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# ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

RULES COMMITTEE, CHAIRMAN  
LABOR & COMMERCE COMMITTEE, VICE-CHAIRMAN  
LEGISLATIVE COUNCIL  
RESOURCES COMMITTEE  
FISHERIES SUBCOMMITTEE, CHAIRMAN



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## MEMORANDUM

TO: Senator Jack Coghill, Chair  
Senate Resources Committee

FROM: Senator Dick Eliason, Chair  
Fisheries Subcommittee *Dick Eliason*

DATE: February 23, 1988

RE: Proposed Mariculture Legislation

Last spring, the Fisheries Subcommittee of the Senate Resources Committee held several statewide hearings on S.B. 106, "An Act relating to aquatic farming". These well attended hearings were held in Dillingham, Kodiak, Anchorage, Sitka, and Ketchikan with residents from Petersburg and Wrangell connected by the teleconference system.

An overwhelming majority of those testifying were in opposition to the pen rearing of salmon. Concerns regarding possible water quality problems, increased conflict between users, competing markets, and potential disease contamination of the wild stock were voiced by those testifying at these hearings. Since that time many communities and organizations statewide have submitted resolutions opposing salmon farming. Because of this strong, broad-base opposition to permitting farming of fish in saltwater, it seems unrealistic at this time for the legislature to continue to pursue this concept.

The attached draft legislation, instead, encourages the growers of shellfish and aquatic plants as well as the farming of finfish in fresh water. This legislation sets the criteria for these economic ventures and provides for an

orderly development of the industry. Under this proposal farming of finfish in saltwater would not be allowed. Possibly at a later date when this concept gains more support, the legislature may wish to pursue this matter once again. However, until that happens, it appears most prudent to consider legislation involving the farming of shellfish, aquatic plants, and fresh water fish.

I respectfully request that this draft be introduced as a Senate Resources Committee bill and that hearings be scheduled as soon as possible to allow interested Alaskans an opportunity to respond to this proposal. Thank you very much for your thoughtful consideration of this request.

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MEMO -- January 12, 1988

TO: Fisheries Cabinet

FROM: Paul Peyton

RE: Aquaculture socioeconomic studies

Legislators and others considering proposed regulation of aquaculture activities in Alaska have asked for additional information concerning the social and economic impacts of the various possible forms of development in Alaska. Central to most of the discussion is whether salmon can be profitably farmed in Alaska and compete in the marketplace with wild salmon and farmed fish from other areas. If farm production was to be permitted, what are the potential impacts to the existing common property fishery? What sort of commitment, in terms of time and dollars, would be required of the State to manage and support salmon farming activities?

The DCED has entered into a \$20,000 contract with the Sea Fare Group in Seattle to conduct a study of world salmon markets and evaluate the extent of market competition between wild and farmed salmon, including farmed salmon which potentially could be produced in Alaska. Principle investigator for this study will be Dr. James Anderson of the University of Rhode Island. Anderson is a recognized authority in the area and has authored several papers dealing with the market's response to increasing world supplies of farmed salmon. Market contacts, statistical research and report editing functions of the contract will be conducted by the Sea Fare Group which is a commercial consulting business operated by those people that put out the Seafood Leader magazine.

A second \$20,000 contract has been undertaken with the DPA group of Vancouver, B.C. DPA will evaluate the relative costs of farmed salmon production in major producing regions around the world, develop a proforma cost of production model for the Alaska situation and assess the sensitivity of major cost factors to overall costs of production. DPA has done similar work for the Government of British Columbia and others and has identified specific sources for the necessary data.

Both contracts call for an interim or progress report to be submitted about February 1st and the final report during the first week of March.

A third phase of the project, that of developing a policy options matrix will be postponed at least until preliminary results from the two contracted studies are reported. At that time we may elect to select a limited number of issues for policy option development and conduct the required work in-house or through an RSA agreement with ISER. There is about \$5,000 remaining in the project budget.

Studies by the Dept of Commerce