>   | <p>The State must revitalize its effort and presence in Europe. Most importantly, a strong and well-focused seafood promotional program must be developed and coordinated from Alaska. This could be accomplished by either opening an Alaska office in Europe, or by contracting with firms to provide the services desired.</p>   | <p>No specific response is possible.</p>                 | <p>This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors.</p> |
| <p>5-4 Develop strong seafood promotion programs in Europe.</p>                                      | <p>The State must revitalize its effort and presence in Europe. Most importantly, a strong and well-focused seafood promotional program must be developed and coordinated from Alaska. This could be accomplished by either opening an Alaska office in Europe, or by contracting with firms to provide the services desired.</p>   | <p>No specific response is possible.</p>                 | <p>This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors.</p> |
| <p>p. 70</p>   | <p>The State should continue to work to accomplish the joint international trade program with the U.S. International Trade Administration that would set up an export office in Anchorage.</p>  | <p>Adopted, work towards implementation in progress.</p> |  |
| <p>5-5 Establish joint international trade program with U.S. International Trade Administration.</p> | <p>The State should continue to work to accomplish the joint international trade program with the U.S. International Trade Administration that would set up an export office in Anchorage.</p>  | <p>Adopted, work towards implementation in progress.</p> |  |
| <p>p. 70</p>   | <p>The tax on foreign fish harvests in FCZ water should be significantly increased. Not only would this serve to decrease the competitive economic advantage held by foreign and domestic underutilized species production, but it would provide a significantly expanded funding base through which the projects contained in these recommendations could be funded.</p> | <p>No specific response is possible.</p>                 | <p>This recommendation can only be carried out by the Federal Government.</p>  |
| <p>5-6 Increase tax on foreign fish harvests in FCZ.</p>   | <p>The tax on foreign fish harvests in FCZ water should be significantly increased. Not only would this serve to decrease the competitive economic advantage held by foreign and domestic underutilized species production, but it would provide a significantly expanded funding base through which the projects contained in these recommendations could be funded.</p> | <p>No specific response is possible.</p>                 | <p>This recommendation can only be carried out by the Federal Government.</p>  |
| <p>p. 69</p>   |   |  |  |

5-7 Develop with industry, a State position concerning any international treaties being negotiated that affect Alaska fisheries.

p. 86

The Task force recommends that the State formulate a firm Alaska-negotiating position in every treaty situation;

That fishing industry members should be directly involved in developing Alaska positions and in monitoring treaty negotiations;

That the State's policy in treaty negotiations should be to maximize the benefits accruing to the Alaska seafood industry, particularly in regard to the U.S.-Canada Pacific salmon treaty, which threatens to eliminate a large and high-quality salmon fishery.

Adopted and implemented.

Delegations from user groups in most recent international negotiations have been large and data and information have been shared openly between State Government officials and industry representatives. The Board of Fish and the North Pacific Fishery Management Council also have participated in these discussions and their public hearing processes have been used to obtain input on various issues. Regarding the current US/Canada Salmon Interception Negotiations, the Administration has taken care to see that a large group of industry advisors is available to advise the Governor on the position the State should take on various issues. Unfortunately, many of these issues are so complex that no single gear group or user group may agree on the overall benefits or losses to be accrued from such agreement and at some point the Administration, Board of Fish, North Pacific Council, and other groups may have to choose some middle ground.

More formal development of positions on issues prior to negotiation may be desirable, but the process of negotiation requires some flexibility. Industry input during the actual negotiating process is certainly sought.

In regard, particularly to the US/Canada Salmon Interception Negotia-

tions, coastwide poor management practices and poor habitat conservation may threaten Alaska fisheries if the State cannot bring those elements under some control. The State will not support any treaty that, as an objective, tries to eliminate one of our historic fisheries. The Task Force Report states that the troll fishery in Southeast "during a period of good fishing years" has been severely restricted and that the treaty has never been identified any potential benefits that might come to the troll fishery. These are areas in which the Administration has sought further information from both professional staffs and the public. Nevertheless, it is apparent that while our fleet may have felt that fishing off Alaska was good, most of the contributing natural stocks, including those in Alaska, are in a sorry state of depression. The degree to which the Alaskan troll fishery bears a responsibility to help conserve these stocks must be negotiated. Obviously, Canadian overfishing and poor environmental practices in British Columbia have played major roles in stock depression. Restrictions in Alaska have been warranted in light of conservation needs. A treaty is desirable only if it brings appropriate regulation to the Canadian fisheries, increased chinook enhancement by all parties, and better environ-

mental practices in spawning areas, measures which would benefit our fishery. The Administration took a strong stand this summer in not restricting our fishery to levels desired by other jurisdictions which would simply transfer fish to less restricted fisheries farther to the south. This stand was taken even in the face of threats of Federal preemption of State management. We did not, however, feel that in the face of the conservation problems along all areas of the coast that we were warranted in prosecuting a wide open fishery. In fact, while our harvest was more than had been desired by many entities, our fishing season was actually shorter than it was in 1982. In this way, we tried to achieve a balance between resource conservation and potential reallocation.

5-8 Communicate the Alaska position on treaties and similar matters to the Congressional Delegation and other appropriate people. Provide for explanation to the public.

That the Alaska position on treaties and other international matters be strongly communicated to councils, commissions, boards, and other Alaska fisheries entities which can impact the final decision.

Adopted, work towards implementation in progress.

More coordination in this area is obviously needed. Better informational packets should be prepared for the general packet then have been available in the past. This is an area the Department of Fish and Game will assist in coordinating. Congressional staff people have been invited to advisory meetings and negotiations.

That Alaska's Congressional Delegation sit down with State and industry officials and agree on and support the Alaska position.

Benefits resulting from compliance from treaties should be clearly defined for Alaskans.

p. 86

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| <p>5-9 Treaties should be handled by Special Assistant to the Governor.</p> <p>p. 87</p>   | <p>Treaties should be processed through a central position such as a Governor's International and Domestic Fisheries Advisor.</p>   | <p>Not adopted.</p>                                      | <p>The Governor has asked his chief fisheries cabinet member, Commissioner of the Department of Fish and Game, to serve as his representative in US/Canada treaty discussions. The department also is charged with advancing the State position in other forums such as INPFC.</p>   |
| <p>5-10 The State should establish regular communication with INPFC and seek to influence federal appointments.</p> <p>p. 88</p> | <p>The State of Alaska should establish either regular communications and a working relationship on a formal basis with the INPFC.</p> <p>The State of Alaska should make informal recommendations on federal appointments to this body.</p> <p>The Governor's Domestic and International Fisheries Advisor should discuss the desired Alaskan positions with members of the INPFC prior to their meetings.</p> | <p>Adopted, work towards implementation in progress.</p> | <p>The State does regularly attend and contribute to the INPFC deliberations. The State of Alaska was actually instrumental in obtaining the renegotiation of INPFC to remove the majority of the influence of directed Japanese high seas salmon fisheries off of Alaskan stocks. Further improvements are needed in this area and the Department of Fish and Game have been asked to coordinate the formulation of State positions and the coordination of these positions with INPFC industry advisors and Commissioners.</p> |
| <p>5-11 Achieve 100% observer coverage on foreign vessels in FCZ.</p> <p>p. 115</p>  | <p>The Task force recommends 100 percent observer coverage on foreign fishing vessels in American waters off Alaska. In most cases, boarding of foreign vessels off Alaska's coasts has revealed underlogging of catch, or other violations.</p>  | <p>No specific response is possible.</p>                 | <p>Action on this recommendation must be carried out by the Federal Government. However, the Administration supports this recommendation. 100% observer coverage may be possible for the National Marine Fisheries Service by 1985. A policy is also needed regarding a State position on observer coverage and fishery monitoring in general on domestic groundfish operations in State waters and the FCZ. Many questions exist as to how best to</p>  |

5-12 Seek to immediately eliminate foreign interception of Alaska salmon in the Bering Sea and North Pacific and by renegotiation of INPFC convention; eliminate all high seas salmon fisheries.

p. 88

It is further recommended that the INPFC be requested to immediately formulate regulations to eliminate the interception of Alaskan salmon stocks by the Japanese mothership fleet and land-based gill net fleet in the Bering Sea and the North Pacific Ocean, and to request the removal of the foreign squid and albacore fisheries from waters or where the incidental harvest of Alaskan salmon stocks is probable.

It is further requested that the State of Alaska ask the U.S. State Department to renegotiate the INPFC Convention for a total ban on foreign high seas salmon fisheries in the Bering Sea and North Pacific Ocean within a three-year time span.

5-13 Support five-year phase-out of all foreign fishing and processing activities in FCZ.

p. 134

The committee recommends that the Governor support a five-year phase-out of all foreign fishing and processing within the FCZ and state waters to allow domestic fishermen and processors the opportunity to fully utilize the available resources.

Adopted, work towards implementation in progress.

Review continuing.

minimize the impact of these operations on incidentally caught species while, at the same time, promoting the economic development of the domestic fishery.

It is the State's long term objective that all high seas offshore salmon fisheries be eliminated. The State has worked hard toward achieving this objective, but it is not always easy since some of these fisheries occur outside of direct United States jurisdiction. The State position this year is to reduce Japanese high seas salmon fisheries influences in the Central Bering Sea through the INPFC. Also through the INPFC, we will be demanding additional observer coverage and better research in the new, expanding squid fisheries. Unfortunately, two of the countries, Taiwan and Korea, are not signatories to INPFC and the State will have to work through the U.S. State Department and its Congressional Delegation to achieve better controls on these fisheries. We are in the process of doing so.

The Fisheries Mini-Cabinet will address the impact of this recommendation on Alaska fisheries development and decide whether to and how to incorporate it into overall State fisheries policy as an objective.

5-14	Alaska appointees to the NPFMC should communicate regularly with State fisheries officials, the Board of Fish and the Governor.	The Alaska appointees to the NPFMC should communicate regularly with state fisheries officials, the Board of Fish and the Governor. Though the Council's formal duty is to promote fisheries development on the federal level, it is clear that the states of Alaska and Washington are the primary beneficiaries of the Council's activities. In this light, it is proper for Alaskan members of the Council to communicate with State officials and to understand clearly the Alaskan and American position of fisheries matters in the FCZ.	Adopted, work towards implementation in progress.	The Governor has asked the Commissioner of Fish and Game to ensure that Alaska appointees to the NPFMC are kept updated on issues and State policies regarding those issues prior to council meetings. Since the Commissioner also serves as the ex officio Secretary of the Board of Fish and regularly meets with that body, he is in a good position to ensure such communications.
	p. 105			

5-15	The NPFMC should identify certain species for domestic harvest and processing only.	The Council should identify specific species for domestic harvest and processing. This will overcome the "Catch 22" problem of Council allocation which calls for American harvest only when the capability is already there to harvest and process.	Review continuing.	The Fisheries Mini-Cabinet will address the impact of this recommendation on Alaska fisheries development and decide whether to and how to incorporate it into overall State fisheries policy as an objective.
	p. 106			

INFRASTRUCTURE

6-1	Begin capital construction projects, especially in western Alaska, that will encourage and serve shore-based fisheries development. Consider all industrial needs at identified major port sites.	The State, in conjunction with the Federal Government and private industry, should immediately place significant emphasis on infrastructure development, particularly in Western Alaska. In this case, infrastructure consists of docks and harbors, reduction facilities, fuel storage tank farms, etc. This should be accomplished through outright capital construction projects funded by the State, possibly in conjunction with the Federal Government, and through long-term, low-interest loans to private industry.	Adopted, work towards implementation in progress.	In responding to the three specific recommendations in this category, the Department of Transportation and Public Facilities suggested eight related policy statements as follows:
	p. 66			<ol style="list-style-type: none"> <li>1. Infrastructure to support fisheries development consists of docks and harbors, waste disposal facilities, warehouse/cold storage facilities, fuel storage tank farms, etc.</li> </ol>

We suggest that the State of Alaska adopt a policy that will encourage harbor development and siting that will serve developing fisheries and bring the maximum amount of activity to shore. For example, the Pribilof Islands harbor seaports are proximate to the vast pollock, shrimp, cod and other Bering Sea fisheries. This situation offers an opportunity to site shore-based processing facilities that promise to be economically viable.

The State should identify major port sites. The port concept not only includes harbors for boats, but also uplands for both processing, distribution and service. If the

State plans its port development with this in mind, then Alaska is likely to displace some of the Seattle-based distribution system in Alaska's billion dollar fishery industry.

It is recommended that the planning process for fisheries development should include identifying water and sewer needs and resources.

6-2 Consult with local people during the process of harbor planning.

p. 103

Department of Transportation planners should communicate with local people prior to design and location of harbors. This will avoid some of the problems of past developments.

Adopted, work towards implementation in progress.

2. Providing the necessary infrastructure should be accomplished by outright capital construction projects funded by the State.
3. New infrastructure should be sited so as to serve developing fisheries in a manner which will attract processing and support activities to shore.
4. The concept of port (as opposed to harbors) includes the uplands needed for processing, storage, transfer, and support services as well as boat harbors.
5. The planning for port/harbor developments should include identifying the needs for water and sewer facilities and services, as well as for marine facilities.
6. The Department of Transportation and Public Facilities (DOT/PF) port planners should communicate with local people prior to making design and location commitments for port/harbor projects.
7. Selection from among competing harbor projects should be based at least in part on the results of cost/benefit analysis.

6-3 Harbor projects should be selected for State funding on the basis of cost benefit analysis. Provide for existing communities first.

p. 104

The State should conduct a cost-benefit analysis of competing harbor projects. Those projects which provide the most benefit in terms of employment, income to Alaskans, safety and shore-based development, should be selected over others. It is recommended that the State should take the lead in planning and funding harbor developments that promote the production of benefits for existing communities.

Adopted, work towards implementation in progress.

8. Emphasis for new projects should foster the creation of benefits in existing communities rather than creating new communities.

Some legislative changes may be necessary for implementation of these recommended policies. For example:

- o The Port Development Act, AS 30.15.030 limits State funding of port projects to 90 percent for communities under 5,000 population and 80 percent for larger communities.
- o AS 30.15.020 requires a feasibility study for each port project receiving State funding; selection from among competing port projects could be predicated on comparative feasibility and benefits.

The Department of Commerce and Economic Development and Transportation and Public Facilities are committed to cooperating on a wide range of issues including the area of port development.

#### REVENUE

7-1 Provide tax incentives to encourage a greater

There is room for Alaska to adopt a tax scenario which would provide tax incentives to companies to more fully process

Adopted, work towards im-

As indicated in the Fisheries Development Section, the Departments of Commerce and Economic Development

degree of processing in Alaska.

p. 68

the product within Alaska. The Task Force recommends that the Raw Fish Tax be redesigned to provide economic incentives to private industry to diversify and develop new fisheries and fishery products. In this recommendation, the Task Force envisions a graduated tax, ranging from tax credits to tax increases based on the degree of processing that occurs within Alaska.

The State should consider a tax incentive program for developing fisheries, planned improvements in existing fisheries and new investment in Alaska-based operations. In other words, it is suggested that Alaska's taxing program should encourage increases in shore-based operations of all kinds.

7-2 Provide loans and tax incentives for equipment purchase and plant modernization to permit processing of underutilized species and "value-added" products.

p. 68

Long-term, low-interest loans and tax incentives should be provided to Alaskan seafood processing and marketing companies for the express purpose of modernizing their facilities, where necessary, and for the purpose of purchasing equipment necessary for expansion into underutilized species, or for diversification into "value-added" products.

7-3 Provide loans and fuel tax credits to encourage the harvest and onboard processing of underutilized species.

p. 69

Tax incentives through Marine Fuel Tax credits should be provided to harvesters engaged in the harvest of underutilized species. Additionally, long-term, low-interest loans should be made available to harvesters for the purchase of shipboard primary processing, such as bleeding, heading and gutting machinery.

plementation in progress.

Adopted, in part, work towards implementation in progress.

and Revenue are currently analyzing the types and value of tax incentives as a means of encouraging development and growth in all sectors of the seafood industry.

As indicated in the Fisheries Development Section, the Departments of Commerce and Economic Development and Revenue are currently analyzing the types and value of tax incentives as a means of encouraging development and growth in all sectors of the seafood industry.

- 7-4 Evaluate existing fisheries related taxing programs on all government levels.
- p. 94
- It is recommended that the State evaluate the existing fisheries-related taxing programs on the state, local and federal government levels. This evaluation should include an overall look at the income derived by these government agencies from fishermen and fisheries businesses. The evaluation should include distribution of the raw fish tax, sales tax, federal income tax, ASMI processors' tax, and others.

### EDUCATION

- 8-1 Expand the variety and depth of U of A fisheries programs. Organized curriculum to be more supportive of the seafood industry.
- p. 98
- The Task Force recommends that the University offer a greater variety of programs on the academic, technological, research and applied levels in the form of a curriculum that integrates the disciplines of scientific biological research, fishery management and business management programs specifically directed at the seafood industry. The Task Force would like to see more economic analysis of fisheries, more science and technology, and more fisheries industry management emphasis. As an example, nowhere in the State of Alaska can the contents of a can of salmon be examined for botulism.
- Adopted and implemented.
- In 1981, the University of Alaska developed a plan for the improvement and expansion of all university fisheries and fishery-related programs. That plan specifically addresses these two recommendations. In response to the plan, since 1981, the university has improved and expanded its fisheries program at the University of Alaska-Juneau and has established the Fishery Industrial Technology Center at Kodiak. Both of these organizations have advisory boards which are made up of industry and agency personnel. The university budget process has placed emphasis on building these two programs.
- 8-2 Expand University training and research and development programs. Coordinate activities with other government agencies.
- Existing training along with research and development programs need to be coordinated and expanded throughout the State university and community college system. Such programs need to be coordinated with the Alaska Fisheries Development Foundation, the National
- Adopted and implemented.
- The university is currently updating its fisheries development plan. Within budget constraints, it plans to maintain fisheries programs as a high priority area. Therefore, the

Increase funding especially for Fisheries Industrial Technology Center.

p. 72

Marine Fisheries Service, and the proposed Fisheries Technology Center in Kodiak. Training and research and development programs needs to be developed, funded and implemented as soon as possible. Special attention should be paid to increase funding of the Fisheries Industrial Technology Center as soon as possible. The University should make a concerted effort to win a larger share of the Sea Grant monies distributed nationally.

university is planning to continue to address these two recommendations.

It should be noted that the federal Sea Grant Program has been targeted for termination by the current administration. Congress has been able to maintain the program at a reduced level and the University of Alaska has been able to maintain its level of funding. The report indicates that the University of Washington received a "majority of Sea Grant monies nationwide." This is simply not true; federal funds go to over 30 Sea Grant institutions. The University of Alaska's level of funding is not that much different from the University of Washington's. We do not expect to be able to expand our grant from the federal Sea Grant Program in the near future.

8-3 Reorient U of A research programs to include food technology, industrial, economic and marketing research.

p. 102

The Task Force recommends that the University of Alaska improve, reorient and expand its research programs to include food technology research; industrial research, such as plant design; economic research and marketing research.

Adopted, work towards implementation in progress.

The University of Alaska has established research programs which include food technology and economic and marketing research. The food technology research is being undertaken at the newly established Fishery Industrial Technology Center while research oriented toward economics and marketing is undertaken at the School of Management, University of Alaska-Fairbanks. Although these research programs have been established, limited funding will prevent them from expanding. Please see comments under RESEARCH.

8-4 Promote consistency between U of A programs and State fisheries policy. University administration coordinate with industry-based fisheries advocacy group in program planning.

p. 99

It is important to promote consistency between the educational and research programs of the University of Alaska and the statewide fisheries policies. It is, therefore, recommended that University administrators work closely with the Fisheries Policy Council in planning their research programs.

Adopted, work towards implementation in progress.

The University of Alaska would be pleased to work closely with any fisheries policy group that is formed. One of the major problems that was identified during the establishment of its current programs is the lack of recognition by the State of the role that education and research plays in the development and conservation of the State's fisheries resources. The University believes that any State policy must recognize the need for education and research and that the University of Alaska will play a role in the implementation of that policy.

Currently, there is little structured coordination between University fisheries research and educational programs and other State fisheries management and development activities. One of the responsibilities of the Fisheries Mini-Cabinet is to review fisheries related research and educational programs for consistency with State management and development goals and to offer organizational alternatives that will assure on-going coordination.

#### FINANCIAL ASSISTANCE

9-1 Redefine role of ARC. Limit the ability of ARC to hold equity/ownership position.

That ARC cease the practice of taking over and operating failing companies and that ARC's selection process be tightened to prevent the high failure rate. Serious

Adopted, in part, work towards im-

Proposed legislation, HB 685, is attached.

Reduce failure rate of ARC investments.	consideration should be given to re-defining the role of ARC, which should include limitations on ARC's ownership and management of private enterprise in Alaska. Further, ARC should be required to phase out their ownership of companies once the viability of the enterprise is established.	plementation in progress.	
p.84	The State loan program should have two goals of paramount and equal importance. The first goal is to make available to qualified Alaska residents a financing program that provides them a source of long-term loans for the purchase of limited entry permits and commercial fishing vessels in a manner that can best assist them in the conduct of their businesses.	Adopted and implemented.	The present commercial fishing loan program is administered in strict compliance with existing statutory provisions. AS 16.10.310 establishes eligibility for the program. Expansion to encompass broader goals would require amendment of the statutes.
9-2 Goal of State loan program to make long term loans to residents for entry permits and fishing vessels.	The second goal is to ensure that the financial interests of the State are protected by a program staffed by competent professionals who are highly skilled in the areas of credit analysis and evaluation and who are knowledgeable in the complexities of the Alaska commercial fishing industry.	Adopted and implemented.	Present staff in the two divisions (Investments/Accounting and Collections), including 14 new employees hired within the year to fill vacancies, are entirely competent to administer the loan programs. Employees are hired from State eligibility registers and are subject to State personnel rules.
p.138	There are two possible means for accomplishing these two goals. One means would involve continuing the present state program with the commitment to improve its level of professional competence and the quality of service extended to Alaskans. Another means would involve terminating the present	Adopted and implemented.	As mentioned under recommendation 9-3, present staff is fully competent to administer division policies, and given loan to staff ratios, is doing a commendable job. Both division directors are committed to ongoing performance measurement. Opportunities for im-
9-3 Goal of State loan program to protect State interests by employing competent staff.	9-4 Accomplish goals (9-2, 9-3) by improving level of staff competence and quality of service or terminate program and provide service through	5/87	

<p>private institution. p. 138</p>	<p>program and providing for the services to be made available to Alaskans through private lending institutions.</p>	<p>proving service will continue to be given full consideration as they arise.</p>	
<p>9-5 Allow State loan program applicants to be prequalified for entry permit loans. p. 139</p>	<p>A system for prequalifying applicants, or for accepting and processing loan applications that do not include purchase agreements, should be initiated for the purpose of placing Alaskan residents in a more competitive position in the entry permit marketplace.</p>	<p>Not adopted.</p>	<p>Prequalification of applicants for loans under the commercial fishing loan program would be expensive and time consuming as many applicants would not ultimately take out a loan. A better response, and the focus of present efforts, is to provide timely processing of applications. This is a stated objective of the Division of Investments and is reflected in the division's budget documents and individual employee performance evaluations. The current emphasis on stronger regional offices and the addition of the Dillingham office also contribute to this effort. Prequalification cannot address constantly changing variables in the loan evaluation process, such as the applicant's financial standing, fluctuations in limited entry permit values, and changes in eligibility standards.</p>
<p>9-6 Establish specific criteria for handling loan extension requests. p. 139</p>	<p>Specific criteria for loan extension requests should be adopted for the purpose of insuring a uniform consideration of problem loans.</p>	<p>Adopted and implemented.</p>	<p>Specific guidelines handling extension requests were adopted last fall as a result of meetings between State agencies and the public. It is important to note, however, that financial underwriting of risks will always necessitate some element of subjective professional judgment.</p>

9-7 Obtain current entry permit valuations from the entry commission.

p. 141

The Division of Business Loans should request from the Commercial Fisheries Entry Commission current entry permit valuations when the State's collateral valuations differ significantly from market values expressed in loan applications.

For purposes of the Commercial Fishing Loan Program, it is important that the collateral values of entry permits reflect current market conditions. Any improvement that can be made to the system by which these values are determined should be made. It is also important that the Commission continue to make available to the Division of Business Loans current permit valuations on request as well as on a quarterly basis.

Adopted, work towards implementation in progress.

Commercial Fisheries Entry Commission is in the process of adopting, by regulation, a policy calling for the monthly updating of limited entry permit values. Once the commission provides that data, the Division of Investments will utilize it.

9-8 Detail specific personnel to have responsibility for commercial fishing loans.

p. 141

Specific personnel in the division should be delegated the primary responsibility for commercial fishing loans.

Not adopted.

Designation of specific loan examiners to process commercial fishing loan requests would actually slow processing times for the program and weaken administrative efforts. The Division of Investments presently has ten loan examiners to administer nine active loan programs of which commercial fishing is one.

These loan examiners staff four regional offices of the division. Designation of specific loan examiners for the fishing loan programs poses three drawbacks. First, some offices may be deprived of the ability to process any fishing loans;

9-9 Review State loan program collateral requirements.

p. 143

Collateral requirements should be reviewed to ensure that they are not excessive.

Adopted and implemented.

second, vacancies among loan examiners assigned to commercial fishing loans would cripple the program until replacements were hired; and third, peaks in loan demand could not be handled.

Administration of the Commercial Fishing Loan Program requires the Division of Investments to balance the purposes of promoting the commercial fishing industry and protecting the investments of the State. This balancing process necessitates an ongoing review of collateral requirements, utilizing a prudent-man standard.

Recent statistics reveal that as many as 31.7 percent of commercial fishing loans were in default. While the granting of extensions has reduced this rate to approximately 17 percent, circumstances suggest that present collateral requirements are not excessive or unreasonable. Of those vessel loans that have gone into foreclosure, recently the State has been able to recover approximately 24 percent of its outstanding loan balance.

9-10 Establish ongoing program to evaluate quality of service provided by State loan program.

p. 142

A method for an on-going program evaluation should be instituted that measures the quality of service. This could include service questionnaires mailed to borrowers and periodic program reviews by approved groups representing consumers, i.e., UFA.

Adopted, work towards implementation in progress.

Ongoing program evaluation is essential to the professional management of the loan programs. Customer service questionnaires have gone out to more than 8,000 borrowers requesting feedback on quality and timeliness of service. This has

given the Division of Accounting and Collections staff important information which is being used to correct areas of weakness. (Although the responses have not been formally tallied as of this date, it is obvious that borrowers under the commercial fishing loan program do have significant concerns which will be receiving attention.) Customer service questionnaires will continue to be mailed to borrowers as they contact the division in the coming months.

In addition to this effort, both divisions (Investments/Accounting and Collections) are implementing internal performance monitoring systems, and are committed to keeping the lines of communication open between themselves and the public.

Creation of an explicit instruction manual for the commercial fishing loan program would now appear to be unnecessary. The present application has recently been rewritten to simplify the forms and provide additional instructions. This application seems to be gaining widespread acceptance from Alaska fishermen.

9-11 Provide an explicit instruction manual to State loan program applicants.

p. 142

An application instruction manual similar to the one developed by CFAB should be written and enclosed with every loan application package. This manual, similar in concept to IRS income tax preparation instructions, will help those Alaskans who are not sophisticated borrowers to properly complete their loan applications, thereby avoiding delays in processing.

Not adopted.

9-12 Reestablish program to send loan officers around the State on a periodic basis.

p. 143

The circuit rider program which sent loan officers around the State on a periodic basis should be reinstated to the extent of at least two circuits of the State per year.

Not adopted.

Creation of stronger, more autonomous regional offices and a branch office in Dillingham have greatly reduced the need for the circuit rider program. Loan examiners now travel periodically within regions to more efficiently utilize scarce funding for this purpose. With loan officers in the two divisions servicing on an average of 555 loans per year, time for travel is not abundant. This compares to The Commercial Fishing and Agriculture Bank's average of 71 loans per year. The Department of Commerce and Economic Development is also working closely with the Department of Community and Regional Affairs to develop an outreach program for State loan programs. This cooperative effort will see various offices throughout the State supplied with loan applications for all loan programs coupled with a network of initial information for prospective loan applicants.

#### ENFORCEMENT

10-1 Ensure the absence of threats of violence in situations of price dispute.

p. 112

The committee recommends that, in any price dispute situation where there is a possibility of violence, that the Department of Public Safety all steps necessary to assure the public and the participants in the dispute that negotiations can be held in the absence of threats of violence.

Adopted and implemented.

10-2 Set new goals for Enforcement Division that seek to maximize benefits of fisheries to Alaska.

p. 114

It is recommended that the Enforcement Division of the Department of Public Safety set new goals and relate them to maximizing the benefit of fisheries to Alaska.

Adopted and implemented.

The reformulation of goals and objectives by the Division of Fish & Wildlife Protection as submitted with the budget documents for FY '85 has already fulfilled the intent of this request. However, as well written and formulated as any set of goals may be, the measurement of the degree of fulfilling those goals has always been an extremely elusive target for a law enforcement agency, especially a fish and wildlife enforcement agency. How, for example, can one measure how many crab or fish are not taken illegally because of any action the enforcement agency may or may not take? How can we measure how many crab or fish are are taken illegally because of our presence or absence? The answers to these questions are central to determining the attainment of the goals set for enforcement programs. Yet, they are nearly inmeasureable.

A prime example of the difficulty in evaluating an enforcement program is contained in the Task Force Report. Mention is made of a program by Fish and Wildlife Protection in 1981 where a great deal of money and manpower was spent inspecting the type of hooks used by commercial trollers. This example demonstrates two of the problems encountered in measuring our effectiveness. First, the lack of

public feed-back on our programs. No one complained of the ineffectiveness of enforcement efforts or even complained to our commanders that the division was spending time and efforts in a program which was meaningless in light of much more serious violations being committed. Second, the fact that one enforcement activity has many objectives of varying priority. The division did not make checking hooks a priority program; officers were incidentally checking hooks (the regulation regarding hooks had just changed from treble hooks to single hooks) while they were pursuing routine fishery patrols for fishing during closed periods and in closed waters, fishing without Limited Entry permits, etc. Since it is so difficult to measure the effect of Fish & Wildlife Protection programs and the attainment of goals, commanders have stressed to their officers the need for high numbers of contacts, especially in high priority areas, in the belief that these contacts will foster a sense of enforcement presence and thus provide a deterrent to a potential violator. Thus, though it may have appeared that the division was stressing the quantity aspect of our activities, it was with the intent of deterring violations. The reformulation of Fish and Wildlife's goals was made with the intent of stressing even more the quality of

the division's activities over the mere quantity of people contacted. Commanders stress to their officers the importance of common sense and discretion in the enforcement of regulations and the need for looking at the intent of regulations and offenders before any action is taken. Those people in law enforcement understand, probably more than most, the need for respect and public support for their actions.

10-3 Prioritize enforcement activities to reflect potential degree of loss to State and citizens.

p. 114

It is strongly recommended that the division prioritize their enforcement activities according to the degree of loss to the State and its citizens and to the intent of the offender.

Adopted, work towards implementation in progress.

In order to further direct enforcement activities toward the priority areas where they are most needed, the Division of Fish and Wildlife Protection has requested input from the Department of Fish and Game as to the areas and times they, as managers, think an enforcement presence will be most important to the resource. Mere dollar value of the resource being taken cannot be the sole criterion, since there are many sides to the issue of loss to the citizens of the State.

10-4 Cooperate with Federal law enforcement authorities.

p. 114

It is recommended that a cooperative relationship be developed between Federal and State law enforcement authorities to ensure the proper enforcement of all applicable fisheries laws and regulations.

Adopted, work towards implementation in progress.

Fish & Wildlife Protection realizes the need for close cooperation with federal law enforcement activities. In fact, the division maintains close cooperation with the federal Fish & Wildlife Service and the National Marine Fisheries Service. However, it is very difficult to cooperate in enforcement programs

when State regulations and federal regulation are in conflict. The goal of increased communication between state and federal agencies mentioned earlier can only help in the attainment of this goal of increased cooperation between State and federal law enforcement agencies.

#### AQUACULTURE

- |   |  |                          |   |
|---|--|--------------------------|---|
| 11-1 Improve coordination and communication between agencies and between agencies and participants involved in enhancement matters. | Coordination and open communication between agencies involved in enhancement matters and between agencies and participants of the program in the private sector should be improved.  | Adopted and implemented. | Efforts are underway by the Department of Fish and Game to provide for greater coordination. A scoping meeting was held in the spring with all the regional aquaculture associations to determine how private and public sectors could better coordinate their efforts for aquaculture in Alaska. A follow-up meeting, which also included private non-profit operators, was held on October 21, 1983. The Commissioner of Fish and Game has ordered the private nonprofit hatchery coordinator to develop a charter to help define the role of the regional associations. The department and aquaculture participants have formally agreed to meet at least quarterly. |
| p. 122  |  |                          |   |
| 11-2 Emphasis rational enhancement program development, stop personal power struggles.  | Program managers and staff, both public and private, should be concerned above all else with the overall rational development of the enhancement program as a whole. Their first obligation must be to the resource and to the people who utilize the resource. They | Adopted and implemented. | Planning efforts both within the Department of Fish and Game and in cooperation with regional aquaculture associations and clearing of allocation issues through the Board of Fish, are all intended to assure a rational development of our  |
| p. 122  |  |                          |   |

should not waste their efforts in turf battles and political activities aimed at establishing personal power bases.

11-3 Regain public support for FRED program. Do not reduce State support. Undertake internal review to insure that facility performance is in line with current needs and objectives.

p. 122

Public support and understanding of FRED program needs to be regained. The FRED program should not be reduced or otherwise crippled. However, an internal review of each individual facility and program should be conducted to determine operational performance in line with strategic plans, resource and user needs and adjustments needed to accommodate desired production objectives that may have altered since facility start-up. Brood build-up to design capacity should be accomplished as rapidly as facility status and donor stock availability permit.

Adopted (in principle), work towards implementation to be accomplished as resources allow.

enhancement program. Increased emphasis on fisheries cover program development between the three fisheries divisions within the Department of Fish and Game is also taking place to ensure that a coordinated program that does address the various users' needs is achieved. The Fisheries Mini-Cabinet has initiated a study on aquaculture development leading to formulation of a policy for consideration by the Governor.

For the past two years, the Department of Fish and Game has contracted with the Dittman Company to determine public opinion of the Fish and Game programs in Alaska. The second most cited program with which the general public is satisfied is the fisheries enhancement program. All State facilities have been reviewed in the contract cost and benefits, based on present and projected production. Production goals and objectives for all the State's hatcheries are determined by regional comprehensive salmon enhancement plans, and performance is measured against standard assumptions developed in the FRED Division several years ago. Accomplishment of the goals and objectives is measured each year. Objectives for the production of fish are given annually. Reconsideration of the goals and objectives for the enhancement

11-4 Conduct review of capital needs to bring hatchery facilities to design capacity. Develop valid capital construction plan.

p. 123

11-5 Modify operating budget allocation formula to account for hatchery facility needs as they progress from start-up to full production.

p. 123

A thorough review of capital needs to bring all facilities to either existing or proposed design capacities should also be conducted to provide valid data for a capital construction plan.

The current allocation formula (base plus x percent), which is used to determine funds needed to pay for the operational costs of the state hatchery system, does not adequately meet the needs of the facilities as they progress from start-up to full production.

Adopted and implemented.

Adopted, work towards implementation in progress.

facilities is an ongoing process. Original design capacity of the facilities is no longer an obtainable objective because of the lack of capital improvement dollars to complete the facilities.

Capital construction plans are available for all facilities that are not now completed. Engineering cost estimates are revised annually.

Current budget ceilings do not take into account expanded production from the State's hatcheries. Operational costs for these hatcheries are less during start-up years than what is required when the facilities reach full capacity. Without additional operational funds being provided, other portions of the rehabilitation and enhancement program must be sacrificed to provide additional operational funding for the hatcheries as they expand, or some hatchery operations are suspended to make money available for remaining hatchery operations. Since 1979, the buying power of the FRED operational budget has remained essentially static. In the meantime, since 1980, 11 new hatchery facilities

have been brought on line. A new formula for determining an adequate operational budget funding base for the FRED Division hatchery operation is a necessity if maximum production potential from existing facilities is to be realized.

11-6 Thoroughly evaluate all implications to transfer public hatchery facilities to PNP operators.

p. 123

There is also the unresolved question regarding the ability of the State to fund on-going operational costs for a full-fledged, state-operated enhancement system, given the diminishing nature of the State's revenues.

The Task Force recognizes that, pending enabling legislation, a selection transfer of public facilities to PNP operators may be among the alternatives that are acceptable and workable partial solutions to the funding problem. However, the Task Force recommends that all implications and ramifications of this approach be thoroughly investigated by the proposed Aquaculture Policy Study Group prior to implementation of the legislation.

Adopted, work towards implementation in progress.

The FY '84 budget submitted by the Governor provided for adequate funding of the State's 20 hatcheries. This funding was subsequently reduced by \$718,000 by legislative action surrounding the hatchery transfer issue. Evaluations of the impacts of such potential transfers certainly needs to be done as soon as possible and it is probable public input into this question should be sought. This is one of the first tasks of the Governor's Fisheries Mini-Cabinet, since the long range economic implications need to be coordinated with biological and management concerns. Please refer to response 11-14 below.

11-7 Include financial considerations in salmon plans emerging from RPT process.

p. 125

A long-range salmon plan emerging from the RPT process would be impractical and meaningless if it did not also include a financial plan for the capital investments and operational costs necessary for the projects needed within a region.

Adopted, work towards implementation in progress.

The costs of carrying out salmon programs within a region need to be evaluated relative to the benefits to be expected. This is obviously a function of both the department (ADFG), the associations and PNP's, since each of these entities is responsible for implementing the programs required to carry out a particular plan. Better coordination is needed by

the department in referencing comprehensive plans in their budget submissions, so that projects requested can be tied to the accomplishing of plan objectives. The department has technical experts to design and evaluate project proposals in a system for such review, evaluation, and prioritization, to consider projects for which it is responsible. The comprehensive planning process should be considered in conjunction with the budget process, but one cannot take the place of the other.

11-8 Improve coordination between agencies, develop analytical criteria, increase public participation in regional salmon enhancement planning process.

p. 124

The regional salmon enhancement planning process is an important prerequisite to funding enhancement goals and objectives by regions and statewide. However, there is a need for greater statewide coordination between participating agencies in that planning process so that the procedures and guidelines are more consistent on a statewide basis. There is also a need to develop analytical criteria; a need to increase input from the public; and, in some instances, a need to improve responsiveness by planning teams to public input.

Adopted, work towards implementation in progress.

Improved coordination in statewide comprehensive plans between regions is certainly needed and these plans and how they will be used will be an early topic for the Fisheries Mini-Cabinet to consider in their development of fisheries policy. Please refer to response 11-14 below.

11-9 Insure coordination between strategic plans and the annual operational plans of all participants in enhancement activities within a region.

Coordination between strategic plans and the annual operational plans of all participants in salmon enhancement activities within a region is essential.

Adopted and implemented.

Goals and objectives set in the comprehensive regional salmon plans approved by the Department of Fish and Game should certainly be used in the various operational documents and budget document produced by the entities and agencies involved in salmon enhancement with a

p. 125

11-10 State loan program should provide loan funds for enhancement projects according to a stated policy that reflects statutory and program goals.

p. 125

The Division of Business Loans should have a stated lending policy that is consistent with statutory intent and program goals. The loan committee of the Department of Commerce and Economic Development should continue a policy of providing loan funds for approved PNP projects that are consistent with statutory and program goals for construction, construction activities and for operational costs incurred during start-up phases of hatchery facilities, as well as for other appropriate enhancement projects.

Adopted, work towards implementation in progress.

region. There has been general consistency to this in the past but the department will ensure that such review does take place.

Previously, the State has been able to fund virtually all loan requests made by qualified applicants for construction and operation of hatcheries. The Governor's Fisheries Mini-Cabinet is undertaking a review of the enhancement program at this time. In light of declining State revenues, the task force may be looking to establish funding priorities for the hatchery program.

11-11 Study interrelationships of hatchery and wild salmon in terms of managing mixed stock fisheries, genetic implications and disease control. Seek to reduce misconceptions and bias among professionals and the public.

p. 126

There is a need to address professional biases and public misconceptions about the interrelationships of hatchery and wild salmon, so as to clarify questions regarding:

- \* Harvesting of hatchery and wild salmon in mixed stock fisheries to ensure that exploitation rates of wild stocks taken incidental to fisheries targeting on hatchery fish do not become detrimental;
- \* Genetic implications of interactions between hatchery and wild fish;
- \* Disease control in both wild and hatchery fish.

Adopted, work towards implementation in progress.

Steps are being taken by the FRED Division to produce a brochure entitled "Misconceptions About Salmon Enhancement." Further research needs to be done on the effects of managing mixed stock fisheries on both individual stocks and on allocation problems in certain areas. This is not restricted to enhancement alone, since mixed stock fisheries management is a reality and a problem in salmon fisheries throughout Alaska. The problem of identifying various stocks in mixed stock fisheries so that management of such fisheries can take enhanced stocks into account remains, but is being addressed through various marketing techniques.

Little factual information is available to the public that explains how the Alaska salmon enhancement program deals with these issues.

Some of the implications of moving or mixing stocks of fish in regard to the genetic or disease impacts will only be answered over the long-term through a program of careful monitoring control. A cautious approach to these questions is being taken to both secure the benefits from our enhancement program while minimizing risks to natural stocks.

11-12 Support strict State regulation to ensure disease control in aquaculture operations.

The Task Force recognizes the importance of disease control in aquaculture activities and supports a program of strict state regulation to ensure the continued health of the State's salmon resource.

Adopted and implemented.

The State of Alaska has the strongest fish disease laws of any state in the nation. The Department of Fish and Game has a well organized and highly trained pathology section, which provides pathology diagnostic services to the public as well as the private sector.

p. 127

11-13 Maintain nonprofit status of aquaculture operations.

The Task Force believes very strongly in necessity for maintaining the nonprofit status for private aquaculture in the State. Any efforts to change that status would be considered a threat to the industry.

Review continuing.

p. 127

11-14 Establish aquaculture policy study group to address major issues and important questions presented in the Task Force report.

The Task Force recommends that an Aquaculture Policy Study Group be established to perform a necessary, in-depth examination and analysis of the present state salmon aquaculture program, its goals and its problems. The group should have expertise available to it in the areas of economics, business, finance, law, marketing, food technology, biology, fisheries management, and fish culture. It should address itself to a number of

Adopted and implemented.

In the area of aquaculture, the task force focused more closely on issue identification than on the development of specific recommendations. Many of the statements in this category suggest policy direction without offering specific implementation mechanisms or policy statements. The task force does recommend the creation of an Aquaculture Policy Study Group that would be charged

p. 128

questions which are presented in the report.

with addressing the issues identified in the report. The report of the Committee on Resource Maintenance and Enhancement recommends review of regional and Statewide salmon enhancement development goals, objectives and potential; the socioeconomic costs and benefits associated with achieving those goals and objectives associated research and management needs, funding strategies, institutional/organizational alternatives and etc. The administration concurs that these and other issues urgently need to be addressed if the State is to rationalize its on-going investment in salmon enhancement/development. While the creation of a free standing Aquaculture Policy Study Group is not consistent with the Governor's administrative philosophy, the same responsibilities and tasks assigned to the group by the task force are included in the Governor's charge to the Fisheries Mini-Cabinet, and the mini-cabinet has been instructed to immediately address salmon enhancement/development issues. The mini-cabinet's staff work plan will soon be available for distribution.

#### LIMITED ENTRY

12-1	Maintain CFEC office in Kodiak and expand Anchorage	The Commercial Fisheries Entry Commission (CFEC) licensing office in Kodiak is providing a necessary and desirable service.	Adopted and implemented.	Funds to continue operation of the Commercial Fisheries Entry Commission's Kodiak licensing office are
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office to include licensing.

p. 145

It should be continued.

The location of a CFEC commissioner in Anchorage also provides a valuable service and that office should be expanded to include licensing capabilities.

included in the Governor's proposed FY '85 budget. If funded, CFEC intends to continue the Kodiak office. Additionally, if funds were provided for the purpose, CFEC agrees that an Anchorage office to provide on-site licensing would be a valuable service. In FY '84, the commission sought funding for an Anchorage Commissioner's office without success. At this time, CFEC feels that it can better work through its backlog of adjudications with all commissioners based in Juneau and working together on a day-to-day basis.

CFEC notes that on a regular basis, it does work with the Department of Law, the Governor's Fisheries Mini-Cabinet, members of the Legislature, UFA, various gear groups, and individual fishermen.

Rather than establish a formal work group, the commission will consult with interested parties on an issue-by-issue basis.

12-2 Appoint limited entry working group to investigate issues below (12-3, 12-4, and 12-5) and recommend action to Fisheries Policy Council. Complete work by January 31, 1984.

p. 146

It is recommended that a limited entry working group be appointed to investigate the following issues (12-3, 12-4, 12-5) and to recommend appropriate courses of action to the Fisheries Policy Council. The working group should consist of qualified representatives from the Commercial Fisheries Entry Commission, the Department of Law and the commercial fishing industry. The issues are as follows:

It is understood that the recommendations of the working group may include the passage of legislation, so it is recommended that they complete their work and report their findings to the Fisheries Policy Council by no later than January 31, 1984.

Not adopted.

- |   |   |  |   |
|---|---|--|---|
| <p>12-3 Do not use buy-back program to reduce number of entry permits, study other alternatives.</p> <p>p. 146</p>        | <p>The buy-pack program, as defined by present law, is not a desirable method for reducing the number of entry permits to an optimum level. Alternative methods for reducing the number of permits should be investigated.</p>  | <p>Adopted, work towards implementation in progress.</p> | <p>There are flaws in the buy-back program and CFEC has continued the process of discussing alternatives with the UFA board at its recent annual meeting. The commission welcomes the opportunity to work toward a viable buy-back program with any gear group.</p>                                 |
| <p>12-4 Study possible ways to reduce high cost of entry permits.</p> <p>p. 147</p>                                       | <p>The present high cost of entry permits in some fisheries is an obstacle to increasing the number of Alaskans participating in the State's fisheries, particularly in rural Alaska. It is recommended that the Department of Law investigate possible solutions to this problem.</p>  | <p>Review continuing.</p>                                | <p>CFEC welcomes participation in such a study by interested groups.</p>  |
| <p>12-5 Investigate need and justification for extending limited entry program to additional fisheries.</p> <p>p. 147</p> | <p>The system of limited entry presently being used for the salmon and herring fisheries may not be the best system for use in other fisheries. It is recommended that the working group investigate the need and justification for extending a limited entry program to additional Alaskan fisheries, and that it make recommendations on the method or methods best suited for these fisheries.</p> | <p>Adopted, work towards implementation in progress.</p> | <p>CFEC welcomes the opportunity to work with any gear group to determine the value of extending the present limited entry scheme to additional fisheries. The present statutory framework may not adequately lend itself to the limitation of most shellfish and other large vessel fisheries.</p> |

NATURAL RESOURCES

- |   |  |                                 |   |
|---|--|---------------------------------|---|
| <p>13-1 Require review of Department of Natural Resources proposed planning and clarification regulations by resource</p> | <p>Proposed regulations allow state-owned lands to be classified as coal, mineral, oil and gas lands based on suspected potential alone, with no requirement for data indicating that commercial quantities exist. On lands so classified, the</p> | <p>Adopted and implemented.</p> | <p>The State's planning and classification regulations have been promulgated. They establish a system that incorporates a large degree of public and interagency participation prior to the classification of State</p> |
|---|--|---------------------------------|---|

agencies. Retain existing regs if renewable resource concerns can't be met.

p. 148

nonrenewable resource development then becomes the primary use of the land and takes precedence over any other use.

The Department of Natural Resources proposed planning and classification regulations require more thorough review by other resource agencies to properly address renewable resource requirements. They should either be revised to remove the objectionable portions or be discarded in favor of retaining the present regulations.

lands. Habitat protection is a constant concern for the land manager, whatever the classification. Resource inventory is conducted prior to any land planning effort, to prevent unfounded planning and land classification.

13-2 Representatives of the CFEC, Board of Fish and Department of Natural Resources must meet to resolve conflicts in regulations governing set net entry permits which involve land use permits and fisheries management regulations.

p. 146

It is mandatory that representatives of the CFLC, the Board of Fish and the Department of Natural Resources meet to resolve conflicts in regulations governing salmon set net entry permits which involve land use permits and fishery management regulations.

Review continuing.

CFEC has reviewed and commented upon regulations proposed by DNR on set net site leasing.

CFEC works regularly with the Board of Fish to avoid regulatory conflicts. Some guidance from the Task Force as to the particular conflicts which must be addressed would be helpful.

13-3 Resolve conflicts between agencies concerning resource development in OMB or Governor's office. Provide for adequate public review.

p. 150

Conflicts occur in resource development between different State agencies. These conflicts should be resolved in the Office of Management and Budget or in the Governor's office. In issues of broad public interest, there should be adequate comment periods to provide opportunities for public review.

Adopted and implemented.

Administrative Order No. 78 and regulations implementing this order and HB 152 enacted by the 1983 Legislature have placed the coordination of resource development conflicts in the coastal zone in the Office of Management and Budget. The regulations contain fairly short time limits for resolving these conflicts, but do provide adequate

periods for public comment and involvement through the coastal resource districts and coastal resource service area boards.

13-4 The State must do adequate research and impact planning to maintain fisheries resources in the face of offshore oil development.

p. 152

Where critical fish and wildlife information is lacking, necessary research must be conducted prior to offshore oil and gas development. In addition, the only effective means of mitigating potential impacts appears to be to anticipate potential problems and provide industry planners and resource managers with comprehensive information on project design and siting criteria before extensive planning or any amount of construction occurs. The State must be committed to the twin tasks of ensuring adequate research and energy impact planning if its marine fisheries and wildlife resources are to be maintained in the face of accelerated offshore oil development.

Adopted and implemented.

With respect to federal offshore oil and gas development, the Governor has communicated a detailed position to the new Secretary of the Interior, William Clark. The Governor requested that the size of lease sale offerings be reduced, that the pace of the overall schedule be slowed, and that a few sales be postponed to allow time for further research and public education efforts. Of particular interest in this regard is the North Aleutian Planning Area (Bristol Bay) sale, currently scheduled for April 1985. The Governor requested a delay until at least 1994 on that sale. The Governor also requested that federal funds be restored to that Outer Continental Shelf Environmental Assessment Program, so that necessary research can be conducted. Secretary Clark has the State's request under advisement, and a response is anticipated any day now.

13-5 Implement regulations to put Instream Flow Law in effect.

p. 152

The Instream Flow Law, an amendment to the Alaska Water Use Act, makes it possible to reserve enough water in a stream or river to allow: protection of fish and wildlife habitat, migration and propagation; recreation; navigation; and water quality maintenance. Although

Adopted and implemented.

The DNR has adopted instream flow regulations to implement this important law for allocation of water uses. Allocation has already occurred in some anadromous streams. The regulations became effective on September 11, 1983, and the

this law was passed in 1980, the Department of Natural Resources has still not put into effect regulations to implement it.

It is very important that these regulations be implemented as soon as possible.

department is accepting applications which are complete and filed in accordance with the regulations and statutes.

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|---|--|---|--|
| 13-6 Adopt more restrictive options for habitat protection proposed in draft Bristol Bay Cooperative Land Use Plan.<br><br>p. 154 | The Bristol Bay Cooperative Land Use Plan, now being prepared for public review in draft form, includes some alternatives which do not provide for habitat protection. To ensure that alternatives favorable for perpetuation of fish and wildlife resources and human use of these resources are adopted, this Task Force strongly endorses the more restrictive options proposed by ADF&G as long as traditional hunting and fishing values are preserved. | Review continuing.                                | After a thorough public process, the Bristol Bay study group has made recommendations for the Bristol Bay plan that the Alaska Land Use Council has approved in concept. The State supports this plan, believing that it provides the maximum possible protection for resource uses and habitats in accord with public demand. The plan makes special allowances for protection of the region's world-class fishery. |
| 13-7 Consider use of plans such as Bristol Bay Cooperative Land Use Plan for other regions of the State.<br><br>p. 155            | It is also the consensus of the Task Force that such land use plans as Bristol Bay has developed could be of value to the rest of the State.   | Adopted and implemented.                          | DNR is presently engaged in a Southeast tidelands planning process.  |
| 13-8 Recommend well researched and designed programs to insure habitat and resource protection in coal reserve areas.             | The State needs to develop comprehensive, accurate data on fish and wildlife resources that are likely to be affected in coal reserve areas in order to facilitate project planning and review. The State should develop cost-effective recommendations for mitigating adverse impacts to  | Adopted, work towards implementation in progress. | It is important to do research in coal resource areas which are likely for commercial development. Specific study areas include resource inventory, water quality changes, and physical disruption of habitat.   |

p. 156

fish, wildlife, and habitat resources. Efforts should be made to foster innovative design and experimental programs to optimize habitat protection, reclamation and enhancement programs.

13-9 Insure that DEC and ADF&G are staffed and organized to adequately regulate placer mining operations. Do stream reclassification only under close consideration of fishery habitat needs.

p. 158

DEC and ADF&G Habitat Division must be adequately staffed and coordinated to ensure inspection trips to help the larger placer mining operations meet regulations. Stream reclassification should be done under close scrutiny, and include consideration of the present downstream uses and fishery habitat needs. The placer mining industry is economically important to Alaska, but it must be regulated so that other resources do not suffer.

Adopted and implemented.

DNR, F&G, DEC should be adequately staffed to monitor and regulate placer mining operations. Reclassification of streams is one tool available to potentially accommodate renewable and nonrenewable resource activity. However, reclassification cannot place in jeopardy in-stream or down-stream users or the ability to protect and propagate fish resources. It is recognized that placer mining and fish production can, in certain circumstances, be incompatible.

ADEC will concentrate field efforts first on improper settling pond operations and second on turbidity violations on the most sensitive, high-conflict streams, which include those frequently used for fishing and canoeing, for significant sources of community drinking water supplies, and for subsistence. ADEC will cooperate with ADFG, EPA, DNR and other agencies in developing sound permits, monitoring and enforcing their conditions, and advancing technologies for gold recovery and pollution controls compatible with overall resource conservation responsibilities and mandates.

13-10 Retain present form of Corps of Engineers' 404 permit program.

p. 158

The Governor and our Congressional Delegation should take a strong stand to retain the Corps of Engineers' 404 individual permit program in its present form. If required, the State should go to court to retain the original program. There may be a need for a faster review process to speed up permitting, and there may be ways to better serve the public. But the very fact of having the permit is most important to habitat and water quality management, and its authority should not be diluted.

Adopted and implemented.

The Department of Environmental Conservation was disappointed over the Corp's proposal to provide general 404 permits for wetlands. The State believes: (1) Activities should be permitted and not the environments in which the activities take place; and (2) the department wishes to retain the ability (through the 401 certification process) to review each permit. The State of Alaska is pursuing the procedural issue on the 401 certification suit. Laura Davis, Assistant Attorney General, is working on the case. She has written "statements of fact" which she is going to finalize by March 9 and submit to the Corps of Engineers and the Justice Department. Once that is done, Ms. Davis will prepare the legal brief for suit. ADEC and ADNR are working closely on this issue.

13-11 Direct ADF&G to research impact of clearcut logging on fisheries in S.E. and other areas of the State. Include results in Alaska Lands Act report to Congress in 1985 on status of timber harvest in S.E.

p. 162

The Alaska Lands Act requires a report to Congress in 1985 on the status of timber harvest in Southeast Alaska. The Governor should immediately direct the Alaska Department of Fish and Game and other appropriate State agencies to research the biological and economic impact of clearcut logging on sport, subsistence and commercial fisheries for inclusion in that report. This research should also take into account timber harvest impacts on fishery habitat in all areas of the State where timber harvest activities take place.

Adopted and implemented.

The Office of Management and Budget has been directed to coordinate state agency involvement in developing a state response to the USFS, TLMP Evaluation, 706(a) and (b) reports to Congress, and TLMP Revision. This analysis will include an analysis of both the biological and economic implication of logging in the Tongass. ADF&G is actively participating in this process and is continuing work on the impacts of logging on fish and mammals.

13-12 Insure strict compliance of timber harvest regulations. In the case of violations, assess penalties equal to losses incurred by the fishing industry.

p. 163

Additionally, it is necessary for the State to place immediate, increased emphasis on enforcement to ensure timber harvesting operators comply strictly with all applicable regulations. Penalties assessed against violators should be strict and should incorporate economic penalties equal to the long-term economic and social losses incurred by the fishing industry through such violations.

Adopted and implemented.

However the assessment of penalties as recommended is probably not possible due to the difficulty of defining the degree of loss to the fishing industry and the fact that the actual assessment of penalties is generally a responsibility of the court.

# Alaska State Legislature

MAR 05 1984

Advisory Council Members  
Senator Kerttula, Chairman  
Senator Bennett  
Senator Fahrenkamp  
Senator Vic Fischer



Pouch V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

### MEMORANDUM

TO: Senator Kerttula  
FROM: Bill Hall *awh*  
DATE: March 5, 1984  
RE: SB473 - Fisheries Council

*when is hearing*

*Back up*

You introduced SB473, which is a bill to create a fisheries council along the lines of the Agriculture Action Council, and it is scheduled for hearing by the Senate Fisheries Committee. The bill was suggested to UFA by Paul Huppert and they passed a resolution recommending it. The need for a fisheries council was also a central recommendation of the Governor's Fisheries Task Force.

Politically active members of the commercial fishing industry (both fishermen and processors) consider a fisheries council to be extremely important in that it provides a forum for the interaction of private industry with government. The need is considered to be especially acute with the Sheffield administration which has not provided the seafood industry with the means of access to government that it had become accustomed to with past administrations.

The Sheffield administration has asked UFA to back off on the bill as it is not compatible with the Governor's "management style".

This first hearing will tell us how much effort the seafood industry is willing to put behind the legislation. If they do not express a strong commitment to it, then I see no reason to push it.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS GURULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MEMORANDUM

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, Friday, March 16.  
TELECONFERENCE TO: ANCHORAGE, KETCHIKAN, CORODOVA,  
HAINES, SITKA, YAKUTAT, AND FAIRBANKS.

DATE: March 14, 1984

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On Friday, March 16 at 3:00 pm in the Beltz Room, the Senate Resources Committee will hear the following bills:

SB 202, An Act establishing the Yakataga State Forest; and providing for an effective date.

SB 202 would establish approximately 460,000 acres of state-owned lands between Cape Suckling and Icy Bay as the Yakataga State Forest. According to the Department of Natural Resources, these are among the most productive forest lands owned by the State and the timber resources are currently being managed on a sustained yield basis.

A Resources Committee Substitute has been prepared to reflect provisions of the State Forest System established last year in SB 108:

- 1) A management plan must be adopted, implemented, and maintained within three years.

2) The forest would be managed for multiple use, specified in AS

41.17.230(e) as:

- commercial timber harvest
- personal use timber harvest
- mining/material extraction
- recreation
- fish and wildlife habitat management
- greenbelts
- trapping
- sport and subsistence hunting and fishing
- grazing
- watershed management research
- other traditional, compatible uses

The Department will propose an amendment to accommodate a pending land exchange with the Seldovia Native Association (see attached).

SB 473, An Act establishing the Alaska Fisheries Council; and providing for an effective date.

SB 473 would establish the Alaska Fisheries Council within the Department of Fish and Game. A fisheries policy for the state would be developed through the cooperative interactions of state government officials and representatives of the seafood industry.

SB 479, An Act relating to a forest products business loan guarantee program.

SB 479 would establish a Forest Products Business Loan Guarantee Fund in the Department of Revenue. Money in the fund could be used to guarantee a loan for financing employee purchase of a forest products business. The state could guarantee up to 50% of a loan, to a maximum of \$30 million.

In an effort to keep the Louisiana-Pacific pulp mill in Ketchikan (LPK) afloat, its 800 employees have agreed to purchase 56% of the stock. In order for the purchase to occur, the employees need \$50 million in financing, which they feel will not be available without a guarantee from the State.

A proposed \$25 million appropriation to the Department of Revenue would serve as the guarantee. As long as the employees make their loan payments on time, the money would not be drawn upon. However, if the employees were to default, under SB 479 the state would be obligated to pay 50% of the amount in default.

Two amendments to the bill will be proposed (see attached).



SB 473  
3/19/84

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

08.01 Public Advisory System (Boards and Commissions)

The Governor will strive to achieve a board representation of Alaskan residents on existing boards and commissions. Boards and commissions and their agency support staff will be encouraged to streamline operations in order to provide their advice to the government in the most cost-effective manner possible. Among the strategies to be explored by the Governor's Office are the following: removal of statutory restrictions for public seats; review of alternatives to authorities, boards, commissions, corporations, advisory committees, panels, and task forces; reduction in the number of boards and commissions by merger or consolidation; avoidance of creation of new boards; and establishment of closer ties to line authority.

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# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

March 19, 1984  
3:08 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Eliason  
Senator Paul Fischer  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 202, An Act establishing the Yakataga State Forest.

SB 225, An Act creating the Matanuska Valley Moose Range.

SB 297, An Act establishing the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 298, An Act making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agricultural Action Council for land clearing to the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 473, An Act establishing the Alaska Fisheries Council; and providing for an effective date.

SB 479, An Act relating to a forest products business loan guarantee program; and providing for an effective date.

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SB 202

Gary Gustafson, Division of Land and Water Management, Department of Natural Resources, explained the Department's proposed amendment that would provide an opportunity to trade up to 3000 acres of land within the proposed Yakataga State Forest to the Seldovia Native Corporation.

Senator Eliason moved to adopt the Committee Substitute and the proposed DNR amendment. There was no objection. He then moved CS SB 202 from committee with individual recommendations, noting Senator Sturgulewski's abstention for possible conflict of interest. There was no objection.

SB 473

Carol Derfner, Special Assistant to the Governor, Boards and Commissions, testified that the Governor did not encourage the creation of another advisory board on fishery issues, and cited the existence of the mini-cabinet on fisheries, the fisheries task force, and many other local, regional, and federal advisory boards and commissions.

Steve Pennoyer, Deputy Commissioner, Department of Fish and Game, testified that there are already 72 advisory committees that advise the Board of Fisheries on policy issues. The department is opposed to this bill.

Greg Baker, Director, Office of Commercial Fisheries Division, Department of Commerce and Economic Development, testified that the Department agrees with the needs outlined in the bill, but feels the Governor's mini-cabinet on fisheries is serving that function.

Phil Daniel, United Fishermen of Alaska, spoke in support of the bill, citing the need for more industry participation in the Governor's mini-cabinet.

SB 479

Milt Barker, Deputy Commissioner, Treasury Division, Department of Revenue, spoke in support of the Committee Substitute that incorporates the changes recommended by the Department.

Senator Ziegler moved CS SB 479 from committee with individual recommendations. There was no objection.

SB 225

Chuck Hawley, owner of coal leases within the proposed Moose Range, asked for assurances that his leases would not be affected by establishment of the Moose Range.

Richard Ramsey, Aide to Senator Kerttula, testified to the loss of moose habitat due to development, and stressed the support of local residents. The existing language in the bill is intended to include coal mining.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, speaking for the Department of Fish and Game also, spoke in general support of the bill, but indicated that the Department's are not agreed on the boundaries and management for the proposal.

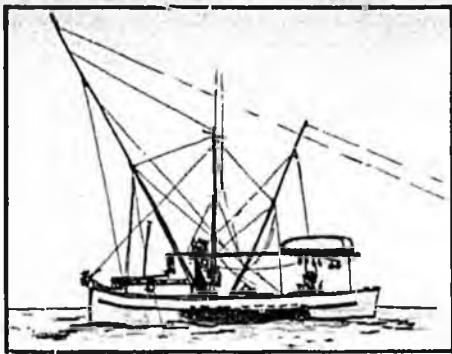
Bill Beaty, Chief of Resource Allocation, Division of Land and Water Management, Department of Natural Resources, explained that the proposed area is currently undergoing an extensive planning and public review process as part of the Susitna area plan, and that several issues in the plan remain unresolved.

SB 297

SB 298

Senator Moss, sponsor of the bills, explained that they would provide for a separate land clearing account within the Agricultural Revolving Loan Fund and allow repayment of outstanding clearing loans to the account. He proposed an amendment that would grant a 5 year moratorium on repayment of outstanding clearing loans.

The meeting adjourned at 4:27 pm.



# Alaska Trollers Association

REPRESENTING ALASKA POWER TROLLERS

205 North Franklin Street  
Juneau, Alaska 99801  
(907) 586-9400

SENATE BILL NO. 473

Jay Kertula

The Alaska Trollers Association feels that the intent of this Bill is good. We perceive it to be addressing the major recommendations of the Governor's Special Fisheries Task Force. We note that though there was no formal fiscal note attached, A.D.F.&G. has estimated a cost of \$350,000/year. Whether the cost is \$100,000 or \$500,000 is not the issue; the issue is which mechanism can best address the Fishery Task Force recommendations. The administration has responded by developing a Mini-Cabinet approach. The Governor's first step was to recall the Fishery Task Force and, with his Commissioners and Directors (the Mini-Cabinet), has explained to the Task Force what changes they had made to address each of the 100-plus concerns and recommendations of industry. We understand that the Mini-Cabinet will continue interfacing and utilizing the Fishery Task Force in yearly, general meetings, public port-type meetings, and small committee meetings to culminate the spirit of the Task Force recommendations. We feel that this approach has a high probability of success. Because of this, the Trollers would ask that this Bill be tabled, at least until the next Session, to allow the Governor's Mini-Cabinet approach to either fail or succeed in addressing the Fishery Task Force recommendations.

APR 5 1984