

2/15/11

Overview:

Sport

Fish

Sector

<TARGET><BILL></BILL><SUBJECT>2-15-11 Overview Sport Fish  
Sector</SUBJECT><COMM>HFSH27</COMM></TARGET>

Script House Fisheries - Tuesday, February 15, 2011

(GAVEL IN)

Let's call this meeting of the House Fisheries Committee to order. Let the record reflect that it is \_\_\_\_ p.m., Tuesday, February 15<sup>th</sup>, 2011.

Present today are:

\_\_\_ Vice-Chair Johnson

\_\_\_ Representative Austerman

\_\_\_ Representative Herron

\_\_\_ Representative Pruitt

\_\_\_ Representative Kawasaki

\_\_\_ and Myself, Chairman, Representative Thompson

At today's meeting, the Committee will be receiving its first Industry Overview with a presentation about the Sport Fish sector. Also on the Agenda is consideration of House Bill 60 – *regarding Geoduck Aquatic Farming*.

With us we have Ricky Gease, Executive Director for the Kenai River Sportfishing Association. Mr. Gease, if you would please come forward and place yourself on the record, the Committee is ready for your presentation. And, as a reminder, Members should feel free to ask questions as they arise.

### **Sportfishing Presentation**

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Thank you, Mr. Gease. Are there any (further) questions regarding Sport Fishing? Vice-Chair Johnson?

Now we'll take a brief at ease while we arrange for the next order of business.

(Gavel)

## House Bill 60

( Gavel)

We are back on the Record.

Our next order of business is to hear House Bill 60 and the Sponsor, Representative Seaton, is here to introduce the bill to the Committee. Representative Seaton, if you would please place yourself on the Record, you may proceed with your introduction.

### HB 60 Introduction

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Thank you, Representative Seaton. Are there any (further) questions for the Sponsor? Vice-Chair Johnson?

### Public Testimony

We'll now open it up for Public Testimony. Jeff Hetrick, of the Alutiiq (A-loo-tik) Pride Shellfish Hatchery, and Rodger Painter, Executive Director of the Alaska Shellfish Growers Association, are here to testify in support of the Bill proposed legislation but first I'd like to hear from the Administration. Miss Aspelund, would you please come forward and place yourself on the record?—

(Administration Testimony).

Are there any (further) questions for the Administration? Thank you, ~~Miss~~ Director.

*Act. Pin. 145*

Our next testifier is Jeff Hetrick. Mr. Hetrick, if you will please come forward and state your name and affiliations for the record, you may begin your testimony. (testimony). Are there any questions from committee members for Mr. Hetrick? Thank you for your testimony.

Now we'll hear from Rodger Painter. Mr. Painter, if you will please come forward and state your name and affiliations for the record, you may begin your testimony. (testimony). Are there any questions from committee members for Mr. Painter? Thank you for your testimony.

Is there anyone (else) in the audience or online wishing to testify on HB 60?

*Public Testimony Script (if necessary)*

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Yes, \_\_\_\_\_. *If you would please state your name and affiliation for the Record, the Committee will hear your testimony.*

Are there any (further) questions for \_\_\_\_\_.

Hearing none, Public Testimony is now closed.

Are there any (further) questions or comments on House Bill 60 from the committee? Discussion?

**Hold HB 60**

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A number of concerns regarding the potential impacts of this legislation have been raised and I think the committee should explore them further before moving this legislation. Therefore, the Committee will hold this bill over for answers to member questions and further discussion.

**Move HB 60**

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Hearing none, the Chair will now entertain a motion.

Then, without objection, **House Bill 60, version 27-LS0318/A**, is moved from Committee with attached zero Fiscal Note and individual recommendations.

That concludes our business for the evening. Our next Fisheries Committee meeting will be at 5:00 p.m. on Thursday, February 17, 2011. At that meeting, we will receive a presentation on the North Pacific Fishery Management Council and then hear House Bill 141 – *regarding loans to community quota entities*.

The time is now \_\_\_\_\_ p.m. and, there being no further business, I adjourn today's meeting of the House Special Committee on Fisheries.

(GAVEL OUT)





## Today's Talk – Brief Overview

- KRSA – a Leader in Fishery Conservation  
Who we are, What we do
- Sportfishing – Significance to Alaska
- Economic Values – Size & Scope

## Transition Team Topics: Better Integration of Business Intelligence

- Smart Management – Involve Stakeholders
- Access & Infrastructure – Prioritize & Invest
  - Human Resources – Prioritize & Invest
    - Digital Age – Prioritize & Invest
- Economic Data & Analysis – Prioritize & Invest
  - Compensated Reallocation – Halibut
- Professional Sportfishing Guide Services Board



# K R S A

- Professional 501 (c) (3) Charitable Non-Profit
  - Kenai River Classic Fundraising Events
    - Habitat Restoration & Access
    - Fisheries Management
  - Habitat, Fisheries & Economic Research
    - Angler Education

*-300  
Members*



## Sportfishing Significance in AK

- World Class Fishing
- Quality of Life for Alaskans
  - Important For Tourism
    - Economic Engine
- ADFG (2007) – Economic Impacts & Contributions of Sportfishing in Alaska



## Sportfishing Size and Scope

- \$1.4 Billion Total Sportfishing Expenditures, All Anglers
- \$123 Million Generated in State & Local Tax Revenues
- Supported 15,879 Full & Part-time Jobs

### 475,534 Licensed Anglers

Resident: 190,644

Nonresident: 284,890

### 2.5 Million angler days

Resident: 1.4 Million days (56%)

Guided: 9%

Unguided: 91%

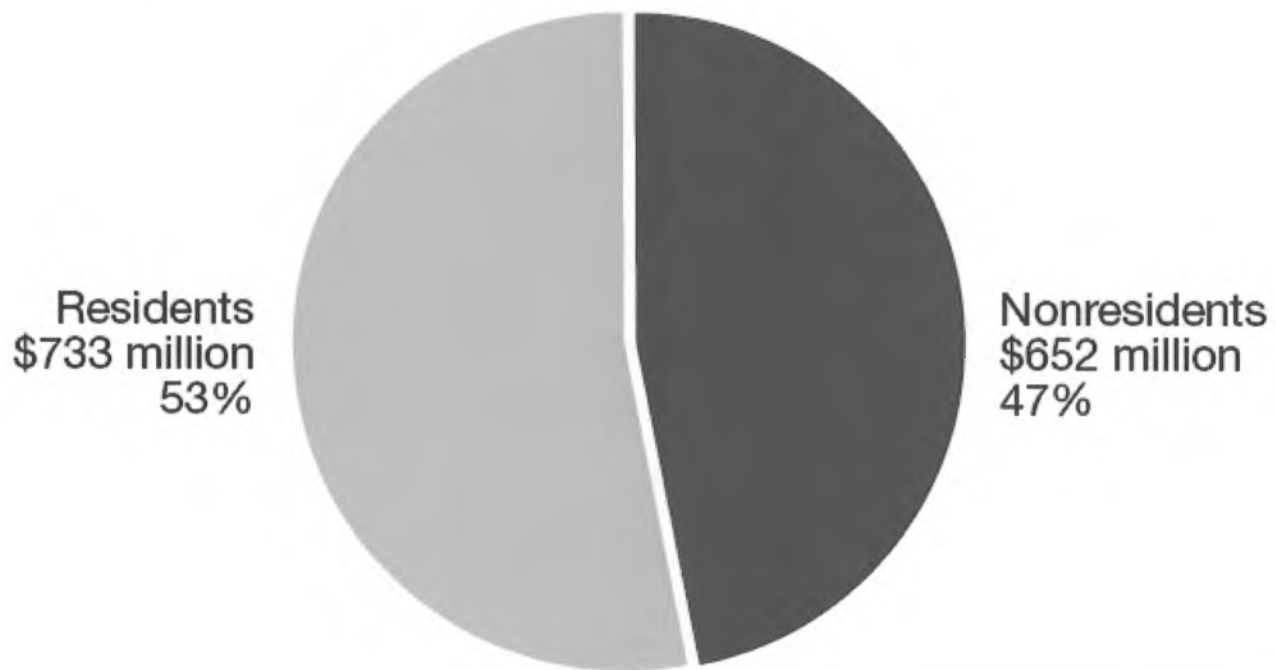
Nonresident: 1.1 Million days (44%)

Guided: 43%

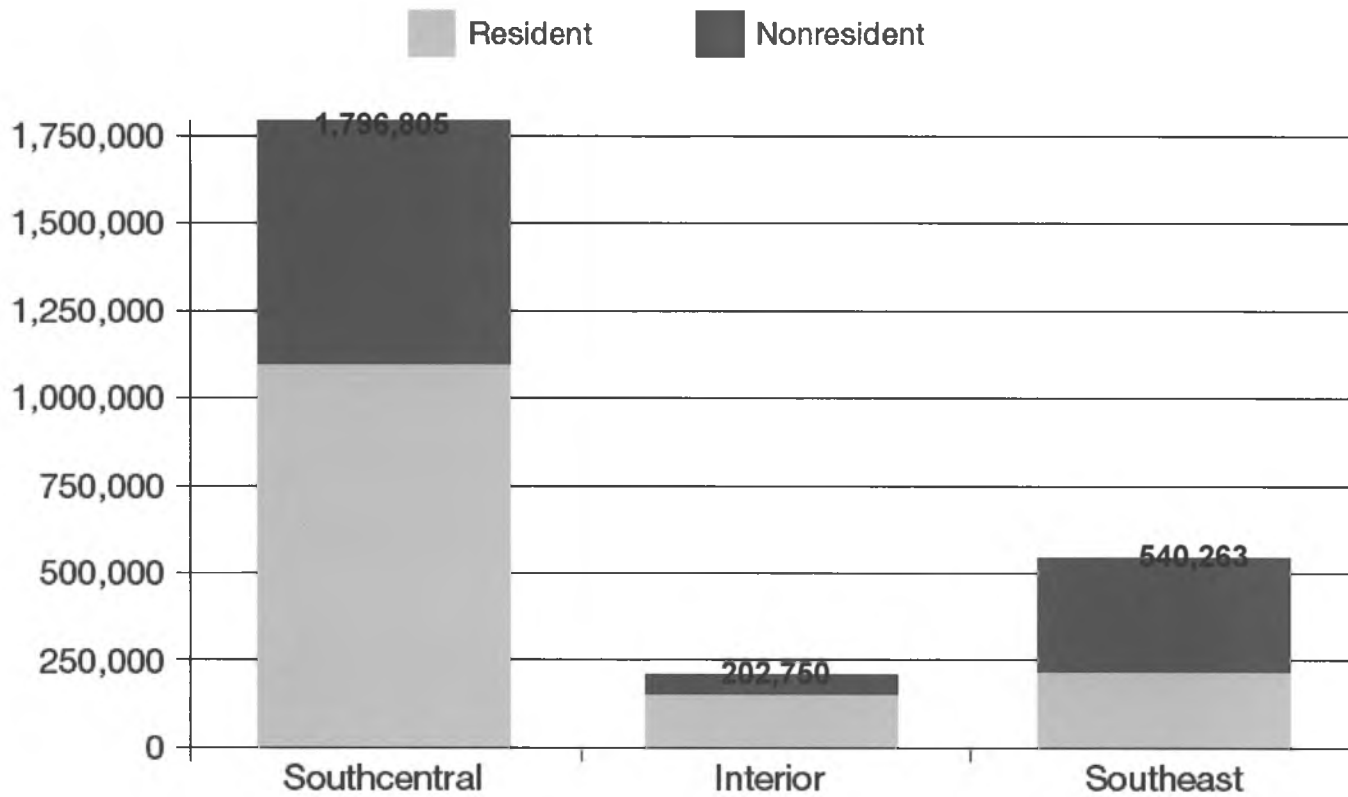
Unguided: 57%

# TOTAL SPORTFISHING EXPENDITURES, All ANGLERS

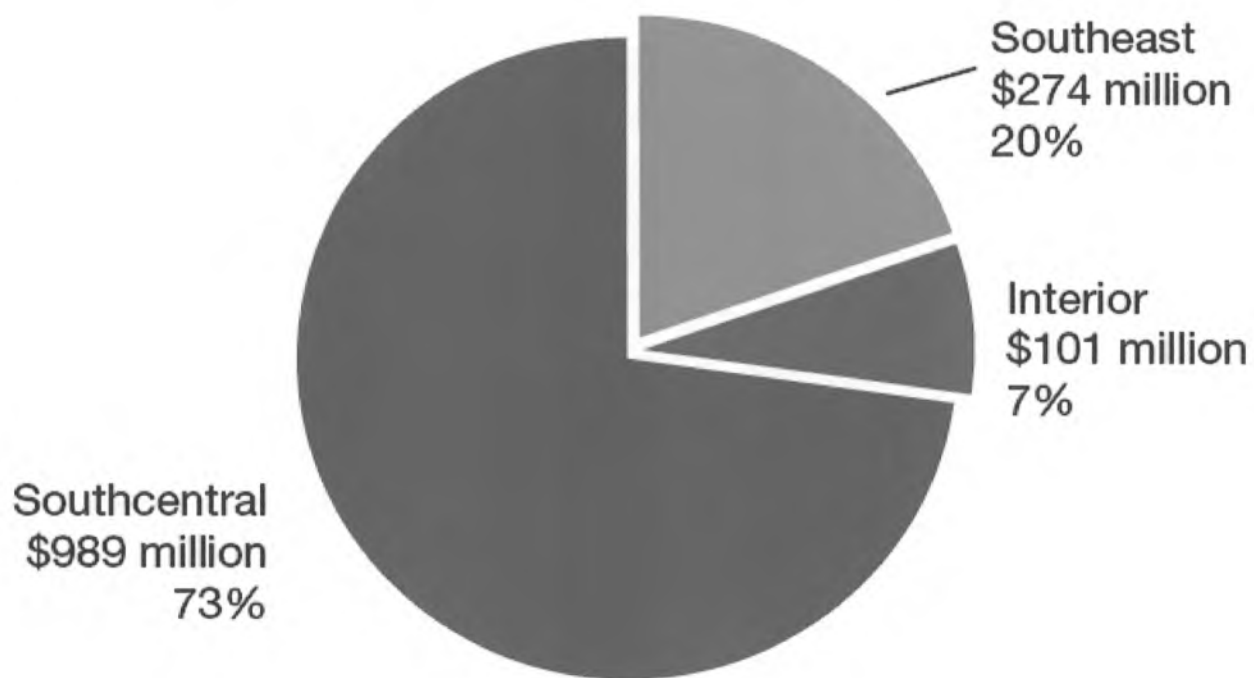
\$1.4 billion



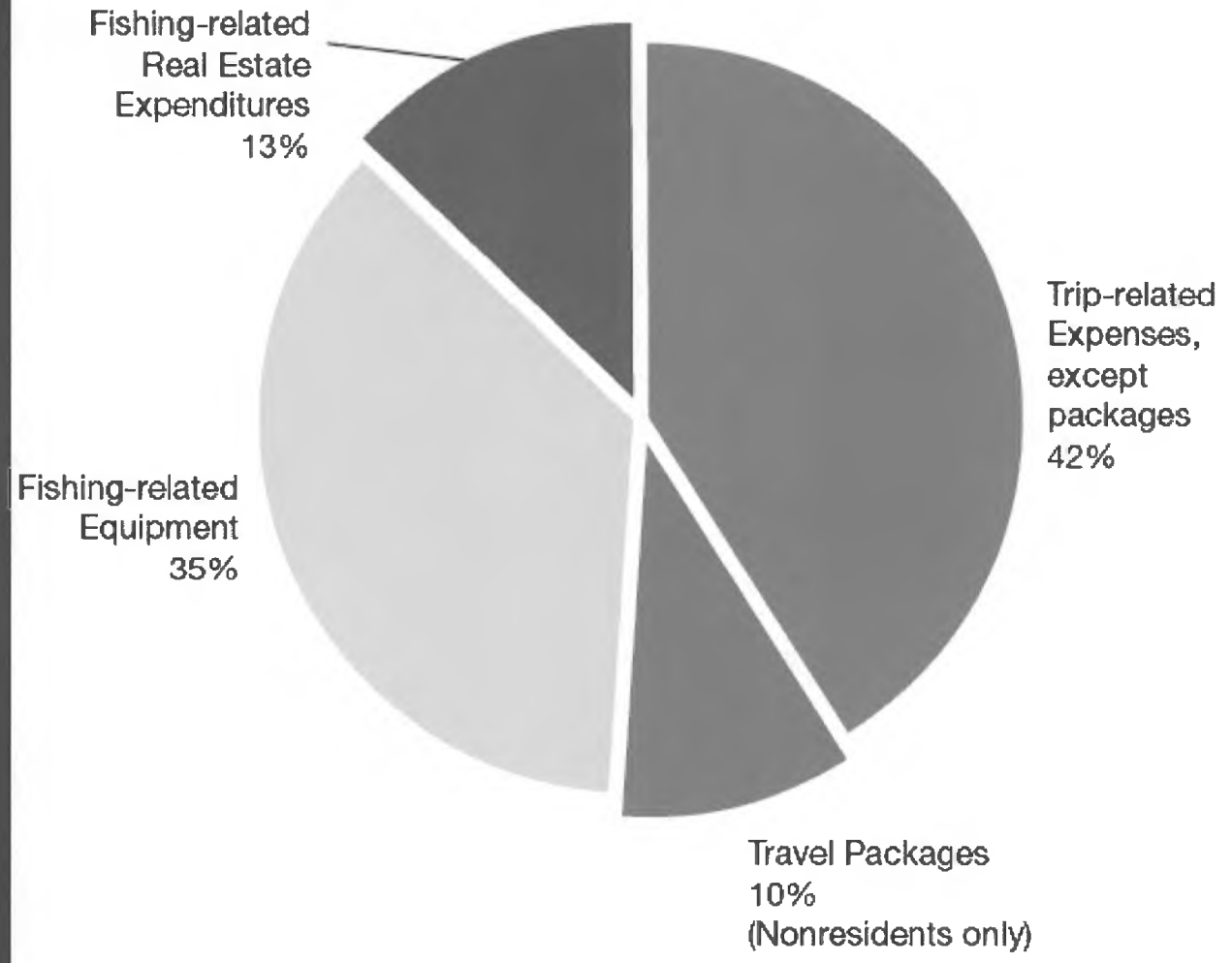
### DAYS OF SPORTFISHING IN ALASKA BY REGIONS AND RESIDENCY, 2007



## SPORTFISHING EXPENDITURES BY REGION, ALL ANGLERS



### TOTAL ANGLER SPENDING BY CATEGORY



## Average Per Day Expenditure for Trip-Related Items Only, Including Package Trips

(Lodging, fuel, food, travel packages, etc.)

	Per Day
<b>All Alaska Fishing Combined</b>	<b>\$277.46</b>
Residents Only	\$150.63
Non-Residents Only	\$448.78
<b>Saltwater</b>	
Residents, Unguided	\$162.81
Residents, Guided	\$466.53
Non-Residents, Unguided	\$209.40
Non-Residents, Guided	\$744.03
<b>Freshwater</b>	
Residents, Unguided	\$91.73
Residents, Guided	\$509.56
Non-Residents, Unguided	\$213.24
Non-Residents, Guided	\$790.41

## Transition Team Topics: Better Integration of Business Intelligence

### Smart Management – Involve Stakeholders

- Strategic Planning
- Program Evaluation
- Identify Bottlenecks
- Customer Service

*Permitting  
Process*

## Transition Team Topics: Better Integration of Business Intelligence

### Access & Infrastructure – Prioritize & Invest

- Ensure Public Access to Fish, Game & Recreational Resources
- Strategic Planning Process with ADF&G, DNR, DOT & Stakeholders – Prioritized Projects List
- Capital Budget – Like STIP, create a State Public Access Improvement Program (SPAIP)

## Transition Team Topics: Better Integration of Business Intelligence

### Human Resources – Prioritize & Invest

- Recruitment & Retention of Key Permitting & Scientific Staff is an Ever-Increasing Concern in ADF&G, DNR & DEC
  - Competition from Feds & Private Sector
    - Recognize Serious Nature of Issue
    - Formulate Management Strategies

## Transition Team Topics: Better Integration of Business Intelligence

### Digital Age – Prioritize & Invest

- Go Digital – Fisheries Data Collection Systems
- Engage Private Sector Technological Expertise  
Wherever Possible
  - Incorporate Visual Learning Systems
  - Invest in Fisheries Modeling Systems

## Transition Team Topics: Better Integration of Business Intelligence

### Economic Data & Analysis – Prioritize & Invest

- Comprehensive, real-time data collection & analysis systems are lacking for recreational, social & economic values for sport, personal use, subsistence & commercial fisheries
- Difficult to regulate & manage for optimal yields of fishery resources without such data

## Transition Team Topics: Better Integration of Business Intelligence

### Compensated Reallocation – Halibut

- Train wreck for SE Alaska coastal economy
- Negative impacts commercial & guided sport
- Feds: minimal guided sport stakeholder input
- Limited Entry Program & Catch Share Plan – good intentions, poor implementation
  - State Management Options?

## Transition Team Topics: Better Integration of Business Intelligence

### Professional Sportfishing Guide Services Board

- Assure Alaska's guided sport industry competes favorably with other world class destinations
  - Diligent oversight for sport fishing services industry – like any prudent investments
- Benefits of Industry Recognition & Regulation
  - Logbook program – permanent, vital tool

SB 24

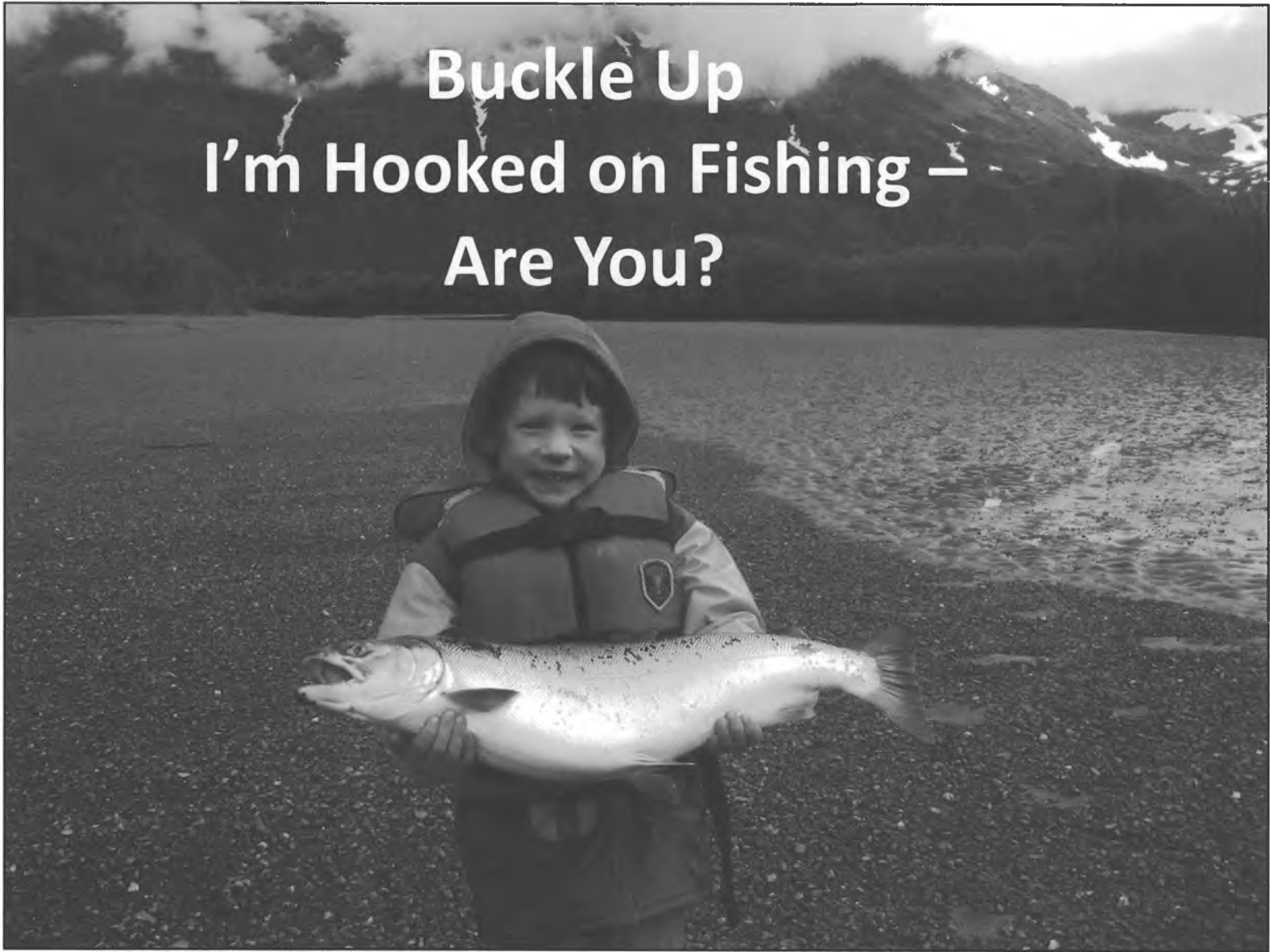
ITS Sunsetting

# KRSA Partner in Sustainability

- Habitat
- Fisheries Management
- Research
- Education



**Buckle Up  
I'm Hooked on Fishing –  
Are You?**





Questions  
&  
Answers



Ricky Gease  
Executive Director

Kenai River Sportfishing  
Association

(907) 262-8588  
[ricky@kenairiversportfishing.com](mailto:ricky@kenairiversportfishing.com)

A large map of Alaska is the central focus, with a detailed black and white photograph of a fly fisherman in a river superimposed over the state's outline. The fisherman is in the lower-left portion of the map, casting a line into a river that flows through a dense forest. The background of the map is a dark, textured grey.

# ECONOMIC IMPACTS AND CONTRIBUTIONS OF SPORTFISHING IN **ALASKA**



2 0 0 7   R E P O R T



# *A Message from the Director*

**CHARLIE SWANTON, DIRECTOR  
ADF&G, DIVISION OF SPORT FISH**

Alaska supports arguably some of the finest and most diverse sportfishing in the world. These opportunities provide Alaskans with a significant and sustainable source of food, relaxation, and social benefits. Additionally, the money spent by residents and visitors who participate in sportfishing activities produces significant economic benefits to Alaska.

The Division of Sport Fish is committed to providing an array of biological, social and economic information to fishery managers and fishery regulators who plan and evaluate fishery projects and make informed decisions about the management of fishery resources.

This report summarizes a recent effort by the Division to provide estimates of angler spending in Alaska and the contribution it makes to Alaska's economy. The results are based on an extensive statewide study of resident and nonresident anglers who went sportfishing in Alaska during 2007. The report contains estimates of the total expenditures on sportfishing by anglers and estimates of the subsequent economic effects this spending had in terms of employment, wages, salaries and tax receipts.

A key objective of this project was to establish a consistent and repeatable methodology for collecting and reporting estimates of economic contribution in Alaska such that reasonably precise estimates would be routinely available to agency personnel, fisheries decision-makers, and the public.

We hope that you find the following information useful and that it contributes to well-informed decision making.



# Sportfishing in ALASKA

Sportfishing is an important component of the Alaskan economy. It contributes to the well-being of Alaskans as recreation, as a source of food, and as part of the state's collective economic fabric. In 2007, 190,644 Alaska residents bought a fishing license, along with 284,890 nonresidents.

Spending a day fishing with rod and reel usually involves spending at least some money for travel, equipment, and supplies. Because a large number of anglers—both resident and nonresident—spend many days each year enjoying Alaska's diverse fishing opportunities, the annual total of that spending is substantial.

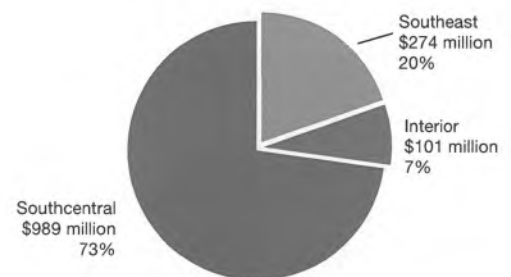
The money spent by anglers in turn helps to support thousands of Alaskan jobs in industries ranging from fishing tackle sales to hospitality and lodging to air taxi and guide services which are an important part of the economy in many of Alaska's local communities. At the same time, angler spending is also creating federal, state and local tax revenues which support local and borough governments and help pay for fisheries management in Alaska.

## TOTAL SPORTFISHING EXPENDITURES, ALL ANGLERS

\$1.4 billion

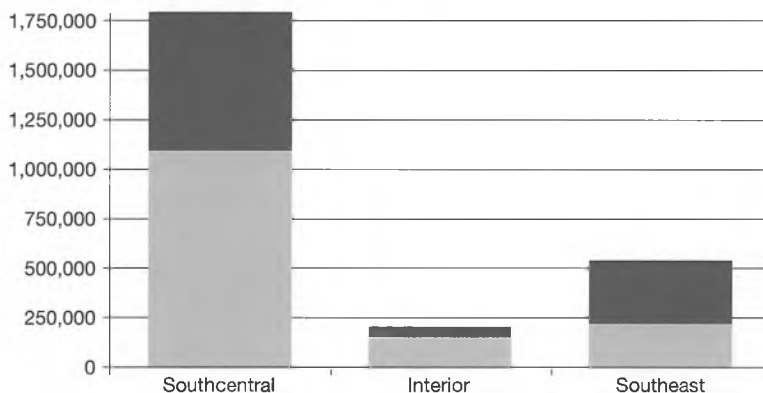


## SPORTFISHING EXPENDITURES BY REGION, ALL ANGLERS

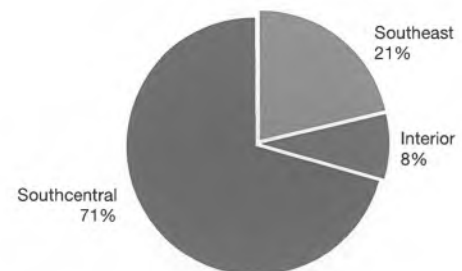


## DAYS OF SPORTFISHING IN ALASKA BY REGIONS AND RESIDENCY, 2007

Resident Nonresident



## DAYS OF SPORTFISHING BY REGION, ALL ANGLERS





## **Economic Impact vs. Economic Contribution**

*This project measured and reported the economic impacts and contributions of licensed anglers to Alaska's state and regional economies. The words "impact" and "contribution" are not necessarily synonymous.*

*Economic impact typically refers to the effects of money being brought in from outside the state or region. It was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions by combining the economic survey results with the ADF&G Statewide Harvest Survey results.*

*Economic contribution refers to in-state spending by all anglers. In theory, if the dollars spent by resident anglers were not spent on sportfishing, the same money would be spent on other things and would still stimulate economic activity. It isn't possible to accurately predict whether these local dollars would be spent in or outside of Alaska.*

*This study generated both economic impact estimates (non-resident spending) as well as estimates of the economic contributions of spending by Alaska anglers in 2007.*

# *Economic* **IMPACTS** & *Contributions*

The purpose of the study was to obtain current estimates of the economic contribution of sportfishing activities to the Alaska economy and to develop a consistent method for producing such estimates on a regular basis. This project provides a survey-based process that can now be updated periodically at reasonable cost.

For 2007, the year covered by this report, 1,163 resident and 1,807 nonresident surveys were completed by anglers who fished in Alaska. From the survey responses collected, estimates of how much each angler spends per day of fishing and per year on fishing-related equipment were produced. These survey results were combined with the total number of licensed anglers in 2007 and the total days of fishing in Alaska as estimated by the Division's Statewide Harvest Survey. This survey, conducted every year by the Division, tracks annual sportfishing participation and harvest. By combining the economic survey results with the Statewide Harvest Survey results, it was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions of the state.

An economic model was then used to estimate the additional economic effects that angler spending produced within each region of the state. Using the collective dollars spent by anglers, an economic model known as IMPLAN estimated the total jobs, tax revenues and other economic contributions. Regional as well as statewide totals can be determined and are summarized in the following pages. Information on the dollars associated with guided fishing trips and with nonresident fishing is also included. First, here are some statewide highlights.

# Total Resident and Nonresident Sportfishing Expenditures, by Category

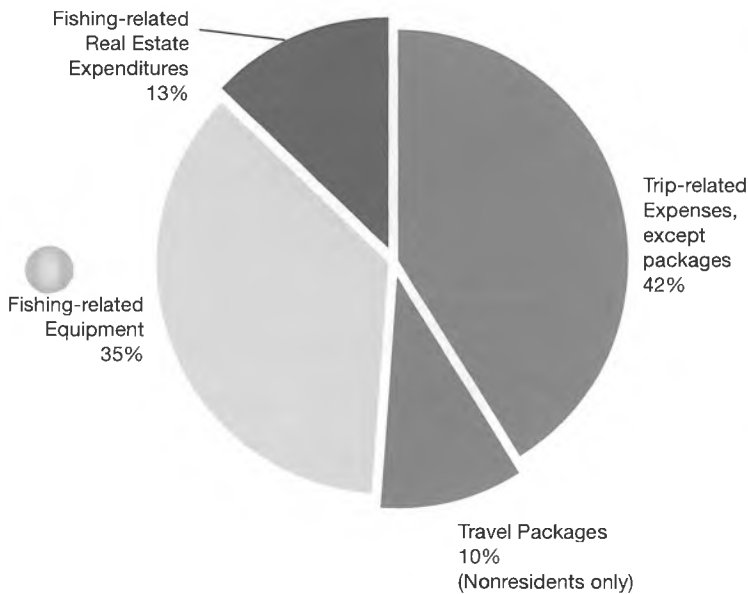
	Resident Anglers	Nonresident Anglers	All Anglers
Licenses and Fees	\$6,627,558	\$16,536,955	\$23,164,513
Trip Expenditures (non-package)	\$219,829,151	\$347,358,999	\$567,188,150
Package Expenditures	n/a	\$137,519,700	\$137,519,700
Equipment Expenditures	\$433,693,104	\$41,385,450	\$475,078,554
Real Estate Expenditures	\$73,139,537	\$109,697,619	\$182,837,156
<b>Total Expenditures</b>	<b>\$733,289,349</b>	<b>\$652,498,723</b>	<b>\$1,385,788,072</b>

## Average Per Day Expenditure for Trip-Related Items Only, Including Package Trips

(Lodging, fuel, food, travel packages, etc.)

	Per Day
<b>All Alaska Fishing Combined</b>	<b>\$277.46</b>
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<b>Freshwater</b>	
Residents, Unguided	\$91.73
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Non-Residents, Guided	\$790.41

### TOTAL ANGLER SPENDING BY CATEGORY



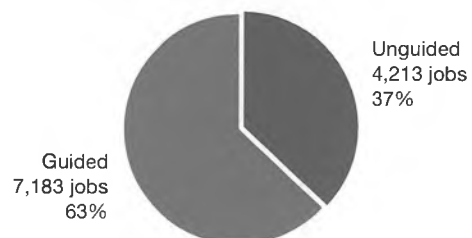
### ECONOMIC ACTIVITY, OR MULTIPLIER EFFECT: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures\*



### JOBS: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures\*



\*Only trip related expenditures (food, fuel, lodging, etc.) could be divided into guided and unguided portions. It was not possible to divide equipment expenditures in such a manner.



## How Economic Effects Occur

While the economic effects of sportfishing occur on a large scale statewide, it's important to note that they happen one angler at a time.

Suppose, for example, that a construction worker in downtown Anchorage decides to go fishing on his day off. He stops after work at the local tackle shop and spends \$250 for a rod and reel along with some line, lures, a knife and cooler. Sandwiches, soda, and ice for the trip come from the local grocery store, and he spends still more money to fill his vehicle with gas on the way home. Very early the next morning, he starts the 150-mile drive out the Seward and Sterling highways to the Kenai River where he'll fish for king or coho salmon.

Meanwhile, the money he left behind goes to work. Some of the money he spent for fishing gear helps to pay the wages of a sales clerk, for example, who in turn spends some that evening at a local restaurant, to buy groceries, or pays his utility bill at the local light and power company. These payments, known collectively as the "multiplier effect", help to support still other jobs as the money our angler spent ripples outward in many directions through the local economy, even to those sectors not directly related to fishing. See page 11 for more definitions.

# Regional Economic EFFECTS

Economic effects can be measured regionally and locally as well as statewide. Alaska has several distinct regions, each with its own characteristic sport fisheries that show different patterns in angling participation, spending, and economic effects.

## STATEWIDE RESULTS

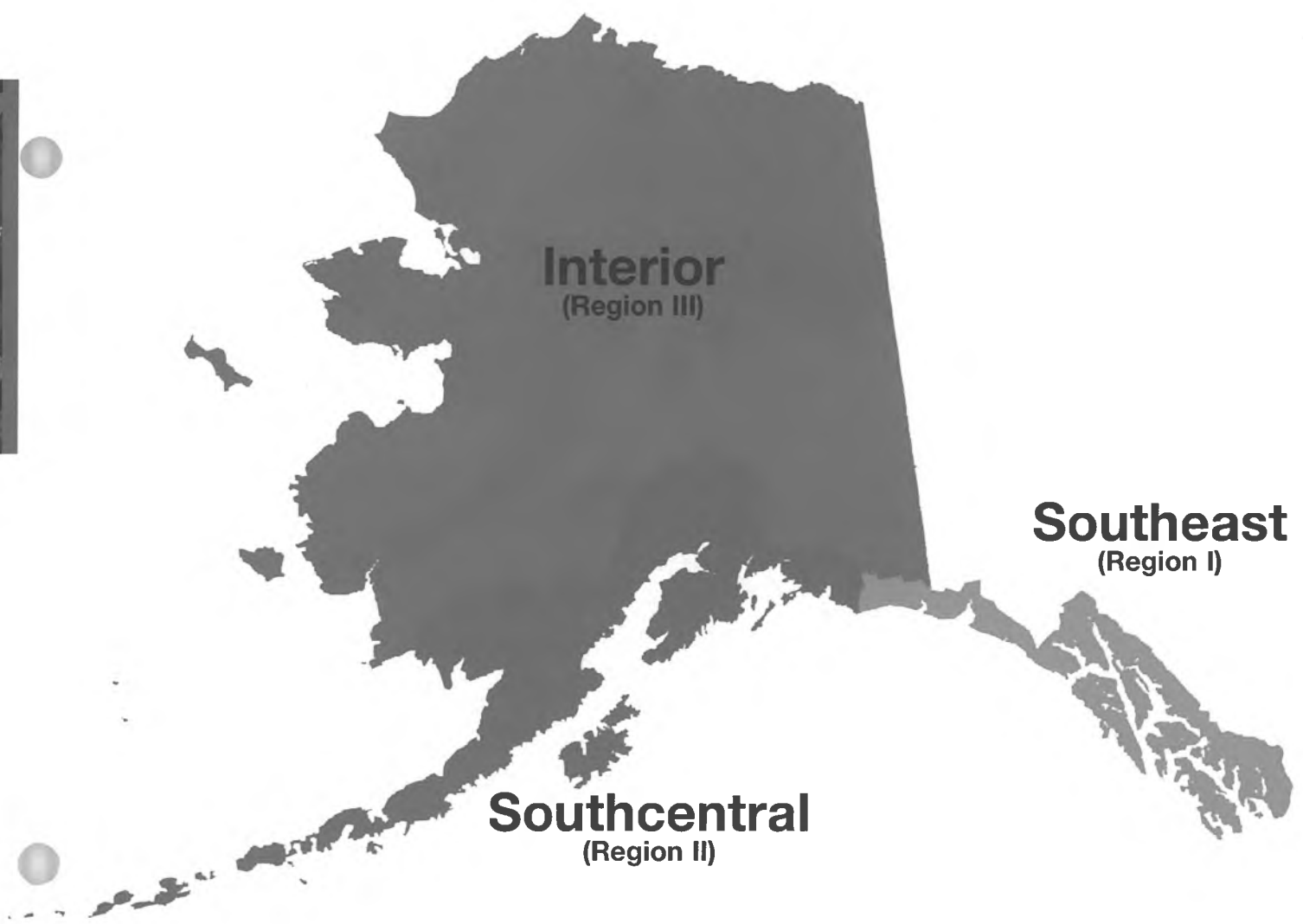
Alaska is blessed with many world-class freshwater and marine fisheries. In 2007, resident and nonresident anglers spent nearly \$1.4 billion on equipment, boats, and trip-related and other items. Alaska anglers on average spent \$2,914 on sportfishing trip expenses, fishing-related equipment, licenses, and other items in 2007. The actual amount spent per angler varies based on his or her preferred fishing locations, region, and more. Details are available in the technical report (see sidebar on page 8).

As anglers' expenditures exchange hands, economic contributions are generated statewide. In 2007, these contributions amounted to 15,879 jobs, \$246 million in tax revenues and \$545 million in income. Economic output, which is the value of all goods and services produced by businesses as a result of anglers' expenditures, was just over \$1.6 billion.

## SOUTHEAST (REGION I)

The so-called Panhandle area extending roughly from Yakutat south-southwest through Juneau and Ketchikan to the British Columbia border is a complex maze of islands, straits, and mountains. The saltwater salmon fishing here is outstanding, although some anglers find steelhead, along with river-resident trout, to be just as appealing.

Total spending by all anglers, resident and nonresident combined, for Southeast Alaska in 2007 was estimated to be \$274 million. The total economic output came to \$295 million, which supported 3,063 jobs and generated \$22 million in state and local taxes.



### SOUTHEAST MARINE (SUBREGION)

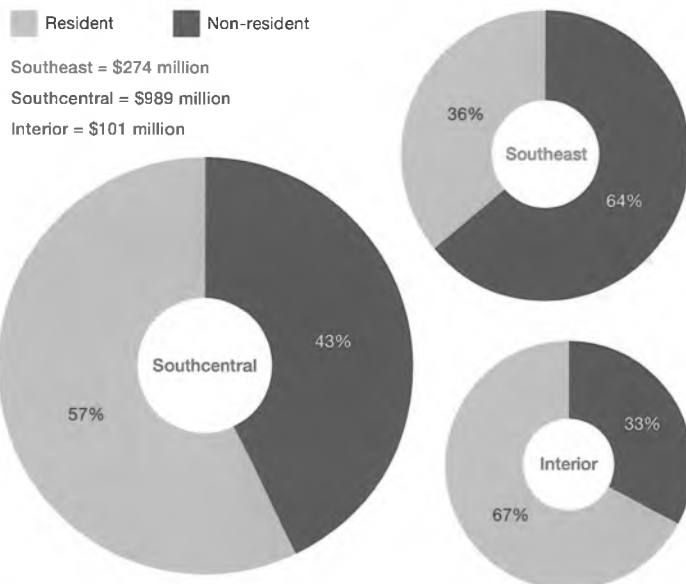
Within southeast Alaska, the popularity of salt-water fishing accounted for almost half of all angler spending. Saltwater anglers in southeast Alaska spent \$132 million of the \$274 million spent on sportfishing in southeast Alaska in 2007, which supported 1,897 jobs and created \$14 million in state and local tax revenues.

### SOUTHCENTRAL (REGION II)

This is by far the most popular angling region in Alaska as measured in total angler days. It includes Prince William Sound, Cook Inlet and the Anchorage area, as well as Kodiak Island and the Bristol Bay area to the west of Cook Inlet. All five salmon species are fished widely here in both salt- and fresh-water, along with halibut and other saltwater species. Trophy rainbow trout in the various Bristol Bay drainages are world-famous.

Anglers spent \$989 million in the Southcentral region in 2007, supporting 11,535 area jobs and creating \$91 million in state and local taxes.

### RESIDENT AND NONRESIDENT EXPENDITURES BY REGION



Economic measures reported in this chart are based on regional IMPLAN model outputs using 2007 angler expenditures.



## For More Details...

*This report is a summary of a 300 page technical report available free from the Alaska Department of Fish and Game, Division of Sport Fish. The complete report presents detailed descriptions of the methods and data sources used in the study, as well as the complete results. Visit [www.sf.adfg.state.ak.us/statewide/economics](http://www.sf.adfg.state.ak.us/statewide/economics) to download a copy in PDF form. You may also contact the Department at (907) 267-2366, or [william.romberg@alaska.gov](mailto:william.romberg@alaska.gov), to request a printed copy of the report.*

# Regional Economic **EFFECTS** *(cont.)*

## **COOK INLET (SUBREGION)**

Notably, much of Southcentral's economic activity centers around the Cook Inlet area, partly because Anchorage and the Matanuska-Susitna valley are such large population centers with good fishing nearby. The Kenai River, for example, is an easy drive from Anchorage and is widely known among anglers as one of the world's foremost salmon rivers. In addition, there are large sport fisheries for halibut and other groundfish that are accessed from several communities that border Cook Inlet. In the Cook Inlet subregion alone (a subset of Southcentral region), anglers spent about \$733 million in 2007, which supported 8,056 jobs and generated \$55 million in state and local taxes.

## **INTERIOR (REGION III)**

Among anglers, the northern two-thirds of the state could be called the road less traveled. This vast area contains many small communities and sport fisheries located off the road system with fisheries less accessible than places farther south in the state. However, the fishing is none the less exceptional, and in addition to salmon and trout there are fisheries for unique species such as sheefish, arctic char, and burbot, as well as huge northern pike found in the "flats" region of the lower Yukon River.

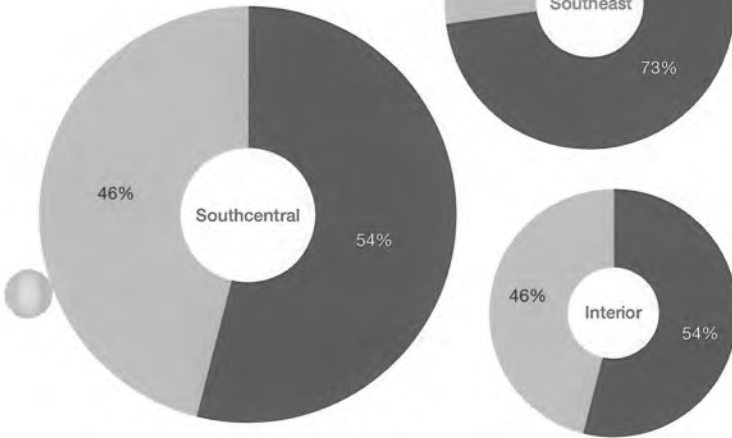
Angling traffic here is lighter than in other regions of the state but still significant. Total regional spending by all anglers in this region topped \$101 million in 2007 and directly or indirectly supported 923 area jobs and \$7 million in state and local taxes.

# Total Angler Expenditures \$1.4 Billion

## RESIDENT AND NONRESIDENT OUTPUT BY REGION

Resident Nonresident

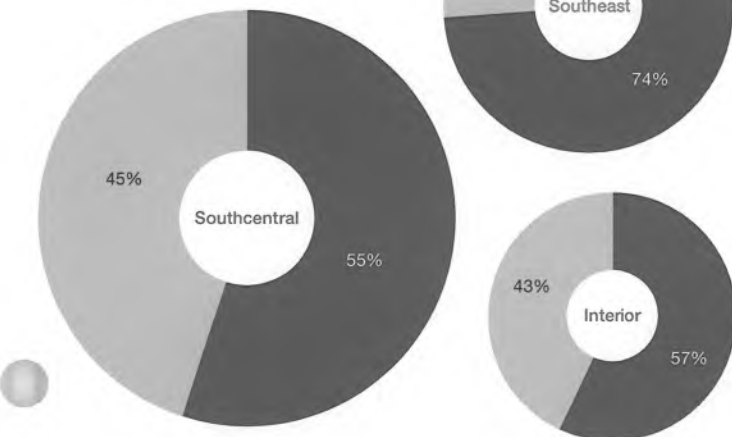
Southeast = \$295 million  
Southcentral = \$1.2 billion  
Interior = \$87 million



## RESIDENT AND NONRESIDENT EMPLOYMENT BY REGION

Resident Nonresident

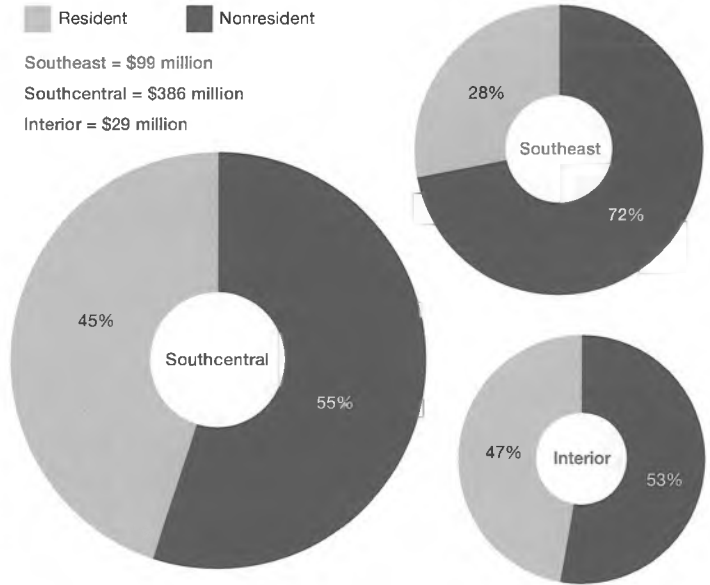
Southeast = 3,063 jobs  
Southcentral = 11,535 jobs  
Interior = 923 jobs



## RESIDENT AND NONRESIDENT INCOME BY REGION

Resident Nonresident

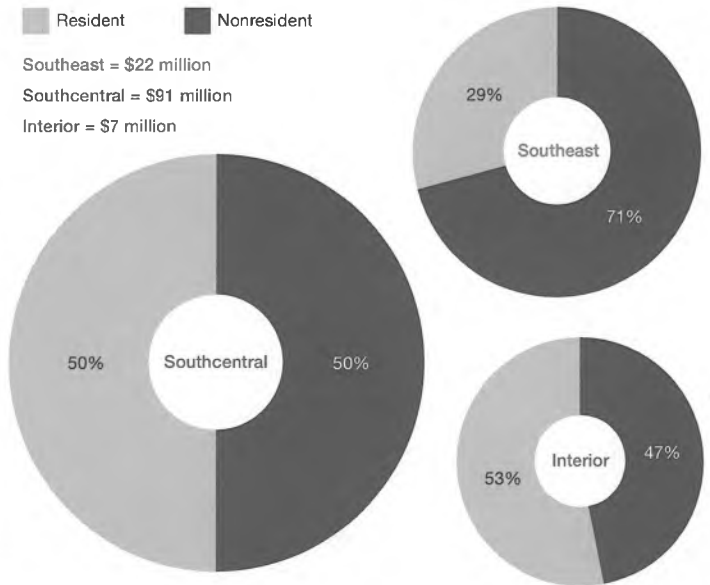
Southeast = \$99 million  
Southcentral = \$386 million  
Interior = \$29 million



## RESIDENT AND NONRESIDENT STATE & LOCAL TAX REVENUES BY REGION

Resident Nonresident

Southeast = \$22 million  
Southcentral = \$91 million  
Interior = \$7 million



Sportfishing-related Jobs  
**15,879**

Economic measures reported in these charts are based on regional IMPLAN model outputs using 2007 angler expenditures.

See page 11 for definitions of terms used on this page.

# Economic Contributions of Sportfishing in Alaska, by Residency & Region, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
<b>ALASKA - STATEWIDE RESULTS</b>			
Anglers' expenditures	\$733,289,349	\$652,498,723	\$1,385,788,072
Output	\$668,729,829	\$938,863,856	\$1,607,593,685
Income	\$223,373,937	\$321,882,151	\$545,256,088
Jobs	6,442	9,437	15,879
Tax Revenues	\$107,433,533	\$138,881,701	\$246,315,114
<i>Local &amp; State</i>	<b>\$56,509,573</b>	<b>\$66,632,831</b>	<b>\$123,142,404</b>
<i>Federal</i>	<b>\$50,923,959</b>	<b>\$72,248,870</b>	<b>\$123,172,709</b>
<b>SOUTHEAST REGION</b>			
Anglers' expenditures	\$98,613,993	\$174,890,811	\$273,504,804
Output	\$79,385,025	\$215,874,985	\$295,260,010
Income	\$27,316,008	\$71,825,686	\$99,141,694
Jobs	791	2,273	3,063
Tax Revenues	\$12,227,368	\$31,368,564	\$43,595,932
<i>Local &amp; State</i>	<b>\$6,376,236</b>	<b>\$15,686,783</b>	<b>\$22,063,019</b>
<i>Federal</i>	<b>\$5,851,132</b>	<b>\$15,681,782</b>	<b>\$21,532,913</b>
<b>SOUTHCENTRAL REGION</b>			
Anglers' expenditures	\$560,955,071	\$427,603,048	\$988,558,119
Output	\$534,838,006	\$630,707,507	\$1,165,545,513
Income	\$174,829,996	\$211,633,737	\$386,463,733
Jobs	5,170	6,365	11,535
Tax Revenues	\$86,563,199	\$93,692,068	\$180,255,267
<i>Local &amp; State</i>	<b>\$45,612,530</b>	<b>\$45,187,101</b>	<b>\$90,799,631</b>
<i>Federal</i>	<b>\$40,950,668</b>	<b>\$48,504,967</b>	<b>\$89,455,636</b>
<b>INTERIOR REGION</b>			
Anglers' expenditures	\$67,092,727	\$33,467,910	\$100,560,637
Output	\$40,133,830	\$46,578,879	\$86,712,709
Income	\$13,263,706	\$15,300,176	\$28,563,882
Jobs	399	524	923
Tax Revenues	\$6,710,270	\$6,708,875	\$13,419,146
<i>Local &amp; State</i>	<b>\$3,825,310</b>	<b>\$3,396,831</b>	<b>\$7,222,141</b>
<i>Federal</i>	<b>\$2,884,961</b>	<b>\$3,312,044</b>	<b>\$6,197,005</b>
<p>Output = total economic activity generated by angler spending                      Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers                      Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending                      Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending</p>			

## Economic Contributions of Sportfishing for Specific Subregions, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
<b>COOK INLET (A SUBREGION OF THE SOUTHCENTRAL REGION)</b>			
Anglers' expenditures	\$457,938,464	\$275,030,511	\$732,968,975
Output	\$413,287,612	\$414,602,226	\$827,889,838
Income	\$136,650,136	\$142,124,416	\$278,774,552
Employment	4,010	4,046	8,056
Tax Revenues	\$67,097,024	\$44,445,496	\$111,542,520
<i>Local &amp; State</i>	<b>\$35,189,444</b>	<b>\$20,091,926</b>	<b>\$55,281,369</b>
<i>Federal</i>	<b>\$31,907,580</b>	<b>\$24,353,570</b>	<b>\$56,261,150</b>
<b>SOUTHEAST REGION - MARINE FISHING ONLY<sup>1</sup></b>			
Anglers' expenditures	\$21,268,271	\$110,345,177	\$131,613,448
Output	\$28,244,412	\$138,794,141	\$167,038,552
Income	\$9,132,220	\$44,692,671	\$53,824,891
Employment	301	1,595	1,897
Tax Revenues	\$4,791,024	\$21,577,534	\$26,368,559
<i>Local &amp; State</i>	<b>\$2,713,584</b>	<b>\$11,473,357</b>	<b>\$14,186,941</b>
<i>Federal</i>	<b>\$2,077,440</b>	<b>\$10,104,178</b>	<b>\$12,181,618</b>
<p>Output = total economic activity generated by angler spending            Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers            Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending            Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending  <sup>1</sup>The contributions are for trip spending only, including travel packages. It was not possible to allocate equipment and real estate expenditures by type of water fished.</p>			

### Definitions of Terms Used in this Report

**Angler Expenditures:** the dollars spent for the primary reason of sportfishing. Such expenditures include trip-related expenses for fishing (fuel, guide services, lodging, etc.), fishing tackle and other fishing equipment, the portion of ancillary equipment used for fishing that may have multiple uses (e.g., coolers, binoculars), and real estate maintenance and construction expenditures if used primarily for the pursuit of sportfishing.

**Total Multiplier Effect (also known as Total Economic Activity):** the results (measured in output, income, jobs and taxes) of the total rounds of business and consumer spending stimulated by anglers' original expenditures.

**Income:** generated as a result of anglers' expenditures, this includes total payroll, including salaries and wages, as well as benefits such as insurance, and retirement benefits paid to employees and business proprietors.

**Employment:** the total number of both full-time and part-time jobs supported as a result of anglers' expenditures.

**Tax Revenues:** the total tax revenues earned by local, state and federal governments as a result of anglers' expenditures. All forms of local, state and federal taxes are included.



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*Southwick Associates, based in Fernandina Beach, FL, was founded in 1989 to serve state fish and wildlife agencies and the sportfishing and hunting industries. From our north Florida offices, we continue to serve this core group, and now provide economic and business intelligence to many more.*



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# Economic Values of Sport, Personal Use, and Commercial Salmon Fishing in Upper Cook Inlet

## (Quick Reference)



### PARTICIPATION

- 160,000 anglers—Alaskans and visitors—sport fish for salmon, and 20,000 Alaskans harvest salmon for personal use in Upper Cook Inlet recreational salmon fisheries each year.
- 1,375 to 2,500 individuals are seasonally employed in commercial salmon harvesting and processing or have jobs arising indirectly from the effects of commercial harvest and processing activity in Upper Cook Inlet.
- Sport and personal use salmon fishing in Upper Cook Inlet account for well over one-third (37%) of all recreational fishing in Alaska.
- Upper Cook Inlet accounts for 2% of the total statewide commercial salmon catch.
- Cook Inlet commercial salmon fisheries have substantially lower yields and substantially higher rates of permits not fished than comparable fisheries.

### ECONOMIC SIGNIFICANCE

- Recreational salmon fishing in Upper Cook Inlet generates 3,400 average annual jobs producing \$104 million (2006 dollars) in income.
- Commercial salmon fishing in Upper Cook Inlet generates between 275 and 500 average annual jobs producing between \$10 and \$18 million (2006 dollars) in income.
- The average commercial salmon harvest size in Upper Cook Inlet from 2002 to 2006 is greater than the average harvests over the past ten and past fifty years.
- The current (2000-2006) value of Upper Cook Inlet commercial salmon harvests is 14% of the highest historic value (1986-1992) and 39% of the most recent decade (1991-2000).

### NET ECONOMIC VALUE (NEV)

- The average value over and above expenses that individual Alaskans place on their annual recreational fishing is \$776 (2006 dollars).
- The net economic value of recreational salmon fishing in Upper Cook Inlet to Alaskans and visitors is \$115 million (2006 dollars)—almost half (47%) of the statewide net economic value total—with \$62 million of that total going to Alaskans.
- The net economic value of Upper Cook Inlet commercial salmon fishing to all permit holders—Alaskans and non-residents—is less than \$1 million.

### FUTURE TRENDS

- Demand for recreational fishing opportunities in the Cook Inlet boroughs is expected to continue to grow by 2.3% per year through 2011—a net increase of almost 29,000 anglers over 2002-2006 levels.
- Salmon farming and globalization of seafood markets will continue to exert downward pressure on prices and values in all of Alaska's commercial salmon fisheries.

### ECONOMIC IMPACTS

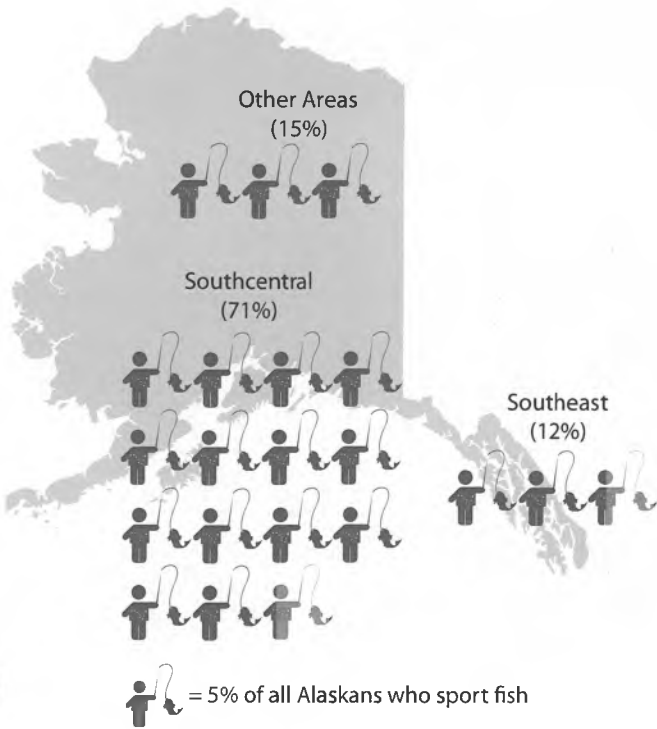
- Institute of Social and Economic Research (ISER) study models from the mid-1990s suggest that at current commercial prices and values, increasing sockeye salmon allocations for sport fishing in Upper Cook Inlet would generate overall economic gains in the region.

### ALLOCATION

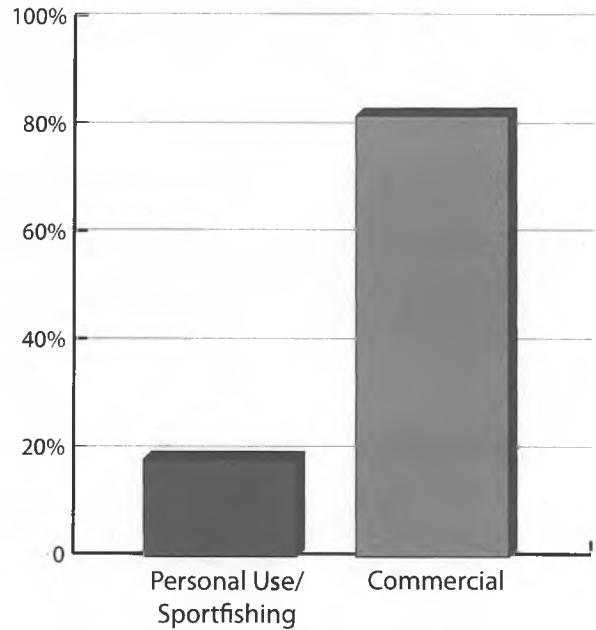
- Commercial fisheries are currently allocated 82% of the Upper Cook Inlet salmon harvest, while sport and personal use fisheries are allocated 18% of the harvest.
- In Alaska 2% of the total salmon harvest is allocated for recreational use. For allocations in Alaska to be comparable with other North American Pacific salmon fisheries, allocation rates for recreational fishing would need to be increased two (200%) to five (500%) times.

# Economic Values of Sport, Personal Use, and Commercial Salmon Fishing in Upper Cook Inlet

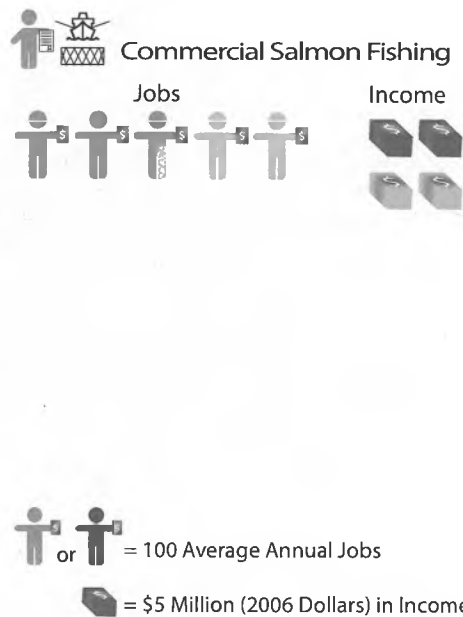
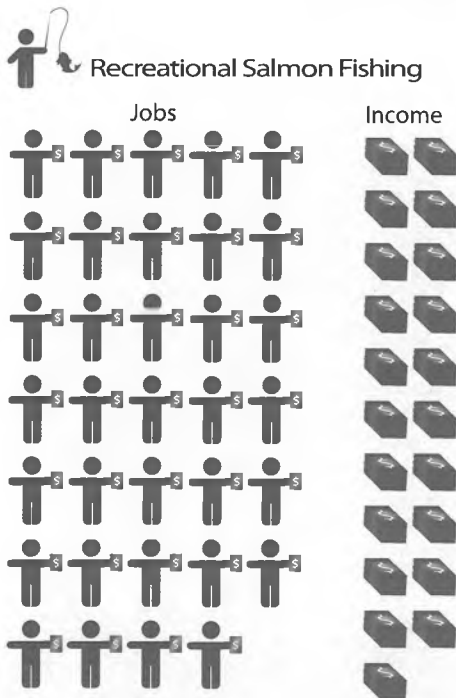
**Percentages of Alaskans Who Sport Fish by Region of Residence**



**Allocation of Upper Cook Inlet Salmon Harvest by User Group, 2002-2006**



**Average Annual Jobs and Income Generated by Salmon Fishing in Upper Cook Inlet by Harvest Type**



## Sport Fishing Guide Services Board – SB24 Quick Reference Chart

The purpose of this Act is to promote the health, safety, and welfare of the guided fish angler and the stability of the sport fish guide industry in the state by regulating the activities of providers of sport fishing guide, outfitter, and transportation services.\*

Requirement	Current Guide Regulation	Post Guide Bill Approval			
		Guide	Assistant Guide	Outfitter	Transporter
• A current Alaska sport fishing license, tags, stamps or permits that are required to engage in the sport fishery	✓	✓	✓	✓	✓
• A current sport fishing guide license	✓	✓	✓	✓	✓
• A current U.S.C.G. Operator's license if operating a motorized vessel on navigable waters and current TWIC card	✓	✓	✓	✓	✓
• Current first aid card.	✓	✓	✓	✓	✓
• Be a resident of the United States, Canada, Mexico or a resident alien	✓	✓	✓	✓	✓
• Assistants, deckhands, and similar persons are exempt from the guide licensing requirements.	✓				
• A copy of the current ADF&G sport fishing business license of the guide's employer	✓				
• A Photo ID	✓	✓	✓	✓	✓
• All businesses must have a logbook.	✓	✓			
• Current State of Alaska Business License	✓	✓		✓	✓
• Insurance - liability or marine protection policy providing coverage of at least \$100,000 for each incident, and \$300,000 per year	✓	✓		✓	✓
• All vessels, powered and unpowered, must have a current AK # issued by the DMV	✓	✓		✓	✓
• A person may not receive or renew a license if his right to obtain or exercise the privileges granted by a sport fishing guide-outfitter, sport fishing outfitter, sport fishing assistant guide, or sport fishing transporter license or registration is suspended or revoked in this state or another state or in Canada or Mexico.		✓	✓	✓	✓
• Licensing responsibility falls under ADF&G	✓				
• Licensing responsibility falls under Department of Commerce, Community, and Economic Development.		✓	✓	✓	✓
• Provide employment agreement with guide-outfitter or passes certification course			✓		
• Written and oral qualification and certification examinations required		✓		✓	
• Board will establish sport fish guide Use-Units and registration requirements.		✓		✓	
• Provide an activity report on a form provided by ADF&G		✓		✓	✓
• Board renews licenses every two years		✓	✓	✓	✓
• Board will enforce regulations		✓	✓	✓	✓

Rev 1/27/11

\* A full copy of the Guide Services Bill, (SB-24) can be found here:  
[http://www.legis.state.ak.us/basis/get\\_bill.asp?bill=SB%20%2024&session=27](http://www.legis.state.ak.us/basis/get_bill.asp?bill=SB%20%2024&session=27)

*Note: This comparison is made to the working copy of SB-24 as of January, 2011. Final legislation may vary in content and requirements from this document. Please refer to the final bill upon passage for detail regulations.*

## SB 24 – Quick Reference on Issues

**Purpose:** The purpose of SB 24 is to promote the health, safety, and welfare of the guided fish angler and the stability of the sportfishing industry in the state by regulating the activities of providers of sport fishing guide, outfitter, and transportation services. Primary goals include:

1. Assure that Alaska's sport fishing services continue to compete favorably in the marketplace with the best in the world.
2. Assure that, as the state's valuable fishery resources are invested in the sport fishing services industry, the State of Alaska is doing so as would a diligent investor in any business.

### **Problem Statement**

- The sportfishing industry is not recognized by the State making it subject to harmful laws and regulations and ineligible for numerous programs that would support its sustainability and growth.
- There is no common sportfishing voice within the Alaskan governmental process.
- There are no ethical standards of conduct business practices, safety, or service excellence for the industry and certain segments have little regulation at all.
- There is no management or accurate accounting of the recreational, social, and economic values in the guided sportfishing industry.

### **Benefits: Industry Recognition**

- Legitimizes the sportfishing profession and gives us a standing in the State's legislative/governing process.
  - Upon enactment, the "SPORTFISHING INDUSTRY" will be identified as the 4th largest contributor to the economy, i.e. creating \$1.4B in economic value, providing 16,000 jobs, and lifeblood to our coastal communities.
  - Brings stability to the industry.
  - Provides a mechanism for sustainable growth.
- Shifts regulation of the industry from ADF&G to a Sport Fishing Guide Services Board established within the Department of Commerce, alongside other analogous industry groups.
- Brings other service providers (lodges, outfitters, unguided operations) into regulation alongside existing sportfishing guide requirements.
- Serves as a primary source of statistics and related information about the industry. For example, it permanently repeals the logbook's termination language in existing statutes, and provides a means to assess the recreational, social and economic values generated by the industry.
- Makes the industry eligible for numerous State sponsored marketing, education, financial, and development programs similar to other industry.
- Gives the sportfishing industry a focused voice within the legislative process.

### **Benefits: Industry Regulation**

- Provides oversight to protect consumers to ensure the highest quality fishing experience. Through enactment of professional standards, it ensures ethical service excellence and customer safety by establishing codes of conduct, education, and safety standards and enforcement.
- Replaces a flawed federal Limited Access Program with one designed by and for the sportfishing industry.
- Regulation will boost the prestige of the sportfishing professions.
- Provides oversight to protect consumers to ensure the highest quality fishing experience.
- The standards of the profession will rise over time and consumers will receive a better fishing experience.
- Allows clients of sport fishing businesses an avenue to have their grievances heard.
- Ensures a) service excellence and b) safety by establishing codes of conduct, education, and safety standards and enforcement.