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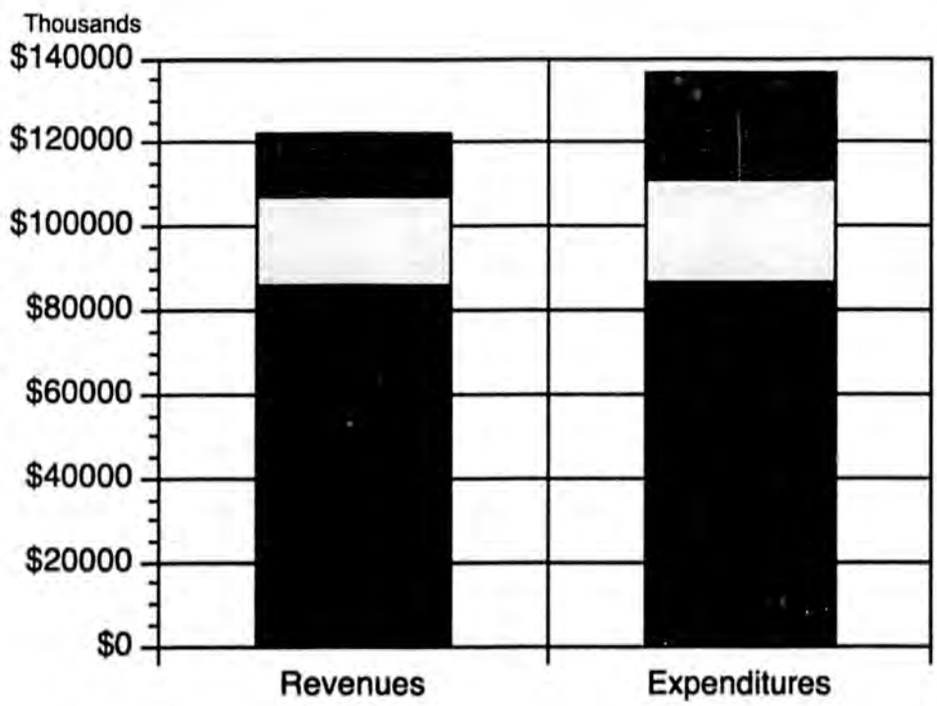
CHERYL SUTTON

AN ANALYSIS OF THE FISH AND WILDLIFE REVENUES AND EXPENDITURES OF STATE GOVERNMENT IN FY93



Alaska Department of Fish and Game
Kim Garnero and Geron Bruce
January 1994

Fish and Wildlife Revenues and Expenditures

This analysis estimates revenue received by state government from Alaska's fish and wildlife resources during FY93. It compares this revenue to the expenditures of state government during FY93 associated with the management, use and protection of these resources.

The model presented follows the method used by the Legislative Research Agency in its prior analysis of FY88 and FY92 (Legislative Research Requests 90.019 and 93.102). The Legislative Research Agency looked at all natural resource revenues and expenditures, this ADF&G study looks only at fish and wildlife revenues and expenditures.

This analysis can be updated annually with little research necessary outside of ADF&G. Much of the information is available from the Alaska Statewide Accounting System. Expenditures requiring specific program knowledge from other departments are an immaterial component of the analysis and the FY92 data compiled by Legislative Research will suffice.

There are some notable differences with the FY92 study which we want to identify for the reader.

1. All operating expenditures in ADF&G were attributed to either fish or wildlife. The Legislative Research model omits some expenditures, including those for administration and the commissioner's office.

2. Capital expenditures in ADF&G and the Department of Public Safety were included in this analysis. The Legislative Research model reports only operating expenditures.

3. Mental health litigation costs are not included as fish or wildlife expenditures as they were in the Legislative Research model. After discussion with the Department of Law administrative staff, we conclude that these expenditures are not related to fish and wildlife activities.

4. The portion of the fisheries business tax shared with local government is not subtracted from the fisheries revenues in this analysis as it is in the FY92 Legislative Research study. These revenues are clearly a benefit to the state from the commercial harvest of its fisheries resources. If these funds were not available, then state government would either have to find revenue from another source to assist local governments, or it would have to forego such assistance.

   The distribution of these shared revenues cannot be considered an expenditure of these revenues on management, regulation, or protection of the state's fisheries resources. There are no restrictions on the purposes for which local governments may spend their portion of the shared fisheries business tax. Local governments are free to use this shared revenue in any manner they choose.

   Inclusion of the shared portion of the fishery's business tax is consistent with the approach taken by the Institute of Social and Economic Research in its economic report on the seafood sector of the Alaskan economy. The

Legislative Research Agency study of FY88 also included the shared taxes on the revenue side of the ledger.

5. Additional revenue sources for some of the expenditures attributed to fish and wildlife are identified in this analysis. These include matching federally funded expenditures identified in departments other than ADF&G with revenues. Civil fines and criminal penalties collected as a result of law enforcement is another example of a revenue that was not considered by the earlier studies. We have also included as an offsetting revenue the portion of the interest paid in FY93 from the fishing loan programs. This revenue is transferred to the general fund to cover the cost of administering the fishing loan programs. A final example of these additional revenues is the oil spill settlement receipts which refund Exxon Valdez litigation costs.

Results of FY93 Analysis:

	Fish	Wildlife
Revenues:	$107.4 million	$15.2 million
Expenditures:	$110.1 million	$24.9 million

Fisheries business taxes were at a high point in FY93 due to large salmon and shellfish harvests and good prices. The Fisheries Business Tax Credit program had sunset the previous year so the full amount of the tax was collected in FY93. Increased sport hunting and fishing license fees also took effect January 1, 1993 and contributed to an increase in revenue to the Fish and Game Fund.

Revenues covered $.97 out of every dollar spent by state agencies to manage and regulate subsistence, commercial, sport and personal use fisheries. Out of every dollar spent by state agencies to manage and regulate trapping, subsistence and sport hunting $.61 was covered by revenues.

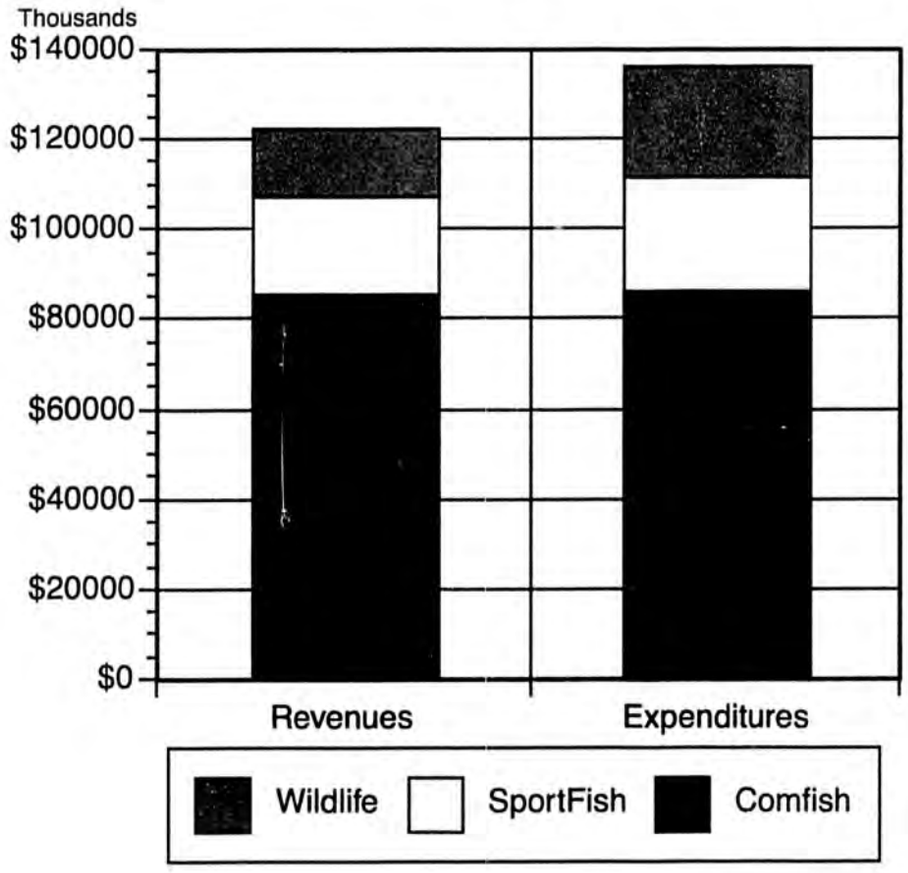
Outlook for FY94:

This analysis represents a snapshot of only one year. Sport hunting and fishing revenues from the sale of state licenses should increase in FY94 as this will be the first, full year under the higher license fees enacted in 1992. The fisheries business tax revenues will be dropping as a result of poor salmon prices paid during the 1993 season. A new landing tax on fish will offset this decline somewhat. Also new in FY94, is a salmon marketing tax. This tax replaces state aid to the Alaska Seafood Marketing Institute.

Expenditures for management continue to decline. The apparent increase between the FY93 expenditure levels ($110.1 for fish and $24.9 million for wildlife) and FY92 ($103.5 and $23.3) becomes a decrease when the additional operating and capital expenditures included in the analysis by ADF&G are factored out.

ADF&G plans to perform the analysis on FY94's expenditures and revenues as soon as reliable data is available.

State of Alaska
Fish and Wildlife Revenues and Expenditures in FY93

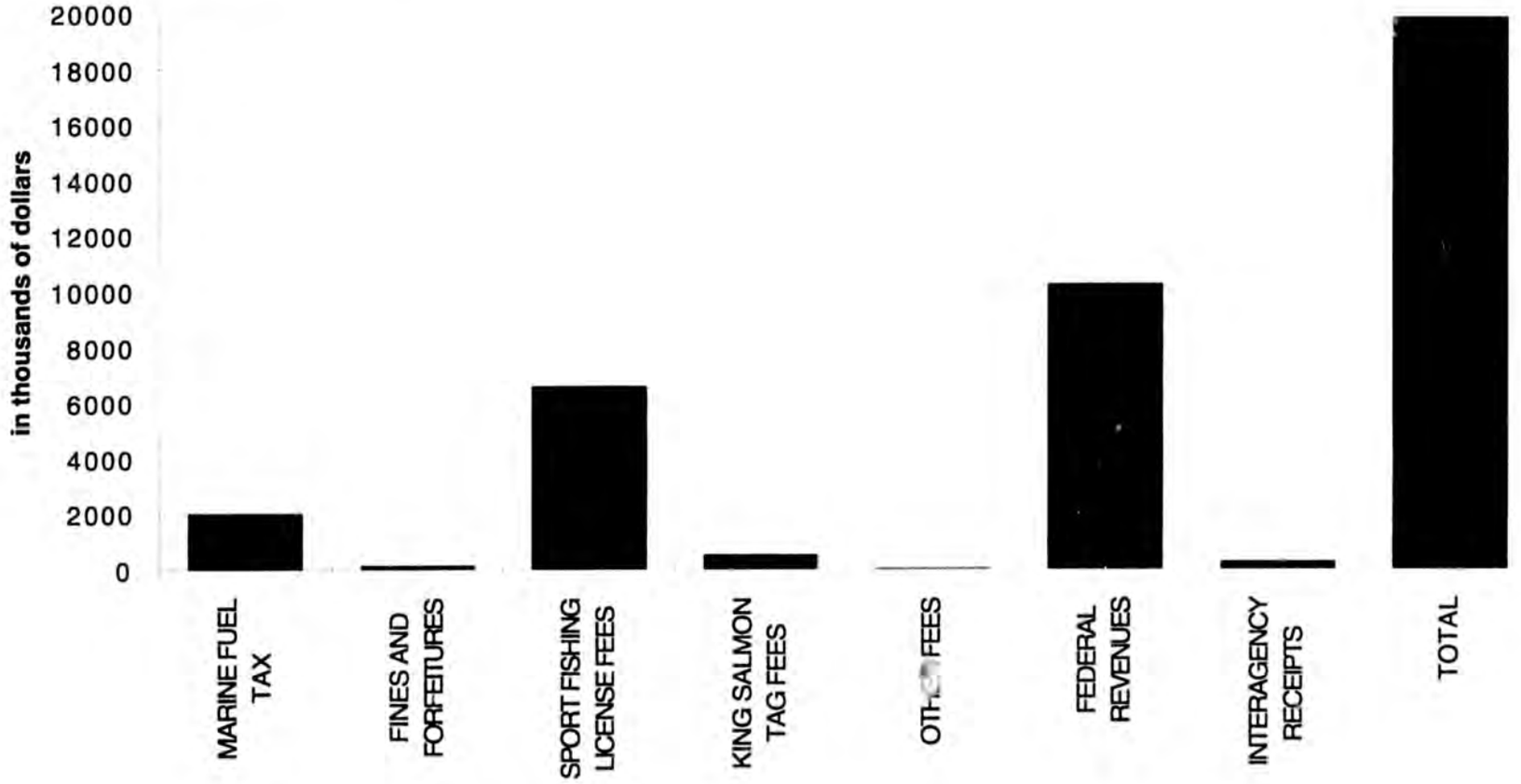


SUMMARY OF STATE OF ALASKA FISH AND WILDLIFE REVENUES IN FY93

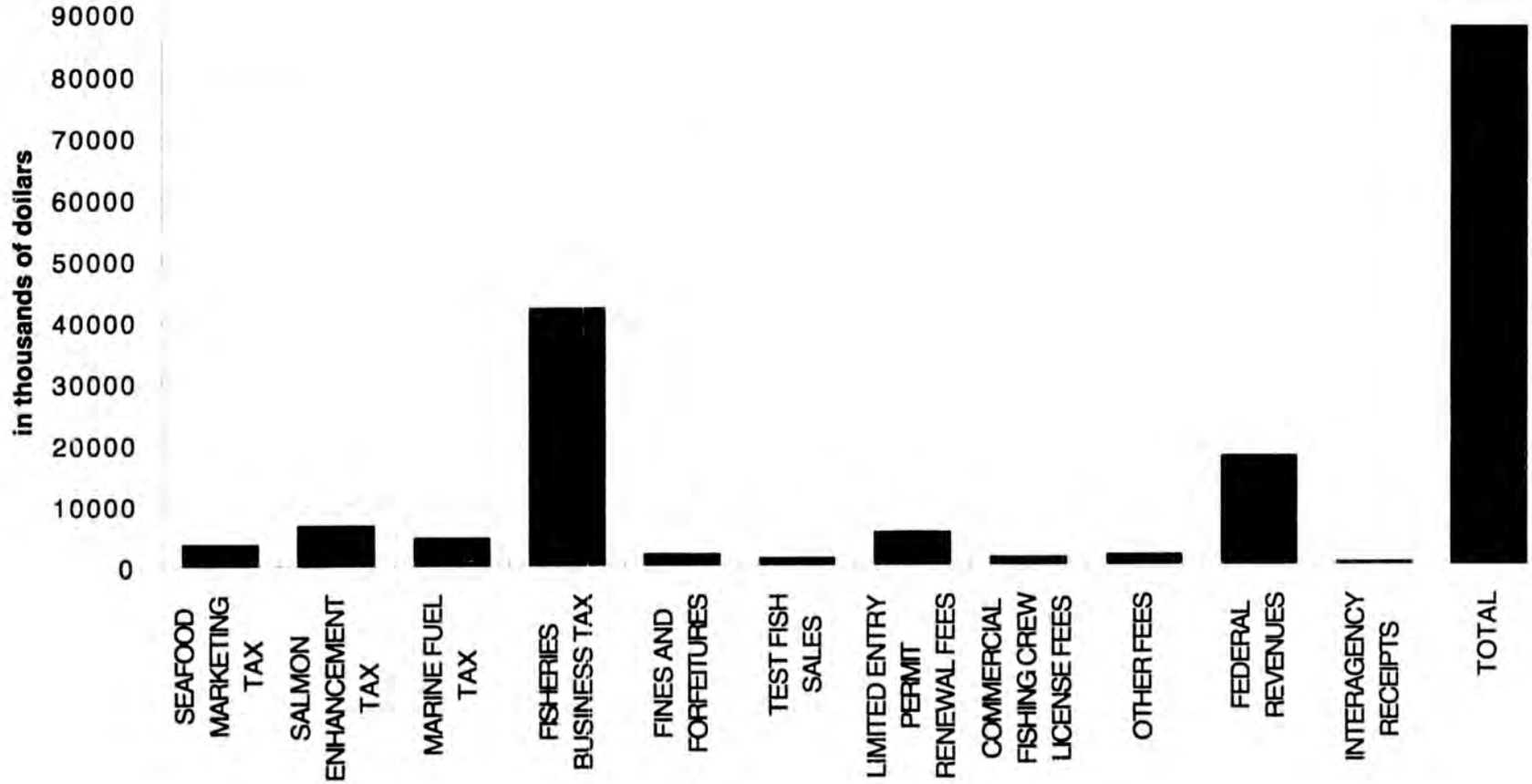
(in thousands of dollars)

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	DEPARTMENT TOTALS
SEAFOOD MARKETING TAX		$3,563.3		$3,563.3
SALMON ENHANCEMENT TAX		$6,745.8		$6,745.8
MARINE FUEL TAX	$1,987.2	$4,636.7		$6,623.9
FISHERIES BUSINESS TAX		$42,165.8		$42,165.8
FINES AND FORFEITURES	$152.8	$1,922.6	$647.1	$2,722.5
TEST FISH SALES		$1,324.9		$1,324.9
OTHER SALES			$328.0	$328.0
LIMITED ENTRY PERMIT RENEWAL FEES		$5,490.2		$5,490.2
COMMERCIAL FISHING CREW LICENSE FEES		$1,411.8		$1,411.8
SPORT FISHING LICENSE FEES	$6,601.0			$6,601.0
KING SALMON TAG FEES	$526.6			$526.6
HUNTING LICENSES AND TAG FEES			$5,482.4	$5,482.4
OTHER FEES	$45.2	$1,763.8	$555.7	$2,364.7
FEDERAL REVENUES	$10,269.0	$17,857.6	$7,963.0	$36,089.6
INTERAGENCY RECEIPTS	$269.6	$632.2	$251.6	$1,153.4
TOTAL	**$19,851.4**	**$87,514.7**	**$15,227.8**	**$122,593.9**

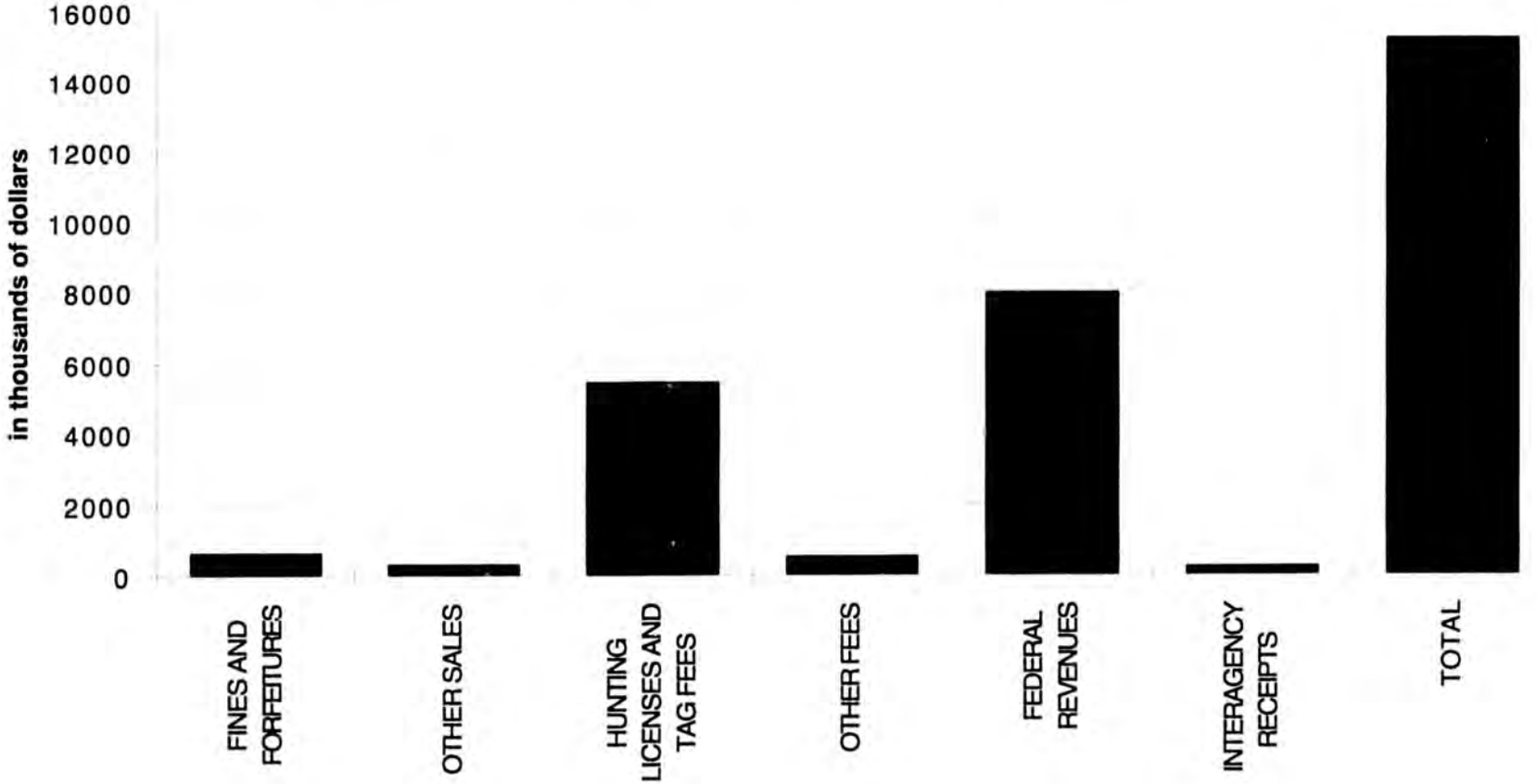
SUMMARY OF FY93 REVENUES TO STATE OF ALASKA FROM SPORT FISHING



SUMMARY OF FY93 REVENUES TO STATE OF ALASKA FROM COMMERCIAL FISHING



SUMMARY OF FY93 REVENUES TO STATE OF ALASKA FROM WILDLIFE



COMMERCIAL FISH REVENUES RECEIVED BY THE STATE OF ALASKA IN FY93

REVENUE SOURCE	TOTAL Revenues	General Fund	Federal Funds	Fish & Game Fund	Fishermen Fund	Loan Funds
TAXES:						
Alaska Net Income Tax	Unknown (a)					
Seafood Marketing Assessment (b)	3,563.3	3,563.3				
Salmon Enhancement Tax (b)	6,745.8	6,745.8				
Marine Fuel Tax (8,831.8 @ 75% * 70%) (c)	4,636.7	4,636.7				
Fisheries Business Tax	42,165.8	42,165.8				
FINES AND FORFEITURES:						
Criminal Penalties	1,213.3	1,213.3				
Civil Fines	79.0	79.0				
Judgment Settlements	273.6			273.6		
Exxon Valdez Settlements	356.7	356.7				
SALES:						
Test Fish Sales	1,324.9	1,324.9				
FEES:						
Commercial Fishing Licenses	1,411.8	360.7			1,051.1	
Limited Entry Permits	5,490.2	5,049.0			441.2	
Housing Rental at Hatcheries	105.6	105.6				
Fish loan fund transfers to GF	1,658.2					1,658.2
FEDERAL REVENUES:						
USDA Funds for ASMI	7,425.5		7,425.5			
US Dept. of Commerce	7,537.4		7,537.4			
Dingell Johnson	1,897.4		1,897.4			
Other federal programs within ADF&G	496.3		496.3			
Fed revs identified by other agencies exps	501.0		501.0			
IA RECEIPTS FROM OUTSIDE ADF&G	632.2	632.2				
COMMERCIAL FISH REVENUE TOTAL	87,514.7	66,233.0	17,857.6	273.6	1,492.3	1,658.2

NOTES:

(a) The Alaska Department of Revenue (DOR) is unable to disaggregate the $37.6 million in corporate income tax collected in FY93 from all non-petroleum corporations.

(b) Seafood marketing and salmon enhancement taxes are passed through to ASMI and aquaculture associations, respectively. Revenues are included here and respective expenditures are included in the Department of Commerce in this analysis.

(c) This assumes that approximately 75% of the total marine fuel taxes collected are attributable to commercial (70%) and sport (30%) fisheries.

SOURCES:

ADF&G = Alaska Dept. of Fish & Game; DPS = Dept. of Public Safety; DOR = Dept.of Revenue, Income and Excise Audit Division; AKSAS = Alaska Statewide Accounting System

SPORT FISH REVENUES RECEIVED BY THE STATE OF ALASKA IN FY93

REVENUE SOURCE	TOTAL Revenues	General Fund	Federal Funds	Fish & Game Fund	Fishermen Fund
TAXES:					
Marine Fuel Tax (8,831.8 @ 75% * 30%) (c)	1,987.2	1,987.2			
FINES AND FORFEITURES:					
Exxon Valdez Settlements	152.8	152.8			
FEES:					
Sportfishing Licenses	6,601.0			6,601.0	
King Salmon Stamps	526.6			526.6	
Housing Rental at Hatcheries	45.2	45.2			
FEDERAL REVENUES:					
Dingell-Johnson Funds	8,740.6		8,740.6		
US Dept. of Commerce	1,304.6		1,304.6		
Other federal programs within ADF&G	223.8		223.8		
IA RECEIPTS FROM OUTSIDE ADF&G	269.6	269.6			
SPORT FISH REVENUE TOTAL	19,851.4	2,454.8	10,269.0	7,127.6	0.0

NOTES:
(a) The Alaska Department of Revenue (DOR) is unable to disaggregate the $37.6 million in corporate income tax collected in FY93 from all non-petroleum corporations.
(b) Seafood marketing and salmon enhancement taxes are passed through to ASMI and aquaculture associations, respectively. Revenues are included here and respective expenditures are included in the Department of Commerce in this analysis.
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SOURCES:
ADF&G = Alaska Dept. of Fish & Game; DPS = Dept. of Public Safety; DOR = Dept.of Revenue, Income and Excise Audit Division; AKSAS = Alaska Statewide Accounting System

Prepared by Kim Garnero, ADF&G Finance Officer, January 1994

WILDLIFE REVENUES RECEIVED BY THE STATE OF ALASKA IN FY93

REVENUE SOURCE	TOTAL Gross Revenues	General Fund	Federal Funds	Fish & Game Fund
FINES AND FORFEITURES:				
Criminal Penalties	137.6	137.6		
Exxon Valdez Settlements	509.5	509.5		
SALES:				
Waterfowl Conservation Prints	311.6	311.6		
Hide and Ivory Sales	16.4			16.4
FEES:				
APPLICATION AND USER FEES:				
Drawing Hunts	447.1			447.1
Wildlife Refuge Receipts	8.9	8.9		
Rabbit Creek Rifle Range	55.9	55.9		
McNeil River Sanctuary	43.8	16.2		27.6
LICENSES AND TAGS:				
Hunting Licenses and Tags	5,266.6			5,266.6
Trapping Licenses	101.2			101.2
Waterfowl Conservation Tags	98.7			98.7
Special Licenses	14.4	14.4		
Business Licenses	1.5	1.5		
FEDERAL REVENUES:				
Pittman-Robertson Funds	5,902.5		5,902.5	
US Dept. of Commerce	943.9		943.9	
Other federal programs within ADF&G	1,066.8		1,066.8	
Fed revs identified by other agencies exps	49.8		49.8	
IA RECEIPTS FROM OUTSIDE ADF&G	251.6	251.6		
WILDLIFE REVENUE TOTAL	15,227.8	1,307.2	7,963.0	5,957.6

NOTES:
(a) The Alaska Department of Revenue (DOR) is unable to disaggregate the $37.6 million in corporate income tax collected in FY93 from all non-petroleum corporations.

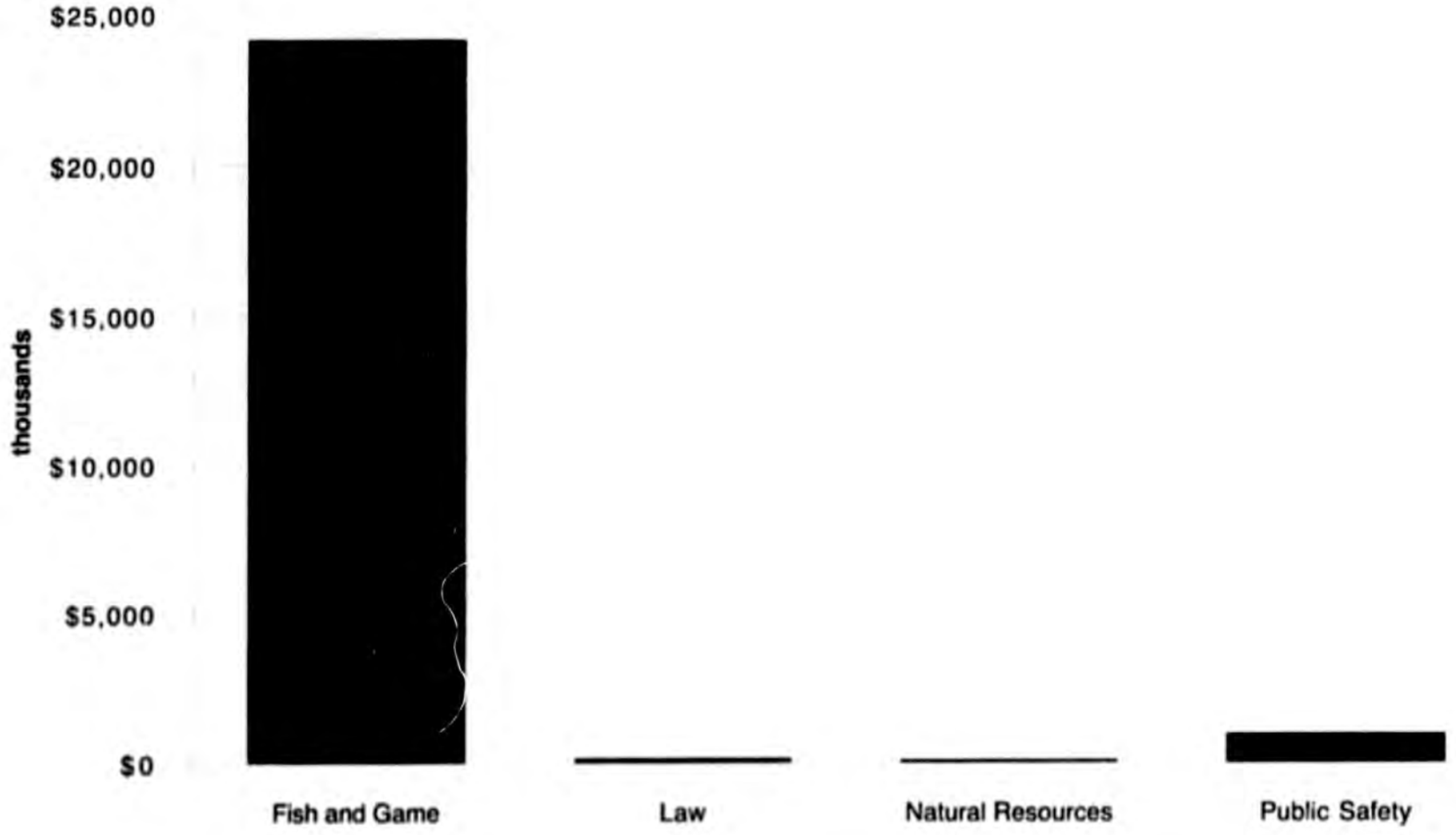
SOURCES:
ADF&G = Alaska Dept. of Fish & Game; DPS = Dept. of Public Safety; DCED = Dept. of Commerce and Economic Development; AKSAS = Alaska Statewide Accounting System

STATE OF ALASKA OPERATING EXPENDITURES FOR FY93

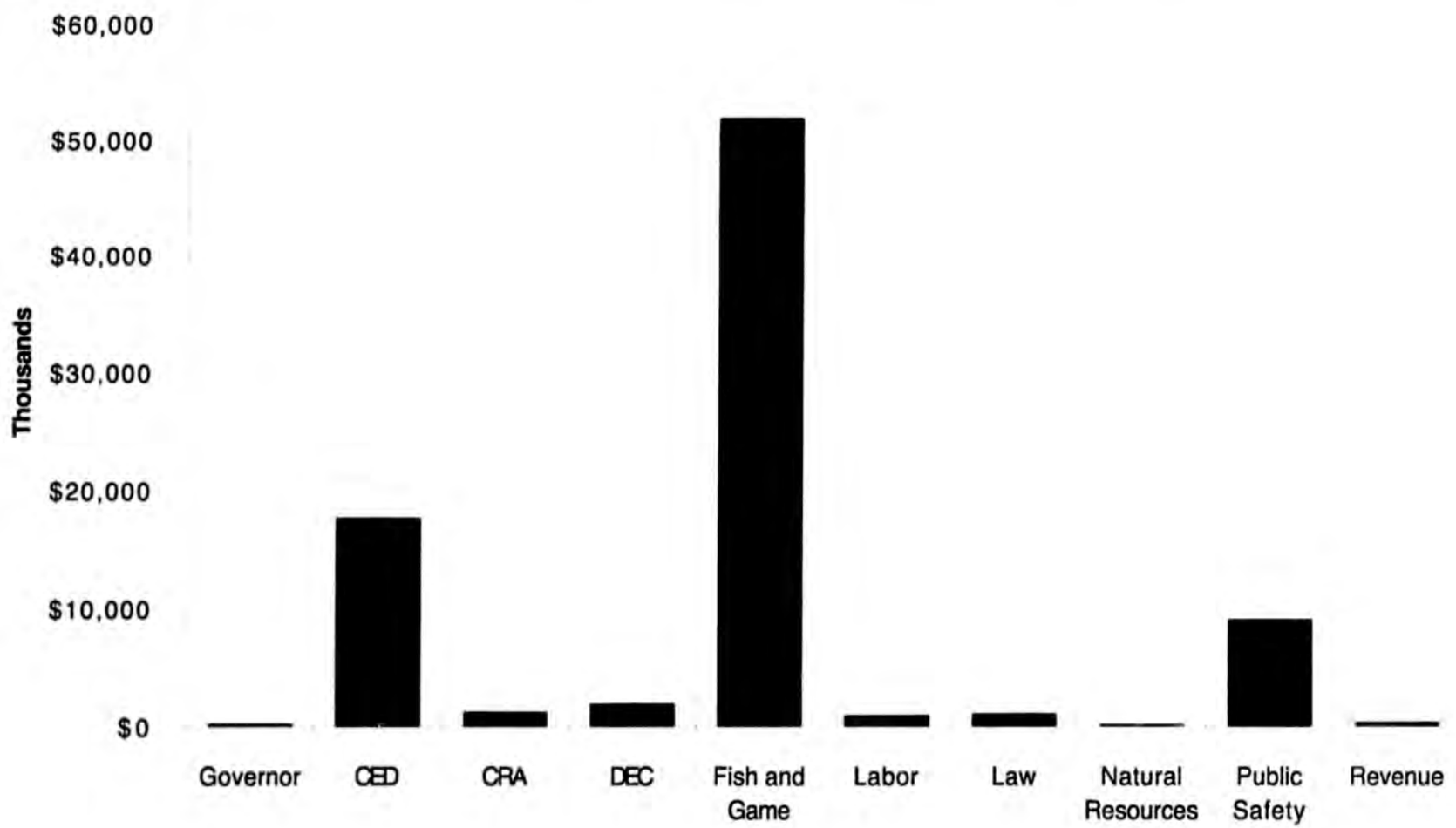
(in thousands of dollars)

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	DEPARTMENT TOTALS
Governor		$245.6	$83.6	$329.2
CED		$17,701.9	$195.5	$17,897.4
CRA		$1,245.7	$251.3	$1,497.0
DEC		$1,943.2	$26.0	$1,969.2
Fish and Game	$24,150.8	$51,907.9	$17,928.3	$93,987.0
Labor		$959.9	$53.9	$1,013.8
Law	$152.8	$1,077.6	$793.8	$2,024.2
Natural Resources	$96.9	$226.2	$327.9	$651.0
Public Safety	$950.0	$9,049.7	$5,251.2	$15,250.9
Revenue		$405.6		$405.6
Total	**$25,350.5**	**$84,763.3**	**$24,911.5**	**$135,025.3**

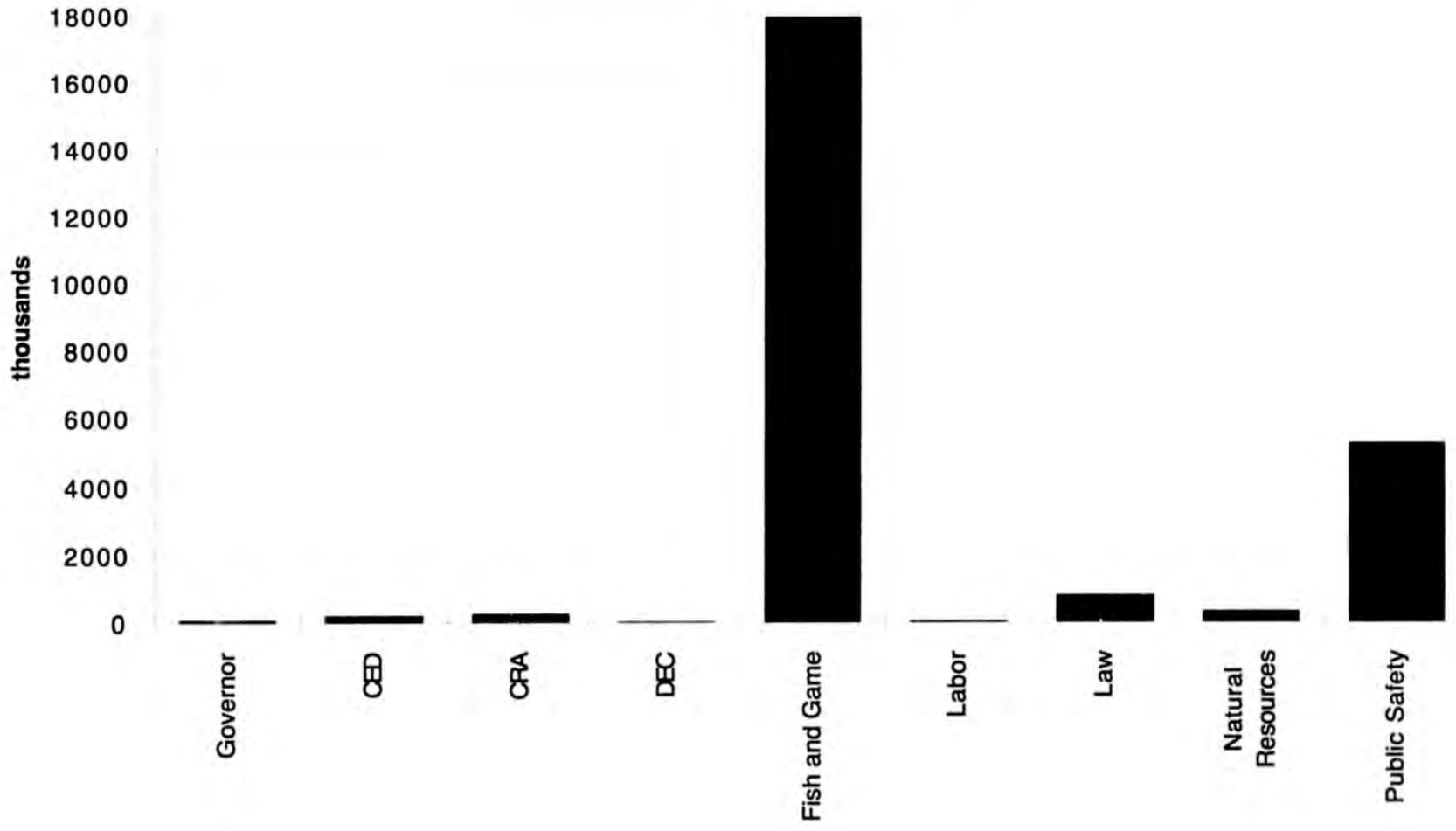
FY93 Sport Fishing Expenditures by Department



FY93 Commercial Fisheries Expenditures by Department



FY93 Wildlife Expenditures by Department



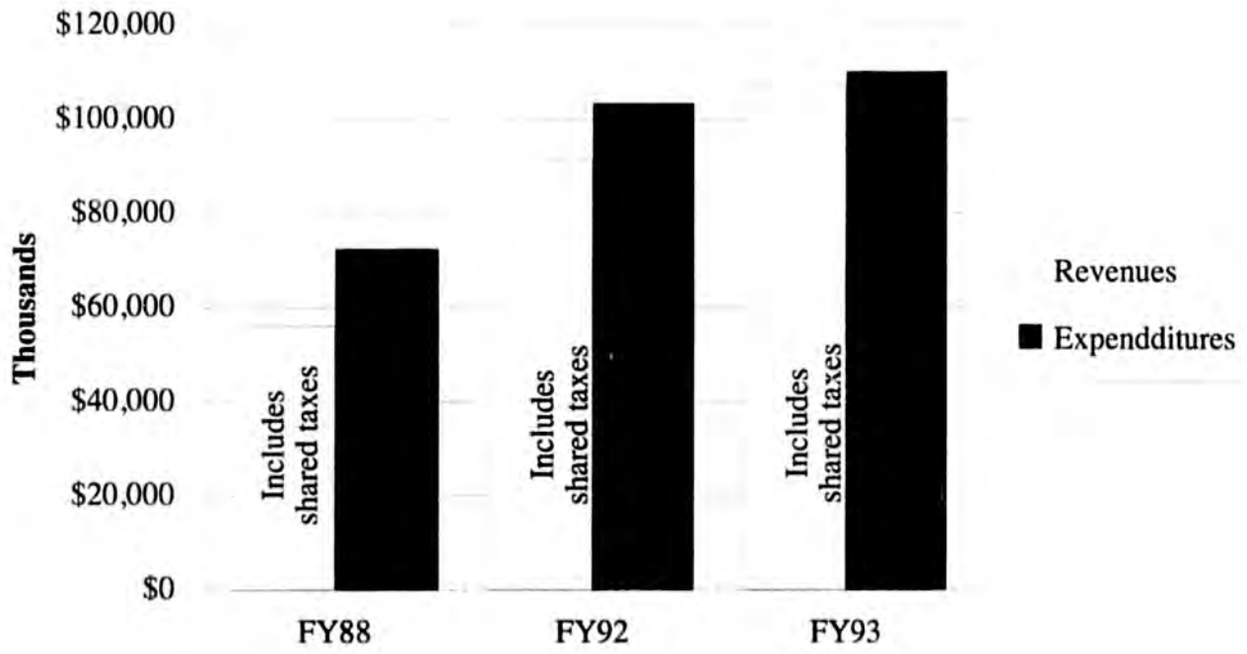
FY93 Expenditures for Fish and Wildlife

Dept and Division		Leg Res Report Ref	Sport Fish Fed	Sport Fish GF	Sport Fish Other	Sport Fish TOTAL	Commercial Fisheries Fed	Commercial Fisheries GF	Commercial Fisheries Other	Commercial Fisheries TOTAL	Wildlife Fed	Wildlife GF	Wildlife Other	Wildlife Total	Department totals	
Gov's Office - Sara Peacock 3545																
A	Executive Operations	Table 11						241 7		241 7				0 0	241 7	
A	Governmental Coord							3 9		3 9	34 9	48 7		83 6	87 5	
	Total Gov's Office						0 0	245 6	0 0	245 6	34 9	48 7	0 0	83 6	329 2	0 2%
Commerce & Economic Dev - Steve Hildebrand 2587																
A	Occupational Licensing	Table 12								0 0		195 5		195 5	195 5	
A	Commissioner/Admin							100 6		100 6				0 0	100 6	
A	Investments (loans)								1,483 7	1,483 7				0 0	1,483 7	
C	ASMI (Duane Peoples 5571)						7,551 8	5,012 2		12,564 1				0 0	12,564 1	
C	Fish enhancement tax receipts								3,553 5	3,553 5					3,553 5	
	Total DCED						7,551 8	5,112 8	5,037 2	17,701 9	0 0	195 5	0 0	195 5	17,897 4	13 3%
Community & Regional Affairs - Jim Hauck 4728																
A	Admin Designated Grants	Table 13						275 0		275 0		10 0		10 0	285 0	
A	Local Gov't Assistance (ACMP - need some fed revs?)							50 9	200 4	251 3		40 9	200 4	241 3	492 6	
A	Community Development Assistance							391 9		391 9				0 0	391 9	
A	Community Block Grants						237 5			237 5				0 0	237 5	
A	Rural Development Grants							90 0		90 0				0 0	90 0	
	Total C&RA						237 5	807 8	200 4	1,245 7	0 0	50 9	200 4	251 3	1,497 0	1 1%
Environmental Conservation - Dan Kahouse 5024																
A	Environmental Quality	Table 14					27 2	66 3	36 0	129 5	5 5	13 3	7 2	26 0	155 5	
B	Environmental Health						148 2	1,665 5		1,813 7				0 0	1,813 7	
	Total DEC						175 4	1,731 8	36 0	1,943 2	5 5	13 3	7 2	26 0	1,969 2	1 5%
Fish and Game - Kim Garnero 6068																
C	Commercial Fisheries (fish)	Table 15					5,071 8	21,242 3	741 0	27,055 1				0 0	27,055 1	
C	Sport Fisheries (fish)		9,295 7	0 0	5,094 2	11,389 9								0 0	11,389 9	
C	FRED (fish) (sp vs comm per Jeff H)		2,407 0	3,589 6	190 4	6,187 0	4,693 2	6,999 2	371 2	12,063 6				0 0	18,250 6	
C	Wildlife Conservation (wildlife)					0 0				0 0	7,030 4	1,705 1	4,946 6	13,682 1	13,682 1	
CE	Boards (55% fish/45% wildlife)			298 1		298 1		695 6		695 6		813 0		813 0	1,806 7	
CE	Subsistence (49 5% fish/39 5% wildlife)		142 8	266 7	5 6	415 1	333 2	622 3	13 1	968 6	379 8	709 5	14 9	1,104 2	2,488 0	
CE	Habitat & Restoration (80% fish/20% wildlife)		54 2	691 9	224 6	970 8	126 4	1,614 5	524 1	2,265 1	45 2	576 6	187 2	809 0	4,044 8	
C	CFEC (fish) (RR exceeds exps)					0 0	10 0	2,622 0	63 8	2,695 8				0 0	2,695 8	
CE	Comm Office/Admin (80% fish/20% wildlife)		302 4	861 4	246 9	1,410 7	705 6	2,009 9	576 1	3,291 6	252 0	717 8	205 8	1,175 6	5,877 9	
CE	Capital expenditures (public acc all sport)		1,866 2	1,613 1	0 0	3,479 3	0 0	2,872 4	0 0	2,872 4		344 4		344 4	6,696 1	
	Total ADF&G		10,868 3	7,520 9	5,761 7	24,150 8	10,940 3	38,678 3	2,269 3	51,907 9	7,707 4	4,866 4	5,354 5	17,928 3	93,987 0	69 6%
Labor - Mike Helms 5984																
C	Fishermens Fund	Table 16							721 8	721 8				0 0	721 8	
A	Workers Comp									0 0		5 9		5 9	5 9	
A	LSS: Wage & Hour							87 0		87 0		48 0		48 0	135 0	
A	LSS: Mechanical Inspection							20 9		20 9				0 0	20 9	
A	LSS: OSH						73 6	56 4		130 2				0 0	130 2	
	Total Labor						73 6	164 3	721 8	959 9	0 0	53 9	0 0	53 9	1,013 8	0 8%
Law - Dick Pegues 3672																
A	Prosecution	Table 17				0 0		144 9		144 9				0 0	144 9	
A	Legal Services					0 0		576 0		576 0		284 3		284 3	860 3	
CE	Exxon Valdez Litigation				152 8	152 8			356 7	356 7			509 5	509 5	1,019 0	
	Total Law		0 0	0 0	152 8	152 8	0 0	720 9	356 7	1,077 6	0 0	284 3	509 5	793 8	2,024 2	1 5%
Natural Resources - Jeff Hartman 2495																
AE	Management and Admin	Table 18		10 3	20 7	30 9		23 9	48 2	72 2		73 7	109 3	183 0	286 1	
AE	Forest Resource Mgt		4 3	58 9	2 8	66 0	10 0	137 4	6 6	154 0	9 4	128 5	7 0	144 9	364 9	
	Total DNR		4 3	69 2	23 5	96 9	10 0	161 4	54 8	226 2	9 4	202 2	116 3	327 9	651 0	0 5%
Public Safety - Mike Crelove 2561/Karen Allen 269-5539																
D	Operating expenditures	Table 19		844 5		844 5		8,044 8		8,044 8		4,786 5		4,786 5	13,675 8	
D	Capital expenditures			105 5		105 5		1,004 9		1,004 9		464 7		464 7	1,575 1	
	Total DPS (9 5% sp-90 5% comm for fish)		0 0	950 0	0 0	950 0	0 0	9,049 7	0 0	9,049 7	0 0	5,251 2	0 0	5,251 2	15,250 9	11 3%
Revenue - Mary Sutton 2335																
S	Operations	Table 20						405 6		405 6				0 0	405 6	
	Total Revenue						0 0	405 6	0 0	405 6	0 0	0 0	0 0	0 0	405 6	0 3%
GRAND TOTALS			10,872 5	8,540 0	5,938 0	25,350 6	18,988 9	57,078 1	6,696 2	84,763 2	7,757 2	10,986 4	6,187 6	24,931 3	135,025 3	100 0%

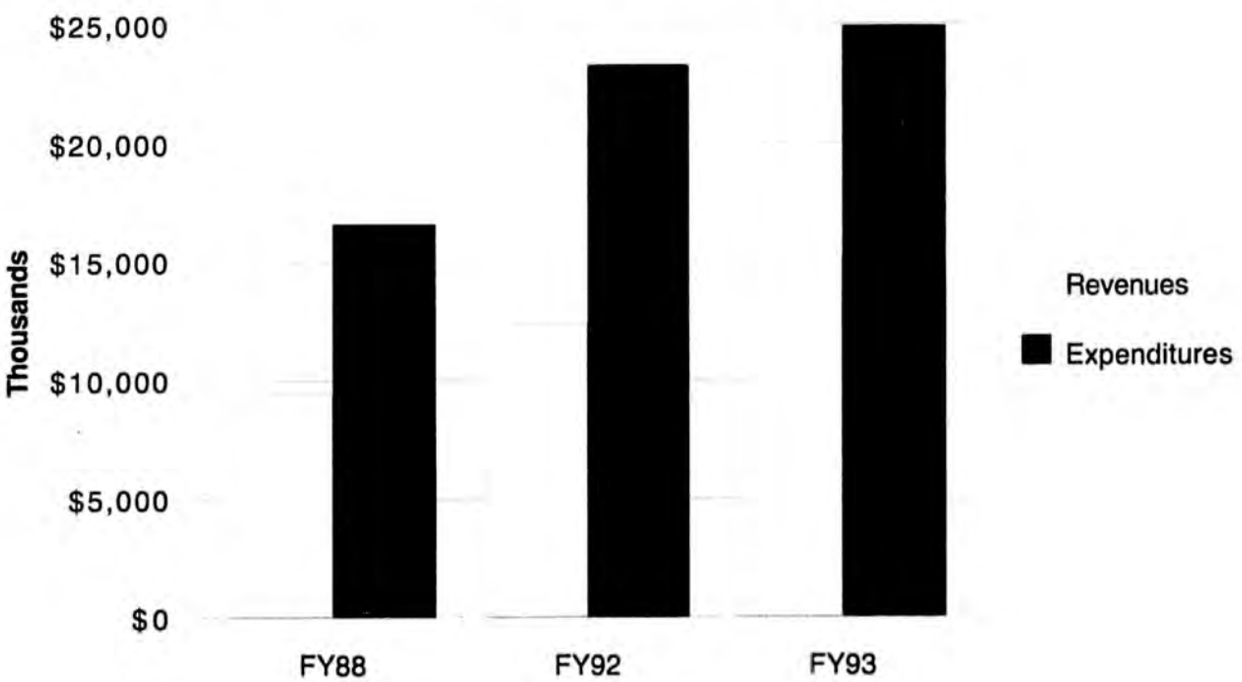
Legend
A - Requires specific knowledge/analysis of workloads; therefore FY92 amounts will be used until better information available
B - Current information available from AKSAS combined with FY92 amounts and/or methodology to calculate this year's expenditures
C - Current information available from AKSAS
D - Public Safety provided FY93 analysis of expenditures by fish and wildlife category. Totaled $500 0 more than FY92 methodology likely because CIP exps included
E - Fish expenditures split 70% commercial/30% sport based on FY93 operating expenditures in ADF&G

Compiled by Kim Garnero, ADF&G Finance Officer, January 1994

FISHERIES REVENUES AND EXPENDITURES OF STATE GOVERNMENT



WILDLIFE REVENUES AND EXPENDITURES OF STATE GOVERNMENT



Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY

SESSION:
CAPITAL BUILDING, ROOM 204
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PHONE: (907) 465-4451
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716 W. 4TH AVE. #630
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8167
FAX: (907) 258-8468

MEMORANDUM

TO: House Special Committee on Fisheries Members

FROM: Representative Carl E. Moses, Chair
House Special Committee on Fisheries

DATE: January 20, 1994

RE: Requested information

I have attached the letters requested from the Department of Fish & Game by the committee. The subject of these letters arose in the overview presented by the Department on the federal reauthorizations.

I hope this information will be useful to you.

Congress of the United States
Washington, DC 20515

January 6, 1994

The Honorable Ronald H. Brown
Secretary of Commerce
Office of the Secretary
14th and Constitution Ave, NW
Washington, D.C. 20230

Dear Mr. Secretary:

We are writing to express our concern that grave problems affecting federal fisheries in the North Pacific are not being effectively addressed. We are concerned that without prompt, decisive action on your part, the environmental and economic consequences of this management failure will reach severe proportions.

The North Pacific Fishery Management Council is responsible for initiating management actions for the federal fisheries of the North Pacific. In 1992, the Secretary approved a 5-year interim allocation regime drafted by the Council. This interim allocation regime was highly controversial because it redirected tons of fish and millions of dollars from the Seattle-based fleet to Alaskan-based operators. The Administrator of NOAA recognized this when he stated the following in a memo to the Council:

> "In my review of these very contentious issues, a central point made by both ... sectors was the need to achieve stability in this fishery so that long-term planning could take place. I strongly urge the Council not to resubmit Amendment 18 again, because, in my judgment, it will distract the Council from its major responsibility to develop a market-based allocation system for the long term. ... I hope the Council will avoid any further efforts to select winners and losers in the pollock fishery when there appears to be no economic gain to the nation from such efforts." (emphasis added)

Mr. Secretary, to date the Council has made little progress in carrying out the directive of developing a market-based allocation system for the long term. Of immediate concern is a decision by the Council at its December meeting to defer action on a comprehensive allocation program that is widely viewed as the only effective means of rationalizing the fisheries. The decision to defer action, which followed a similar course at the September meeting of the Council, was made on a motion by the state of Alaska's representative and supported by every member of the Council's Alaska majority. With the Washington members of the Council all voting against the motion, it is again apparent that the Council will initiate a comprehensive management program when and how the Council's Alaska majority decides.

While we have come to expect this kind of action on the North Pacific Council, we are particularly disappointed that your voting representative on the Council, the Regional Director of the National Marine Fisheries Service (NMFS), also voted to defer action. We see no reasonable explanation for the continued delays and are astounded that they coincide with your apparent support. Comprehensive rationalization of the groundfish and crab fisheries is indispensable to the achievement of federal conservation and management goals, as provided by the Magnuson Fishery Conservation and Management Act.

Mr. Secretary, we urge you to instruct NMFS to pursue a comprehensive rationalization program as a matter of the highest priority. If the Alaska majority on the Council continues to block the process, we will expect you to take administrative measures or, if necessary, to propose legislative action, not only to resolve this particular problem, but also to restore the effectiveness of the process for conserving and managing all federal fisheries in the North Pacific.

Sincerely,

Patty Murray, U.S.S.

Jolene Unsoeld, M.C.

Jim McDermott, M.C.

Maria Cantwell, M.C.

cc: The Honorable Doug Hall, Undersecretary for Oceans and Atmosphere
Mr. Rollie Schmitten, Director, National Marine Fisheries Service

STATE OF WASHINGTON

DEPARTMENT OF FISHERIES

Post Office Box 43135 • Olympia, Washington 98504-3135 • (206) 902-2200 • SCAN 902-2200 • TDD 902-2207

November 30, 1993

The Honorable Ronald H. Brown
Secretary of Commerce
12th and 14th Streets SW
Washington, DC 20250

Dear Secretary Brown:

Pursuant to Amendment 18 of the Fishery Management Plan (FMP) for the Groundfish Fishery of the Bering Sea and Aleutian Islands (BSAI) Area, the North Pacific Fishery Management Council (NPFMC) and the National Marine Fisheries Service (NMFS) adopted rules to implement the Western Alaska Community Development Quota (CDQ) program. Although the Secretary approved Amendment 18, public debate was focused on the very contentious "inshore/offshore" allocation issues and not on the unprecedented CDQ program. During the public comment period for proposed rules to the CDQ program, we requested that the Secretary explain how this program was consistent with the national standards and guidelines of the Magnuson Fishery Conservation and Management Act (MFCMA).

Because we believe that your predecessor did not provide a convincing rationalization regarding compliance of the CDQ program with MFCMA national standards, we are requesting a fresh Secretarial review. We think the CDQ program violates National Standards 4, 5 and 7 of the Magnuson Fishery Conservation and Management Act. We regard the current CDQ program as an exclusive reallocation of pollock resource to Alaska residents, at the direct expense of Washington's distant-water factory-trawler fishing fleet, solely for the purposes of invigorating the economy of Alaskan coastal communities.

National Standard 4 specifically precludes allocations which "*discriminate between residents of different states.*" In Federal Register responses to comments on the final rules for Amendment 18, final rules for the 1992-93 CDQ fishery and the revision to the final rule to implement Amendment 18 (FR Vol. 57 No. 107, 6/3/93, p 23321-23346, Docket No. 911215-2114; FR Vol. 57 No. 226, 11/23/92, p 54936-54946, Docket No. 920944-2302; FR Vol. 57 No. 248, 12/24/92, p 61326-61341, Docket No. 911215-2328) NMFS asserts that the CDQ program does not discriminate between residents of different states: *"The CDQ program is consistent with the Magnuson Act and other applicable law"* [Response to Comment 24, 11/23/92]; *"NOAA has determined that neither amendment 18 as approved nor amendment 23 discriminates against non-Alaskan residents"* [Response to Comment 18, 6/3/92]; *"The impact of the CDQ program . . ...falls equally upon similarly situated Alaskans and non-Alaskans"* [Response to Comment 19, 6/3/92; Response to Comment 3, 12/24/93]. It is unequivocal that the revenues, and consequently the benefits (economic and social), derived in the CDQ program flow exclusively to residents of the State of Alaska.

Discrimination of residents in other states is not eliminated because some residents of Alaska are ineligible for the CDQ program. Your predecessor has taken a very narrow view of discrimination.

National Standard 5 requires that "*Conservation and management measures shall, where practicable, promote efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.*" The administrative record on this issue suggests that NOAA believes that the expected social benefits from the CDQ allocation demonstrate that economics is not the "*sole*" purpose of the program. "*The benefits of economic stability and social gains to the Alaskan coastal communities balance the potential economic losses to the Nation*" [Response to Comment 26, 6/3/92]. The CDQ program's "*primary objective is the achievement of social benefits through the development of fisheries in certain western Alaska communities*" [Response to Comment 20, 11/23/92]. "*The Magnuson Act and other applicable law does not require maximum efficiency in the use of fishery resources if there are counterbalancing social or biological reasons for less efficiency.*" [Response to Comment 24, 11/23/92]. "*After careful review of the record, NOAA has determined that amendments 18/23 do not have economic allocation as their sole purpose.*" [Response to Comment 25, 6/3/92]

The social analyses presented with Amendments 18/23 were qualitative at best. In June 1991, the NPFMC Scientific and Statistical Committee (SSC) noted that "*The sociological analyses in the document* [Amendment 18/23 SEIS/RIR/RFA] *are dominantly of the descriptive kind. ... However, comments in the document about social stability are speculative and do not provide a basis for choosing among the alternatives.*" Then in August 1992 , the SSC remarked that "*The social development and community stability supposed to follow from an inshore allocation are not well supported by information contained in the document.*" The SSC then reiterated its statement from June 1991. While the social analyses presented qualitatively reflected expected impacts from the inshore/offshore distribution of pollock, there was little, or no, analysis of the social benefits expected to flow from the CDQ program.

The social benefits expected to accrue to coastal communities were largely inferred from the benefits associated with the redistribution of income represented by the economic input/output model. Clearly, the social benefits alluded to by the Secretary were based on economic allocation of the pollock resource: "*The allocations as approved by the Secretary will clearly benefit the coastal communities of Alaska and aid them in achieving a stable, self-sufficient and growing economy.*" [Response to Comment 12, 6/3/92] "*The assignment of fishing privileges through the CDQ program will further the goals of the BSAI groundfish FMP by promoting economic stability....*" [Response to Comment 21, 6/3/92] "*The CDQ program is designed to provide start-up support for the western Alaska communities by allocating a portion of the pollock TAC to them for the development of their local fishing industry*" [Response to Comment 22, 11/23/92]

We do not believe that the Secretary can simultaneously argue that the CDQ program meets the test of National Standard 5 by providing increased social benefits to western Alaska coastal communities and sustain the point of view that National Standard 4's prohibition on discrimination between residents of different states has not been violated. Any improvement in the social welfare of western Alaska coastal communities will relieve the state, and consequently all citizens of Alaska, from the economic burden of promoting that social welfare. Consequently, impacts from this allocation do not fall equally on Alaskan and non-Alaskan residents.

Finally, National Standard 7 states that "*Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.*" The groundfish fisheries of the Bering Sea are seriously overcapitalized which the Secretary acknowledges: "*NOAA is aware that overcapitalization is a problem in the Alaska groundfish fisheries and amendments 18/23 do little to resolve this problem...*" [Response to Comment 25, 6/3/93] Many of the Council's current management endeavors are focused on remedies to this problem, e.g., groundfish and crab fishery moratorium; the sablefish and halibut ITQ programs, and the Council's "comprehensive rationalization" initiative. Yet in their response to comments NMFS said they were "... *implementing only those portions of the proposed amendment that do not appear to exacerbate the overcapitalization problem.*" [Response to Comment 25, 6/3/92] In fact, since the CDQ program's primary purpose is to generate further capital investments in the groundfish fishery, the NMFS is implementing a program that will exacerbate the overcapitalization problem.

The federal government would be in a stronger position of support for the Bering Sea groundfish fisheries and the economic improvement of coastal Alaskan communities if it provided block grants or small business loans to these communities for their purchase of existing capital or harvest rights. The Bering Sea groundfish fishery does not need further duplication of capital investments in the fishery, least of all duplication promoted by the government.

We note that, despite the Secretary's approval, the CDQ program has undergone only limited analysis, discussion or public debate, particularly in contrast to the extensive review of the more substantive allocation between inshore and offshore sectors of the fishery. Our constituents have raised relevant issues regarding the authority of the Secretary to approve the CDQ program.

When the CDQ program was originally approved, the Secretary pointed to the short-term nature of the allocations awarded in Amendments 18/23 (this amendment terminates in 1995) and, despite the negative economic benefits, he suggested that these interim allocations were necessary for the social good of the Nation while the Council wrestled with a comprehensive allocation plan. Unfortunately, the CDQ program has already begun to have a separate life of its own. In June, the Council tabled an amendment which would have adjusted the opening date for the BSAI pollock "A" season, in part due to undocumented concerns on the proposed amendment's impact to CDQ fisheries. Recently, the

Council has been advised by some CDQ recipients that they will need more than three years, the current term of the amendment, to achieve their economic goals. As the Council goes forward with its comprehensive rationalization initiative, CDQs will continue to be proposed by the dominant Alaska voting block. Non-Alaskan residents want the CDQ program set aside; barring that, we want a comprehensive legal review of the Secretary's authority to implement the program under the rules of the Magnuson Act.

We thank you for your consideration of this issue and look forward to your report. If we can be of further assistance please let us know.

Sincerely,

Robert Turner
Director

RT:jvt
cc: Rolland Schmitten, Director NMFS
Steven Pennoyer, Regional Director NMFS
Judith Freeman
Mary Lou Mills
Al Millikan

Alaska Department of Fish and Game
Commercial Fisheries Management and Development Division

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Fax Transmittal Sheet

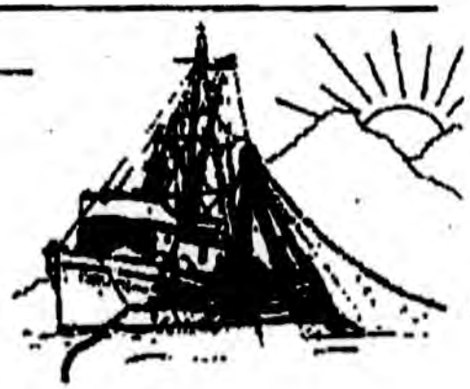
To: Cheryl Sutton
Rep. Moses Office
Fax#: 3445
Phone#:

Date: 1/27

From: Jeff Koenings

Number of pages following this page: 1

Memo:



THE DIVISIONAL MERGER AND FORMATION OF A FIFTH REGION

Three of the four existing regions within the department were formed at statehood, when salmon management issues and the value of salmon harvests were at the heart of the seafood industry. Within the last thirty-five years, Alaska's fisheries have changed. First came a recognition of the developing salmon fisheries of the Yukon and Kuskokwim Rivers and the resultant formation of the department's Arctic-Yukon-Kuskokwim (AYK) Region in 1971. Recently, shellfish and groundfish harvests have become increasingly valuable, and marine herring have also formed important fisheries. A great deal has been learned about salmon migration routes, and it is now known that salmon migrate through administrative regional boundaries set years ago. In response, we propose a fifth region (Bering Sea/Aleutians) that will seek to match administrative oversight and focus on the shellfish and salmon resources of this resource-rich region.

Recent changes in the department's commercial fisheries program following a merger of the Fisheries Rehabilitation, Enhancement and Development (FRED) and Commercial Fisheries Divisions has renewed interest in the formation of a fifth region. Creating a fifth region would allow us to address management issues associated with the organizational size and complexity of the four existing regions.

1. A Bering Sea/Aleutians (BSA) Region would focus science and budget-related resources on the area of the state where a majority of the economic value of salmon and shellfish are harvested. The new region would acquire existing management and research staff from the Westward and Central Regions, as well as administrative staff from the Southcentral Region of the former FRED Division.

2. Fishers of the BSA area want a regional staff to address concerns of the region in terms of management, science, and budgets. The BSA Region would contain salmon fisheries now shared between two regions. Consolidation into a single management unit could lead to resolution of long-standing fisheries issues through the formation of thoroughly integrated management and research programs.

3. Dividing the groundfish and shellfish fisheries between two regions will allow state management to be more effective under a full partnership with federal programs. The BSA Region would encompass the federal waters of the Bering Sea and Bristol Bay, where the state manages major stocks of shellfish, while the Kodiak/Chignik Region would focus on the department's groundfish program in the Gulf of Alaska.

4. The merger has increased both the complexity of the programs managed by the regional supervisors and their supervisory loads by assigning components of the FRED Division to their regions. A fifth region would reduce the supervisory workload of the regional supervisors, giving them time to evaluate the need and effectiveness of current programs. Existing programs in the BSA, Kodiak/ Chignik, and Central Regions could be realigned to meet the mission of the new CFMD Division and thereby lead to increased programmatic efficiencies.

5. The department's objective is to substantially upgrade the current federal groundfish trawl survey (crab data is a "bycatch") in order to effectively manage the crab resources of the Bering Sea/Bristol Bay areas. BSA staff would lead programmatic interactions with the North Pacific Fishery Management Council and the observer training program, both of which are headquartered out of Anchorage.

6. The CFMD Division has assigned personnel into area resource development positions that will provide services to the aquaculture and mariculture industries as well as diversify fisheries; i.e., the development of a new sea urchin fishery. This new program, still under development, will rely upon close cooperation from the fishers and industry to collect resource information according to surveys designed by the department.

ALASKA DEPARTMENT OF FISH AND GAME

Commercial Fisheries Management and Development Division

Recommendations Toward the Consolidation of the Commercial Fisheries and the Fisheries Rehabilitation, Enhancement and Development Divisions

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Jeffery P. Koenings, Ph.D.
Chair
Core Planning Group

January 1994

CHALLENGES FACING ALASKA'S COMMERCIAL FISHING INDUSTRY

- ***Changes in worldwide salmon supply*** — Major new producers of salmon and trout emerged during the last decade that have drastically altered worldwide supplies of salmon. Within the last ten years, the production of internationally farmed salmon has increased from nothing to now rival Alaska's entire salmon production.

- ***Changes in salmon markets and prices*** — Changes in markets are resulting in keen competition for Alaskan salmon. In 1986, Alaska provided 84 percent of the salmon imported into the Japanese market, compared to only 54 percent imported in 1992. Salmon and trout from Russia, Chile, and Norway have pushed Alaska into a corner in terms of what prices we can demand for our salmon.

- ***Impact of national and international issues*** — The truly national and international scope of Alaska's fisheries extends beyond worldwide supply and demand problems to include participation in the critical issues of federal legislation (Endangered Species, Magnuson Fisheries Conservation and Management, and Marine Mammal Protection Acts), federal management of our fisheries, and federally driven international treaties.

- ***Changes in our dominant fisheries*** — With changes in the harvests and markets of salmon, crab, and groundfish have come changes in the ex-vessel value of Alaska's catch. In 1991, the groundfish catch value surpassed that of salmon for the first time, and the ex-vessel value of shellfish landed in 1991 was equivalent to that of salmon.

- ***Emergence of new seafood industries*** — The private nonprofit enhancement program, begun in 1974, has matured. The fishermen-funded aquaculture industry currently provides nearly 20 million fish to Alaska's commercial catch and employs hundreds of Alaskans in full-time jobs. Also, the 1988 Aquatic Farm Act established the mariculture industry, which now consists of an expanding group of shellfish farmers throughout the state.

- ***Diversification of seafood harvests*** — Developing and emerging niche fisheries involving the harvest of scallops, sea urchins, sea cucumbers, geoducks, surf clams, snails and, possibly, sandfish, demand increasing attention.

Clearly, the commercial seafood industry in Alaska has changed over the last ten to twenty years. The changes were not envisioned when the Commercial Fisheries and Fisheries Rehabilitation, Enhancement and Development Divisions were first organized. Given these changes, it was thought expedient to begin the process of reorganizing both commercially oriented components of the department into a single division that could better address the present as well as the future.

Core Planning Group Members and Alternates

Jeff Koenings, Chair
Bruce Johnson, Facilitator

FRED	Commercial Fisheries	Sport Fish	Commissioner's Office
Bob Burkett	Bob Clasby	Paul Krasnowski	Geron Bruce
Karen Crandall	Doug Eggers	Rocky Holmes (alt)	
Kevin Duffy	Ken Florey		
Tom Kron	Paul Larson		
John Burke (alt)	John Hilsinger (alt)		
Ted Meyers (alt)	Gordon Kruse (alt)		
Dana Schmidt (alt)	Scott Marshall (alt)		
Lorne White (alt)	Larry Nicholson (alt)		

ACTION TEAMS

Alaska Department of Fish and Game
Commercial Fisheries Management and Development Division

Applied Science/Research

Bob Burkett - Chair
Gordon Kruse
Paul Larson
Dana Schmidt

Dave Barto - Limnologist I, Douglas
Sam Bertoni - FC III, Juneau Tag Lab
Linda Brannian - Biometrician III, Anchorage
Wes Bucher - FB III, Homer
Larry Buklis - FB IV, AYK
Carol Denton - FB III, Ketchikan
Carmine DiCostanzo - AP V, Juneau
Marianne McNair - RA III, Juneau
Doug Pengilly - Biometrician II, Kodiak
Phil Rigby - FB IV, Juneau
Jim Seeb - Geneticist, Anchorage
Sam Sharr - FB III, Cordova
Ben Van Alen - FB IV, Douglas
Leslie Watson - FB III, Kodiak

Planning/Permitting/Resource Development

Geron Bruce - Chair
Kevin Duffy
Ken Florey
Paul Krasnowski
Lonnie White

Bruce Barrett - FB III, Kodiak
James Brady - FB IV, Anchorage
Rich Cannon - FB IV, AYK
Jim Cochran - FB IV, Juneau
Hal Geiger - Biometrician II, Juneau
Russ Holder - FB II, Fairbanks
Tim McDaniel - FB IV, Anchorage
Steve McGee - FB IV, Juneau
Doug Mecum - FB IV, Douglas
Dave Parks - FC III, Clear Hatchery
Paul Ruesch - FB III, Soldotna
Herman Savikko - FB II, Juneau
Alan Spalinger - FB III, Kodiak

Resource Management

John Hilsinger - Chair
John Burke
Karen Crandall
Doug Eggers
Ted Meyers

Bill Bechtol - FB II, Homer
John Clark - Biometrician III, Douglas
Kim Francisco - FB III, Bethel
Jeff Hartman - Economist II, Juneau
Ron Josephson - FB III, Douglas
Tim Joyce - FC III, Kitoi Bay Hatchery
Tim Koeneman - FB III, Petersburg
Jeri Museth - AA I, Juneau
Pete Probasco - FB IV, Kodiak
Gene Sandone - FB III, AYK
Jeff Skrade - FB III, Dillingham
Mark Willette - FB III, Cordova

Administration

Bob Clasby - Chair
Tom Kron
Scott Marshall
Larry Nicholson

Betty Abel - AO I, Juneau
Katherine Aschaffenburg - Secretary I, Juneau
Will Bergmann - FB III, Petersburg
Kristi Dollmont - FOA, Fairbanks
Roberta Fisher - AA II, AYK
Dennis Haanpaa - FB IV, Anchorage
Mike Haddix - Limnologist II, Ketchikan
Bill Johnson - AP IV, Juneau
Susie Kaiser - AA II, Anchorage
Joan Peterson - AC II, Kodiak
Jaki Sanders - AO I, Juneau
Kim Vicchy - FOA, Ketchikan
Linda Wright - AA II, Kodiak

Italics denote Core Planning Group member or alternate

FRAMEWORK

During the FY 93 and FY 94 budget cycles, both the FRED Division and the Commercial Fisheries Division budgets were cut in anticipation of the merger between the two divisions. The total amount cut between these two budget years, nearly $500,000, was over and above, even at that point, the anticipated savings forecasted to result from a divisional consolidation. As a review of the functions of both divisions found little functional overlap, additional savings from the consolidation would more than likely accrue from possibly downsizing administrative units that support the functional elements within the division. Potential benefits of merging other functional components would result in increased program integration that would then lead to increases in project-level coordination and result in larger-scale programmatic efficiencies.

In its approach to functioning as a combined division, it was intended that the division operate as the Commercial Fisheries Management and Development Division; i.e., that there be two primary core elements in the division's functional makeup. The first was the management and operational aspects of the state's fisheries, and the second was the applied research and development aspects of present and future fisheries. To do both requires a balanced program that would be supported by the administrative units and carried out by the resource management, planning/permitting/resource development, and applied science/research wings of the combined division.

ADMINISTRATION

Headquarters

- ***The recommendation is to create a single administrative unit supervised by a deputy director. The administrative unit will comprise six full-time staff. This unit will support headquarters staff as well as statewide technical services units: Statewide Fish Culture and the combined Mark/Tag Laboratory.*** There were two separate administrative staffs located in the Juneau office, one for the Commercial Fisheries Component with four full-time and one seasonal staff, and one for the FRED Component with four full-time staff. Two options are presented: Option 1 reflects a four-region divisional structure, and Option 2 reflects a five-region divisional structure.

- ***The recommendation is to have a single clerical unit that will provide clerical support to all headquarters and Juneau statewide staff. The unit will consist of a Publications Specialist, a Secretary I, and two Clerk Typist IIIs.*** If possible, the Publications Specialist will be the supervisory lead and office manager of this particular unit. There were two separate clerical staffs in the headquarters offices: One for the Commercial Fisheries Component with three full-time staff, and one for the FRED Component with two full-time staff. The advantages of this option are efficient use of staff and a single supervisor.

Southeast Regional Office

- ***It is recommended that a single administrative unit support all regional activities. The administrative unit at this time will be comprised of five full-time and two seasonal staff headed up by an Administrative Assistant II. The Administrative Assistant will be supervised by the Regional Supervisor.*** There were two separate regional staffs located in Douglas. One for the Commercial Fisheries Component with five full-time and two seasonal staff, and one for the FRED Component with four full-time and one seasonal staff. The advantages of this option are efficient use of staff and a single supervisor.

- ***It is recommended that the single Limnology Section position located in the Douglas Office and those positions located in Ketchikan will be administratively supported by the headquarters unit. However, the Juneau/Douglas and Ketchikan regional units will provide clerical assistance to the limnology group.*** The consolidation of administrative and clerical staffs within the region and area offices will require some administrative functions move to headquarters, with clerical support remaining with regional and area clerical staff.

Commercial Fisheries Management and Development Division
(CFMD)

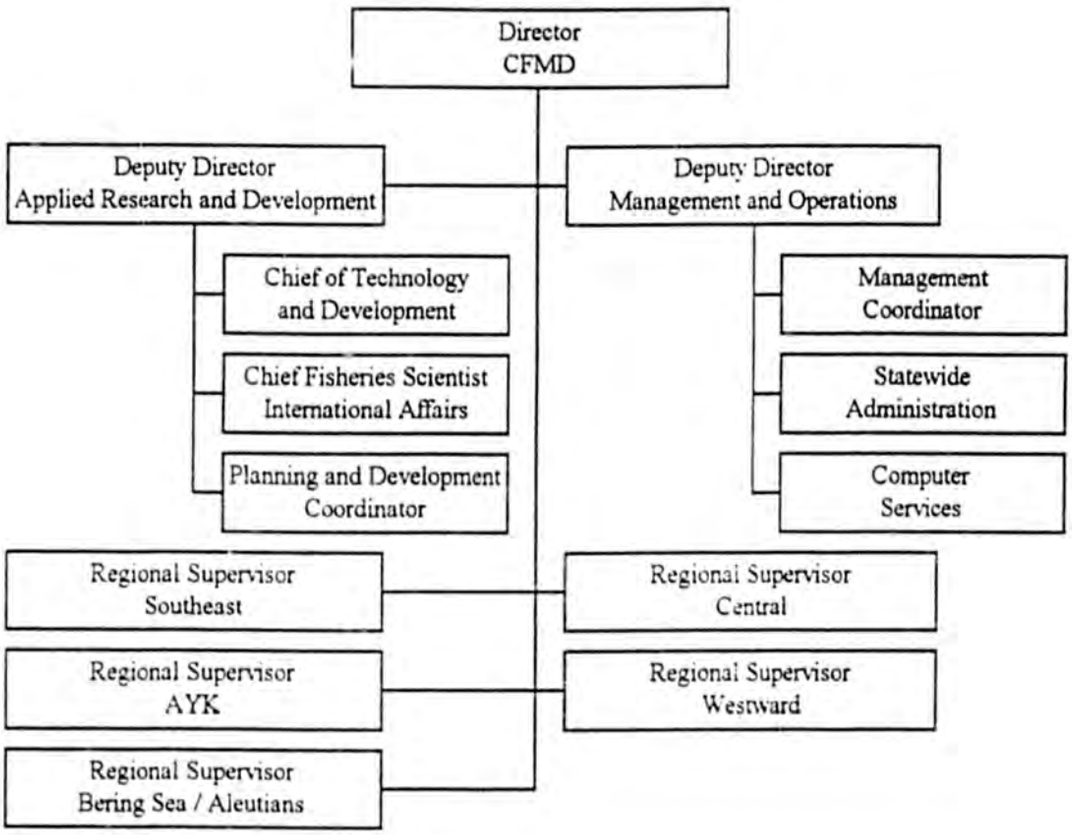


Figure 1. Headquarters Management: Director's recommendation

APPLIED SCIENCE/RESEARCH

Headquarters

- ***It is my recommendation to consolidate and integrate the statewide functions of the applied research group of the Commercial Fisheries Component and the technical services group of the FRED Component into a single unit under the direction of a Deputy Director of Applied Research and Development.*** This group will develop new applied research methodologies and technologies and maintain technological services that are unique and most efficiently performed on a statewide basis.

- ***It is recommended that the Coded Wire Tag Processing Laboratory and the Otolith Laboratory be consolidated into a single Mark/Tag Laboratory located in Juneau. The consolidated Mark/Tag Laboratory will be part of the Technical Services Section supervised by the Chief of Technology and Development.*** Consolidating the programs of each division into a single unit within the merged divisional structure will promote programmatic efficiency by minimizing duplication of effort and noncomplimentary programs.

- ***It is my recommendation that the activities of the two Genetics Programs, currently located in Anchorage, be consolidated, and that the geneticist class series, held in abeyance until the reorganization is completed, be reinitiated by the Department of Administration. The class series shall be patterned after other class series within the technical services arena, such as limnology.*** This would merge the Genetic Stock Identification Program, currently under the Chief Fisheries Scientist, with the Wild Stock Protection/Enhancement Program, currently supervised by the Chief of Technology and Development, into a single fisheries genetics program supervised by the Chief of Technology and Development.

Commercial Fisheries Management and Development
(CFMD)

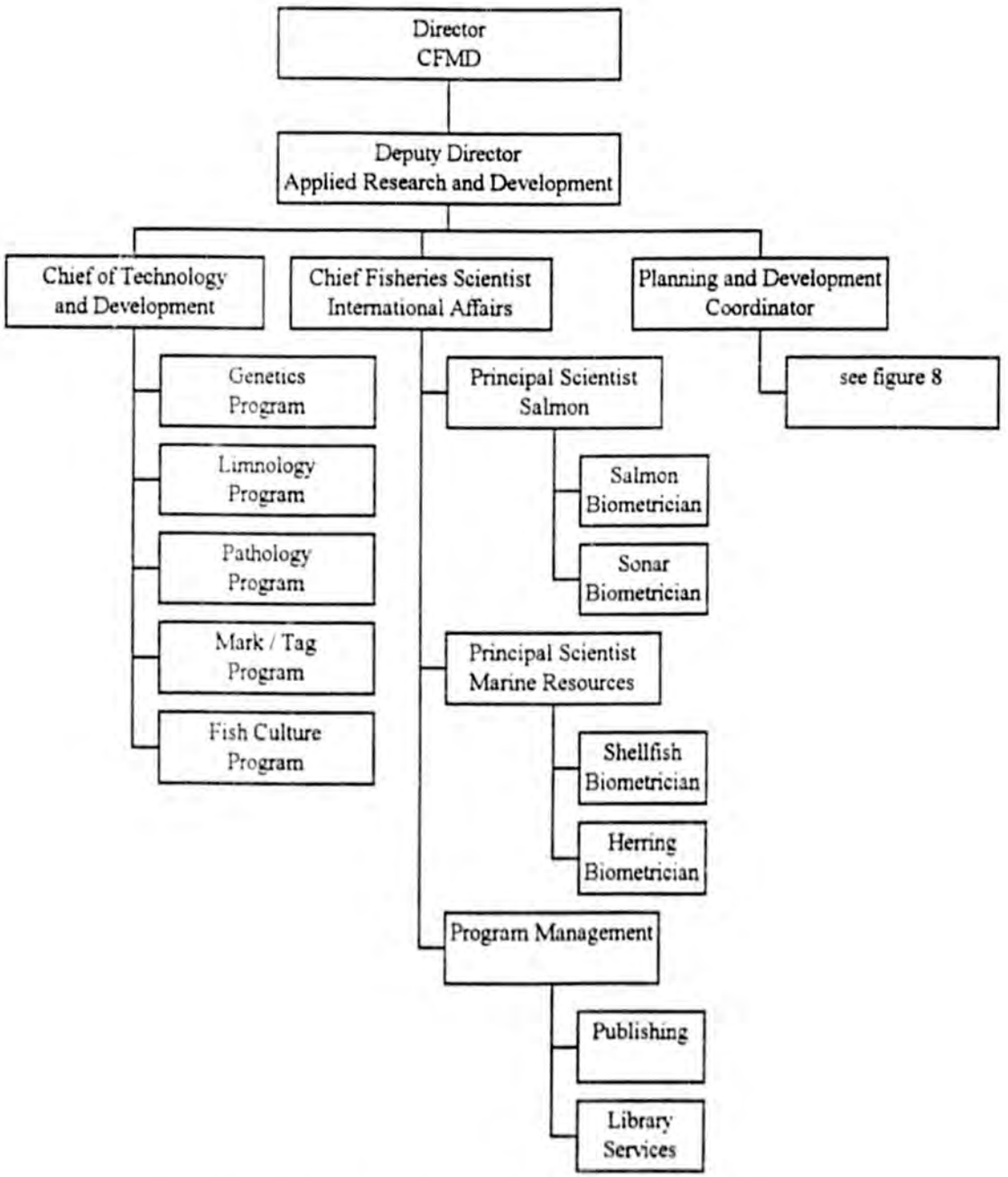


Figure 9. Applied Research and Development:
Modified version of Applied Science / Research Action Team recommended interim organization

PLANNING/PERMITTING/RESOURCE DEVELOPMENT

Team members agreed that more resources and support need to be devoted to aquaculture permitting and planning in the reorganized division. Included within this category is not only the private nonprofit hatchery program, but also the emerging mariculture program which supports Alaska's shellfish and aquatic plant farming industry.

- ***It is recommended that former FRED area biologists be reassigned to both of the two resource development biologist functions.*** Overall, it is felt that there is a need to emphasize the planning and permitting function within the merged division by maintaining a headquarters focus on this activity. The need for adequate resources in the regions to develop diversified fisheries and to act as a bridge to the private nonprofit and mariculture industries also needs to be emphasized. In addition, there is a need for each region to increase its participation in the evaluation and management of supplemental salmon production.

Regional Resource Development Biologists:

- Administer the resource development program;
- Be a voting member on Regional Planning Teams;
- Process private nonprofit hatchery permits and hatchery annual management plans;
- Coordinate fish transport permit and fish resource permit reviews;
- Lead the regional comprehensive enhancement planning process;
- Coordinate with area resource development biologists; and
- Act as lead resource development biologist at Board of Fisheries meetings.

Area Resource Development Biologists:

- Develop new fisheries enhancement, restoration, and resource development opportunities;
- Carry out non-hatchery enhancement and restoration research projects;
- Participate on the Statewide Enhancement Evaluation Review Panel;
- Act as point contact for review of federal plans;
- Coordinate wild/hatchery stock questions with PNP hatchery programs;
- Provide preseason planning, inseason management, and post-season evaluation of PNP salmon production;
- Provide technical assistance in planning and permitting for the mariculture industry; and
- Work closely with habitat biologists to provide technical services on habitat protection issues.

RESOURCE MANAGEMENT

- ***It is recommended that the hatchery program be consolidated within a statewide hatchery group and supervised by a statewide culturist.*** A single, statewide culturist supervising the division's hatcheries will ensure leadership by knowledgeable personnel, provide an integrated hatchery research program, and maintain a core group of fish culture expertise within the department. As Commercial Fisheries Management and Development Division responsibilities for hatchery operations are reduced, fish culture expertise will be refocused on technical services support and oversight, both within the division and for the private nonprofit aquaculture and mariculture industries.

  Formation of this hatchery group will facilitate interaction with the aquaculture industry, especially on the side of best hatchery practices and culture techniques, as well as coordination of research activities designed to make the facilities more cost-effective.

The duties and responsibilities of this section are listed below:

- Supervise divisional hatchery operations;
- Integrate hatchery research with the Sport Fish Division and private nonprofit facilities;
- Provide technical fish culture expertise to the PNP Program;
- Establish, evaluate, and upgrade best management practices for hatchery operations;
- Evaluate requests for new increments of fish production and location of remote release sites; and
- Participate in the Statewide Enhancement Evaluation Review Panel (*see below*) for new increments of fish production.

- ***It is my recommendation that a Statewide Enhancement Evaluation Review Panel be formed to ensure proposed evaluation studies connected with new increments of production are both necessary and cost efficient. The statewide enhancement evaluation review panel should consist of department staff and colleagues within the aquaculture industry.*** There is some concern within the aquaculture industry that the concept of "user pays" will be unevenly applied to the various regions. One example of the "user pays" concept can be described as when new increments of salmon production are proposed by the nonprofit aquaculture groups, any management or research costs connected with increased production will be the responsibility of the aquaculture group. The formation of a statewide group will strengthen the application of equal standards to all segments of the industry.

Commercial Fisheries Management and Development Division
(CFMD)

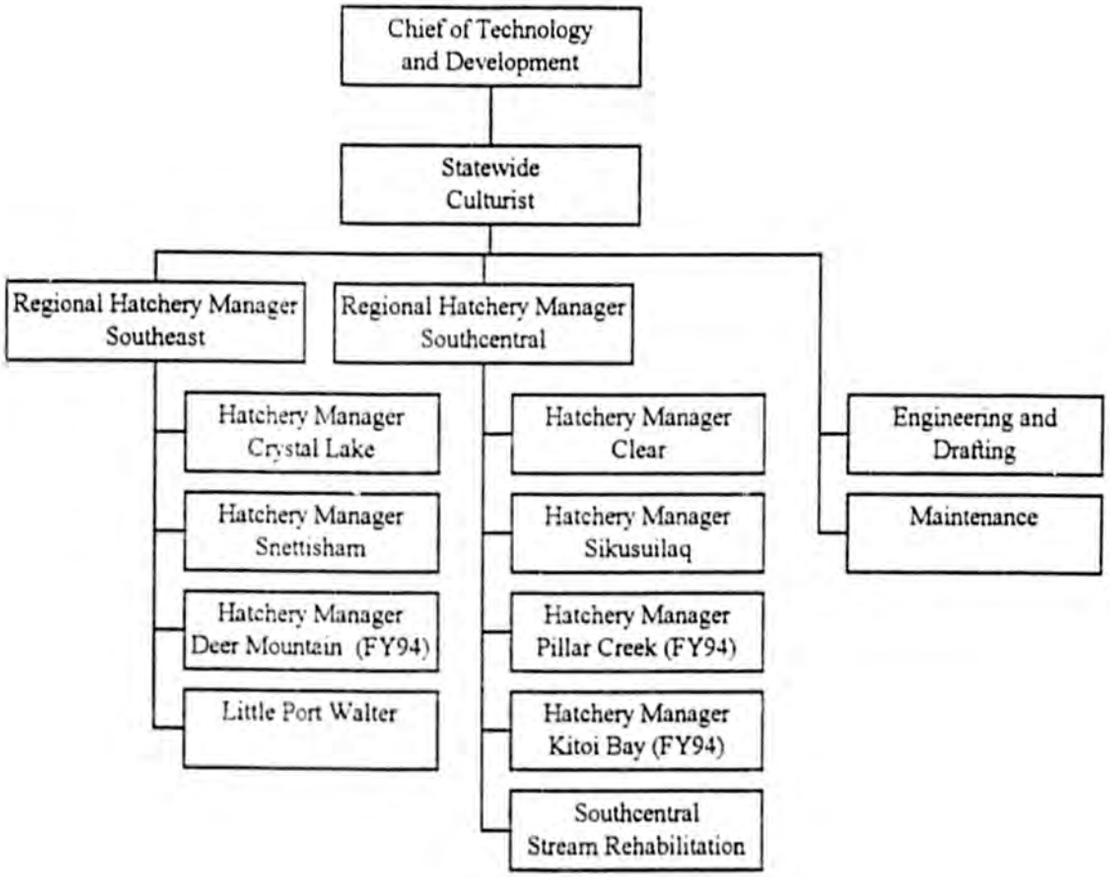


Figure 7. Statewide Fish Culture:
Modified version of Hatchery Operations Organizational Structure provided by Planning, Permitting, and Resource Development Action Team

RESOURCE MANAGEMENT

- ***It is my recommendation that the division create a fifth region that would include shellfish, salmon, and herring programs, as well as vessel use to support those programs. The Bering Sea/Aleutian Islands Region would tentatively be defined to include Bering Sea shellfish, as well as Bristol Bay and Alaska Peninsula/Aleutian Islands area fisheries resource management and research activities. The region would be tentatively supervised out of the Anchorage Office.***

Recent changes in the department's commercial fisheries program following a merger of the FRED and Commercial Fisheries Divisions has renewed interest in the formation of a fifth region. Creating a fifth region would allow us to address management issues associated with the organizational size and complexity of the four existing regions.

1. A Bering Sea/Aleutians (BSA) Region would focus science and budget-related resources on the area of the state where much of the economic value of salmon and shellfish are harvested. The new region would acquire existing management and research staff from the Westward and Central Regions, as well as administrative staff from the Southcentral Region of the former FRED Division.

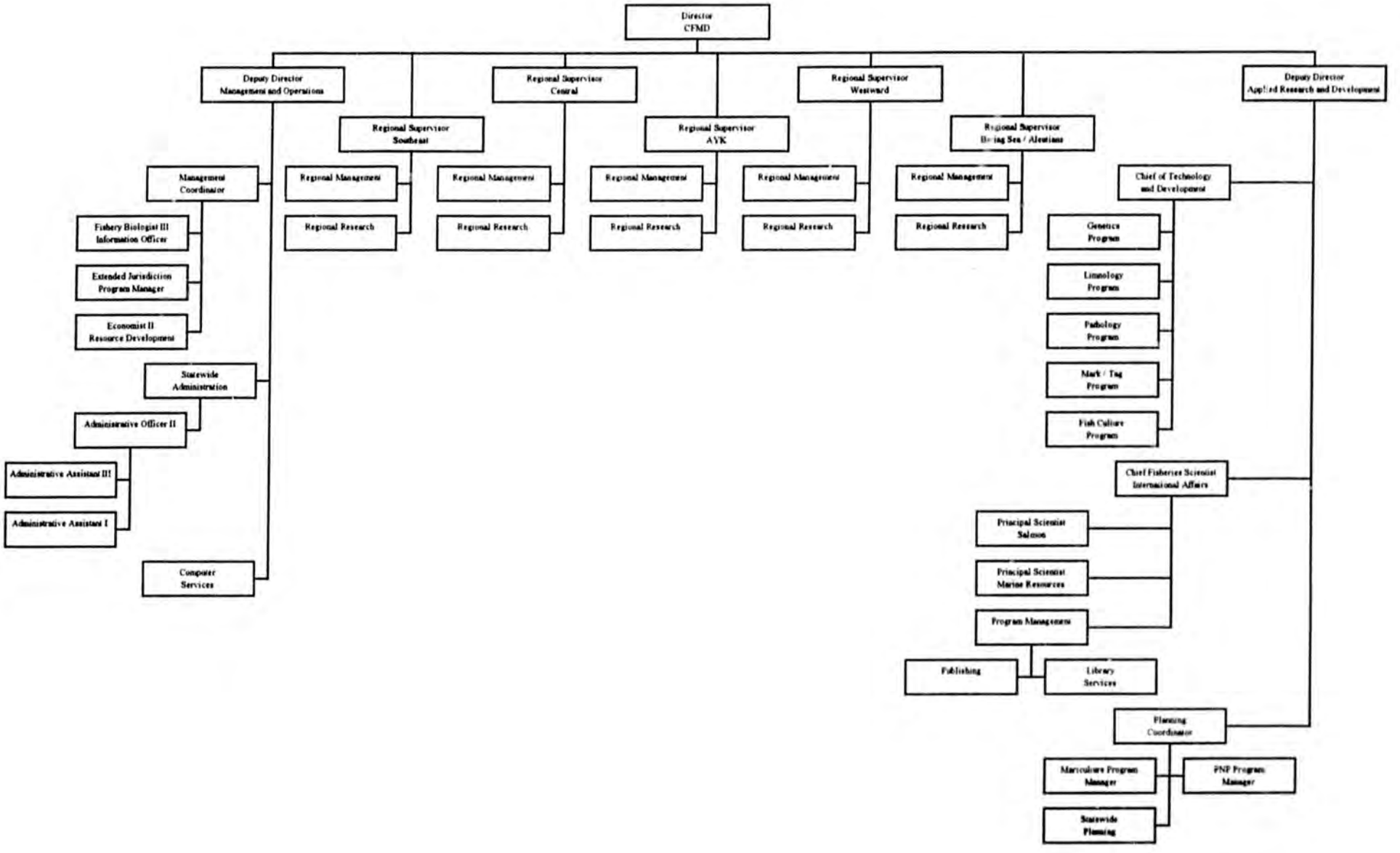
2. Fishers of the BSA area want a regional staff to address concerns of the region in terms of management, science, and budgets. The BSA Region would contain salmon fisheries now shared between two regions. Consolidation into a single management unit could lead to resolution of long-standing fisheries issues through the formation of thoroughly integrated management and research programs.

3. Dividing the groundfish and shellfish fisheries between two regions will allow state management to be more effective under a full partnership with federal programs. The BSA Region would encompass the federal waters of the Bering Sea and Bristol Bay, where the state manages major stocks of shellfish, while the Kodiak/Chignik Region would focus on the department's groundfish program in the Gulf of Alaska.

4. The merger has increased both the complexity of the programs managed by the regional supervisors and their supervisory loads by assigning components of the FRED Division to their regions. A fifth region would reduce the supervisory workload of the regional supervisors, giving them time to evaluate the need and effectiveness of current programs. Existing programs in the BSA, Kodiak/ Chignik, and Central Regions could be realigned to meet the mission of the new CFMD Division and thereby lead to increased programmatic efficiencies.

5. The department's objective is to substantially upgrade the current federal groundfish trawl survey (crab data is a "bycatch") in order to effectively manage the crab resources of the Bering Sea/Bristol Bay areas. BSA staff would lead programmatic interactions with the North Pacific Fishery Management Council and the observer training program, both of which are headquartered out of Anchorage.

Commercial Fisheries Management and Development Division (CFMD)



Official Business

COMMITTEE: HOUSE SPECIAL COMMITTEE ON FISHERIES

DATE: JANUARY 28, 1994

Subject of meeting: ADF&G REORGANIZATION

CSHB 134

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