

3/13/06

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OF FISH &
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Funding Fish and Game Management: A Wise Investment in Alaska's Future

Frank H. Murkowski, Governor
McKie Campbell, Commissioner



ADF&G's Mission

“To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development for the maximum benefit of the people of the state, consistent with the sustained yield principle.”



Fish and Wildlife Resources: A Top Contributor to Alaska's Economy

- Direct: licenses, permits, tags, fisheries business taxes, guide license fees, commercial fishing, sport hunting and fishing occupations, seafood processing, transporter fees, etc.
- Indirectly: boats, vehicles, gear and supplies, guiding services and excursions, lodging, food, transportation, taxidermy, etc.



Fish and Wildlife Provide More Jobs Than Any Other Sector in Alaska

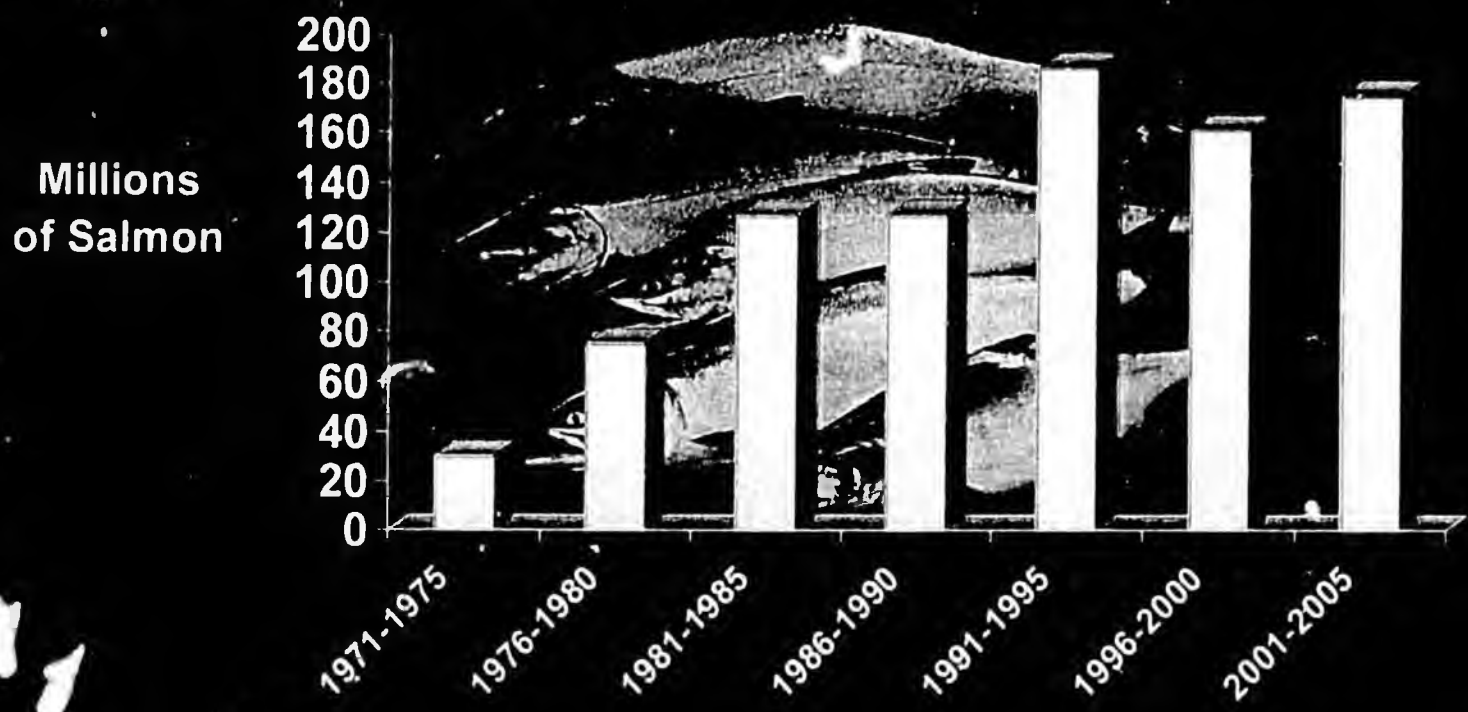


How has Our Fish and Game Investment Performed?



Our Investment Rebuilt Decimated Commercial Fisheries

Salmon Harvest Historical Statistics



- Early '70s – Limited entry and hatchery enhancement begin
- 1989 – Exceeds 150 million for the first time in history
- 2005 – 221 million record harvest
The third time in history to exceed 200 million
(2005 = 221.1 mil., 1999 = 216.6 mil., 1995 = 217.7 mil.)



Commercial Fisheries: Economic Benefits to the State

- One of the largest private sector employers
 - 14% of all Southeast AK jobs
 - 18% of all Gulf Coast AK jobs
 - Over ½ of all Southwest AK jobs
- 2004 = 15,200 jobs, 34,200 peak season
 - 6,700 harvesting jobs
17,000 peak season
 - 8,500 processing jobs
17,200 peak season
- Local governments benefit from fisheries-related taxes
- People worldwide know Alaska through seafood consumption





Commercial Fisheries: Economic Benefits to the State

2005 statistics:

- \$3.5 billion first wholesale seafood value
- \$1.3 billion Alaska seafood exvessel
- \$53,132,700 million in revenue from fisheries-related taxes and fees
- \$2.46 billion in international seafood exports, up 13% from 2004
 - Seafood provides over 1/2 of Alaska's international exports



Export statistics ASMI

Fisheries revenue and exvessel data from 2006 Division of Commercial Fisheries Overview available from ADF & G



Our Investment
Supports World-Class Sport Fisheries

Alaska is renowned for the some of the most abundant and diverse fly-fishing, saltwater fishing, and freshwater fishing in the world.





Sport Fishing: Economic Benefits to the State

In 2005, sport fishing license purchases generated over \$14.8 million:

- 512,000 licenses sold
 - Over 187,000 residents
 - 324,000 non-resident





Sport Fishing: Economic Benefits to the State

In 2003:

- Anglers spent \$640 million in Alaska
- Generated 12,065 jobs and \$259 million in wages
- Cumulative impact was over \$1 billion in fisheries-related spending



Data from the American Sport fishing Association at www.asafishing.org/asa/statistics/economic_impact/economic_state_reports.html

Our Investment
**Provides World-Class Hunting
Opportunities**

Alaska is a unique and remarkable big game hunting destination with diverse wildlife populations which provide outstanding hunting opportunities.





Hunting: Economic Benefits to the State

In 2004, Alaska hunting and trapping license purchases generated nearly \$3 million:

- 133,700 licenses sold
- Over 119,000 residents
 - 14,700 non-residents





Hunting: Economic Benefits to the State

In 2001:

- 93,000 hunters
- 1.1 million days hunting
- Generated \$217 million in related expenditures

Currently:

- Alaska's Big game guide industry directly employs over 2,300 guide-outfitters, guides, assistant guides, and transporters



Our Investment
**Provides Subsistence Harvest
Opportunities**

Virtually every community in Alaska has residents who participate in hunting, fishing, and gathering for domestic use. Many rely on this opportunity to meet their food protein requirements.





Subsistence: Economic Benefits to the State

Annual Subsistence Harvest:

- 53 million pounds of wild food
- Minimum replacement value is \$260 to \$520 million
- The family traditions, self-reliance, and spiritual and cultural connections reinforced through subsistence cannot be measured in dollars



ADF&G Division of Subsistence

Our Investment Formed the Basis for a Booming Tourism Industry

Spectacular wildlife watching and sport fishing are two of the greatest attractions for bringing visitors to Alaska. Last year, Alaska hosted over 1.5 million summer visitors

Preliminary estimates from ATIA quoted in the Alaska Journal of Commerce 11/13/05



Wildlife and Fishing are Central to Alaska Tourism Marketing

ALASKA
TravelAlaska.com
tr.Alaska.LosAn

<http://www.travelalaska.com/>

Maps of Alaska
Alaska's Regions
Cities & Towns
Parks & Public Lands
Books on Alaska
Alaska Photo Gallery
Activities
Transportation
Food & Lodging
Events
Planning Specialists
Package Tours
Weather & Climate
Sample Trips & Tips



"The beauty of Alaska cannot be put into words."
- Ester McNeil, Middlebury

Alaska. Imagine your vacation in Alaska for one moment. Your delight when you spot a grizzly bear with a cub or two in tow. That instant when the silence of a misty fjord is shattered by a pod of giant humpback whales, breaching high into the air, then crashing back against the sea. While your floatplane flies over crystal glaciers, toward the midnight sun, remember: This is Alaska. This is real. This is the adventure of a lifetime.

"It would take a lifetime to experience everything Alaska has to offer."
- Charmaine Eurlis, Seattle

Traveling in Alaska is like traveling no other place on earth. There are 586,000 square miles here, and almost that many possibilities. Choose from wildlife viewing, sea kayaking, and guided glacier hikes. Relax aboard a one-day cruise, pan for gold, bait a rod for Alaska's world famous King salmon fishing.

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Islands - Alaska

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ALASKA
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907-595-1212



Wildlife
Bait
Slip



Wildlife Watching: Economic Benefits to the State

Annual travel and tourism contributions:

- \$1.6 billion to Alaska's economy
- Generates over 39,000 jobs
- Represents 5.5% of Alaska's Gross State Product

2005 Wildlife Viewing:

- 565,000 individuals, or 1 in 3 Alaska visitors, engaged in wildlife viewing



The Alaska Tourism Statewide Account. Prepared for DCLD, October 25, 2004. Available at <http://www.dcl.doe.state.ak.us/Accounting/Accounting.htm>

2005 economic data from the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, USFWS

McDowell Group, Inc. ALASKA TRAVELERS SURVEY

ADF&G Wise Investment: Case Study



Frazer Lake – where our small investments yield high returns

Case Study: Frazer Lake

Background:

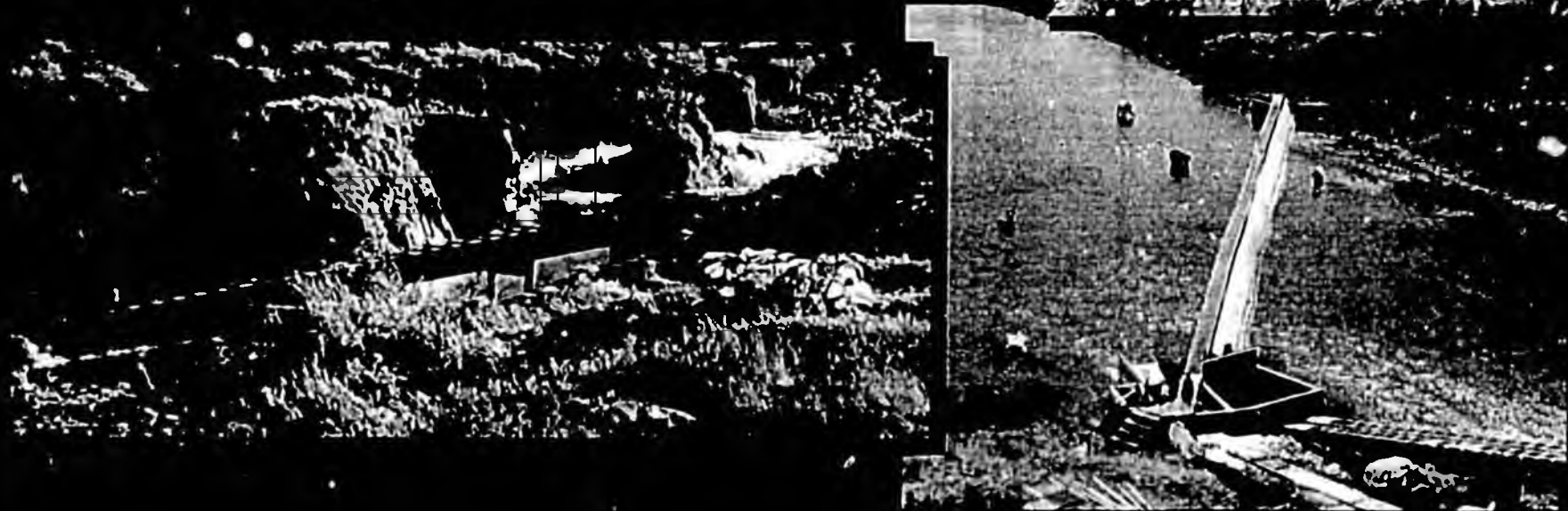
- Falls prevented salmon from accessing lake
- Biologists realized the development potential



Case Study: Frazer Lake

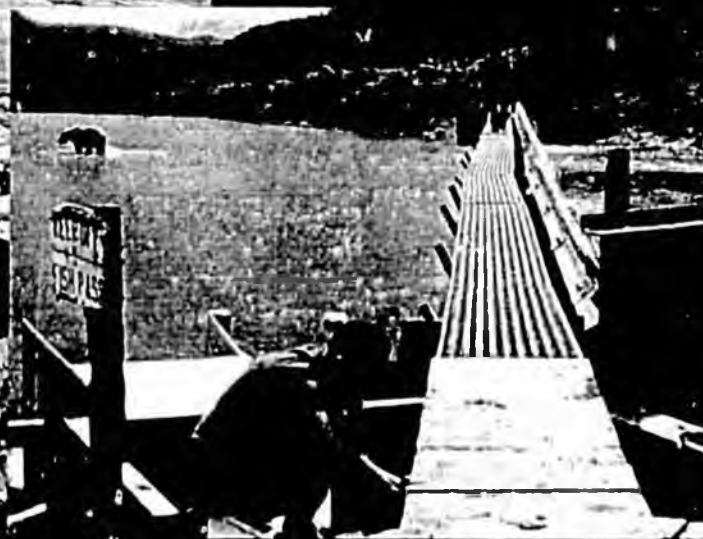
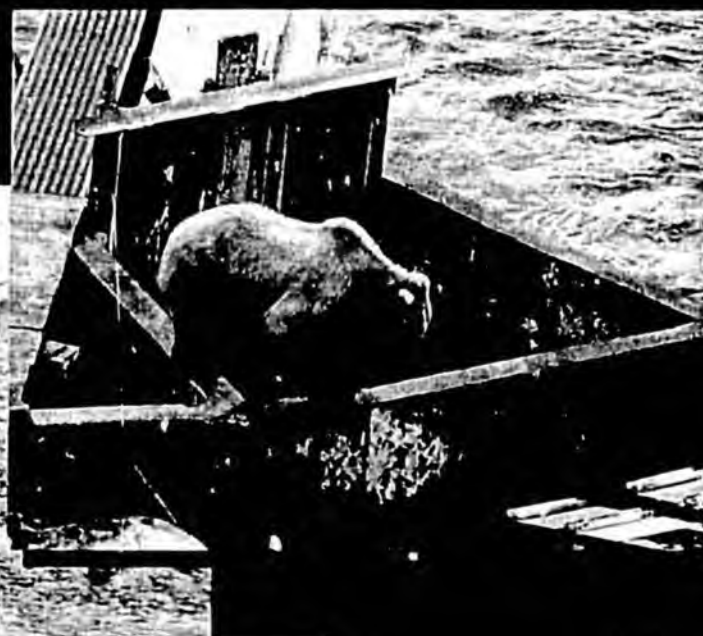
Background:

- 1951 – Salmon eggs are planted
- 1956 to 1961 – Returning adult salmon are packed over falls
- 1962 to '63 – Fish passage is built: \$109,086 initial investment



Case Study: Frazer Lake

- \$50,000 annually for staff and maintenance



Case Study: Frazer Lake

- Annual Investment – \$50k
- Return – \$1.2 million commercial harvest



Case Study: Frazer Lake

- Annual Investment – \$50k
- Return – \$250,000 sport fishing



Case Study: Frazer Lake

- Annual Investment – \$50k
- Return – \$500,000 wildlife viewing



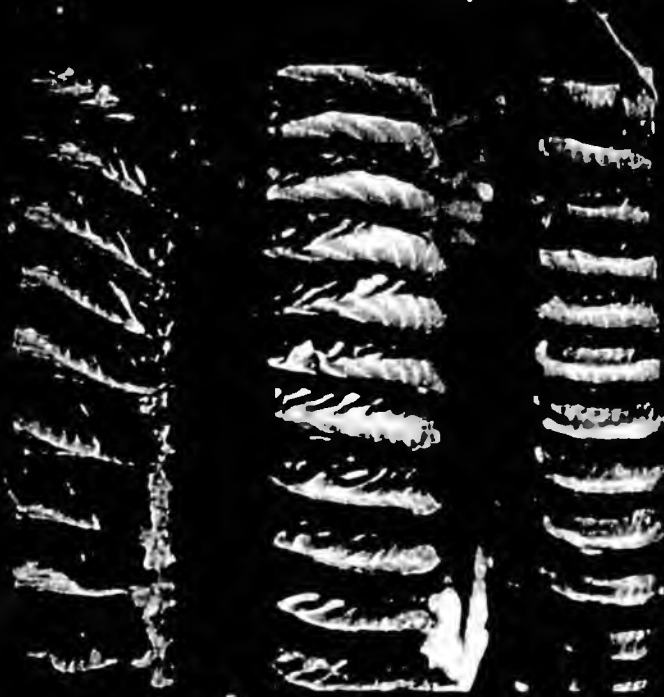
Case Study: Frazer Lake

- Annual Investment – \$50k
- Return – \$190,000 bear hunting



Case Study: Frazer Lake

- Annual Investment – \$50k
- Return – approx. \$10,000 in subsistence replacement value for the village of Akhiol



Case Study: Frazer Lake

- \$2,150,000 total annual return from our \$50k investment

\$2,500,000

\$2,000,000

\$1,500,000

\$1,000,000

\$500,000

\$0

\$50,000

Investment

Returns

\$190,000

\$500,000

Investment

Subsistence

■ Hunting

▣ Bear View

□ Sport Fish

Com. Fish



FY '06 Funding Sources

Federal Receipts	\$ 61,116,600	39.17%
General Funds	33,800,800	21.66%
Interagency Receipts	11,553,800	7.41%
Fish & Game Fund (hunting & fishing license sales)	26,948,600	17.27%
Commercial Fisheries Loan Fund	1,976,300	1.27%
CIP Receipts	5,213,300	3.34%
Statutory Designated Program Receipts	5,222,600	3.35%
Test Fish Receipts	2,475,900	1.59%
Receipt Supported Services (CFEC Receipts)	3,400,900	2.18%
Other	64,300	0.04%
EVOS	4,237,700	2.72%
Total	\$156,010,800	

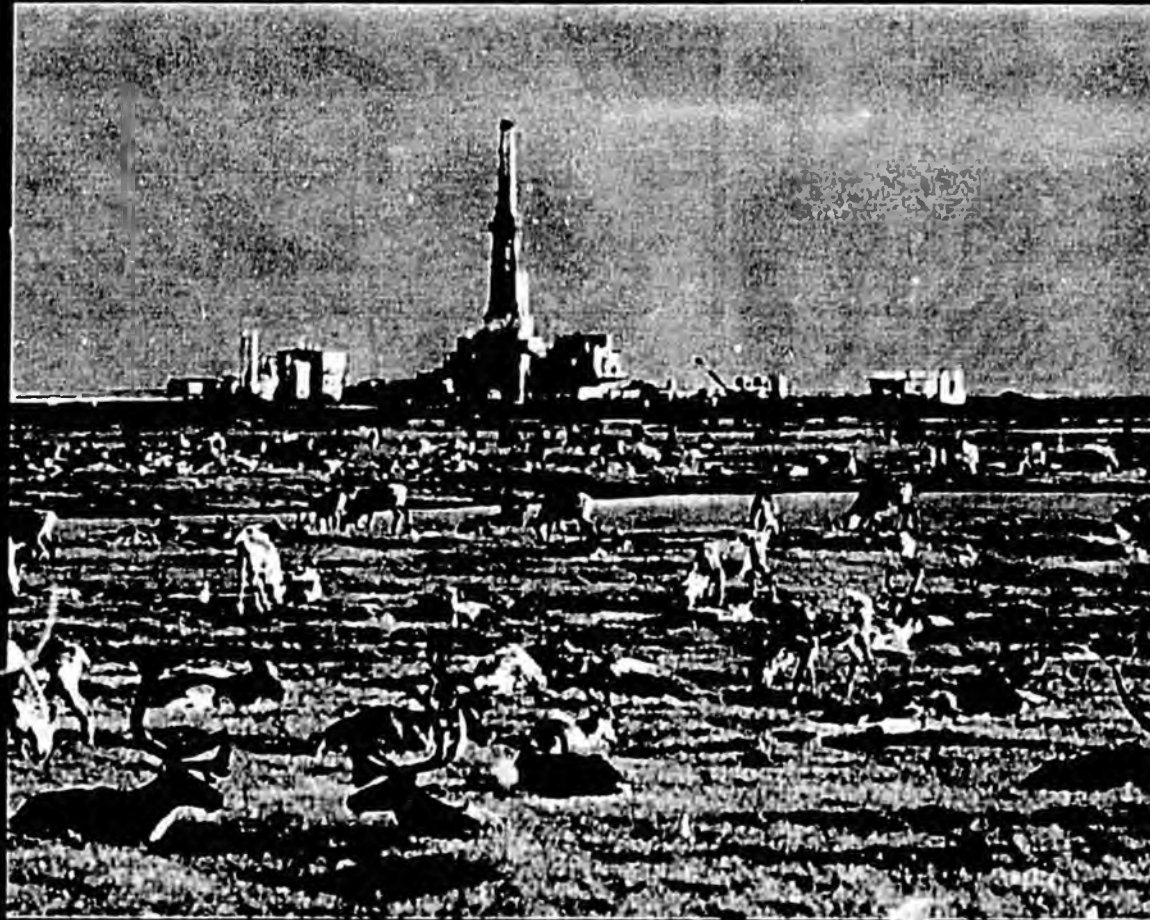
Federal = approximately 40%, General Funds = approximately 22%

Risks of Relying on Federal Funding

Federal Funds = 40% of F&G Budget

- Lack long-term stability
- Limited flexibility inhibits our ability to adjust to needs
- One time grants or earmarks don't provide needed long-term program support
- Administering federal grants is costly





**Fish and wildlife are a renewable resource
that can and will provide sustained
economic benefits for future generations.**

FY06 Investment & Return to Alaska's Economy



\$1 Investment



\$35 Return

**\$34 million in general fund
+ \$122 million in other funds**



\$156 million



\$5-6 billion

“We have a responsibility to ensure sustainable resource management for future generations of Alaskans. Fulfilling this responsibility requires continued investment in Alaska’s fish and game resources.”

- Frank H. Murkowski
Governor

