

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2611 SCOMM 114: HOUSE SPEC. COMM ON FISHERIES, 1999-2000

SCOMM

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Alaska State Legislature

REPRESENTATIVE BILL HUDSON

State Capitol
Juneau, Alaska
99801-1182
(907) 465-3744
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COMMITTEES
CHAIR
Fisheries Committee
Utility Restructuring Committee

MEMBER
State Affairs Committee
Transportation Committee

House Special Committee on Fisheries

Organizational Meeting

Monday, February 1, 1999
5:00 PM – 7:00 PM
Room 124

WELCOME AND INTRODUCTIONS

Welcome

Representative Bill Hudson, Chair
Representative Fred Dyson
Representative John Harris
Representative Carl Morgan
Representative Jim Whitaker
Representative Mary Kapsner
Representative Harold Smalley

Chair statement

New Committee aides

Liz Cabrera
Committee Secretary Cheri Lowe

REVIEW COMMITTEE RULES AND PROCEDURES

Questions from new members

ADF&G OVERVIEW

Introduction -- Robert Bosworth, Deputy Commissioner
Commercial Fisheries Management and Development -- Doug Mecum, Director
Habitat and Restoration -- Ken Taylor, Deputy Director
Sport Fish Division -- Kevin Delaney, Director
Subsistence Division -- Mary Pete, Director

NEXT MEETING

Monday, February 8, 1999

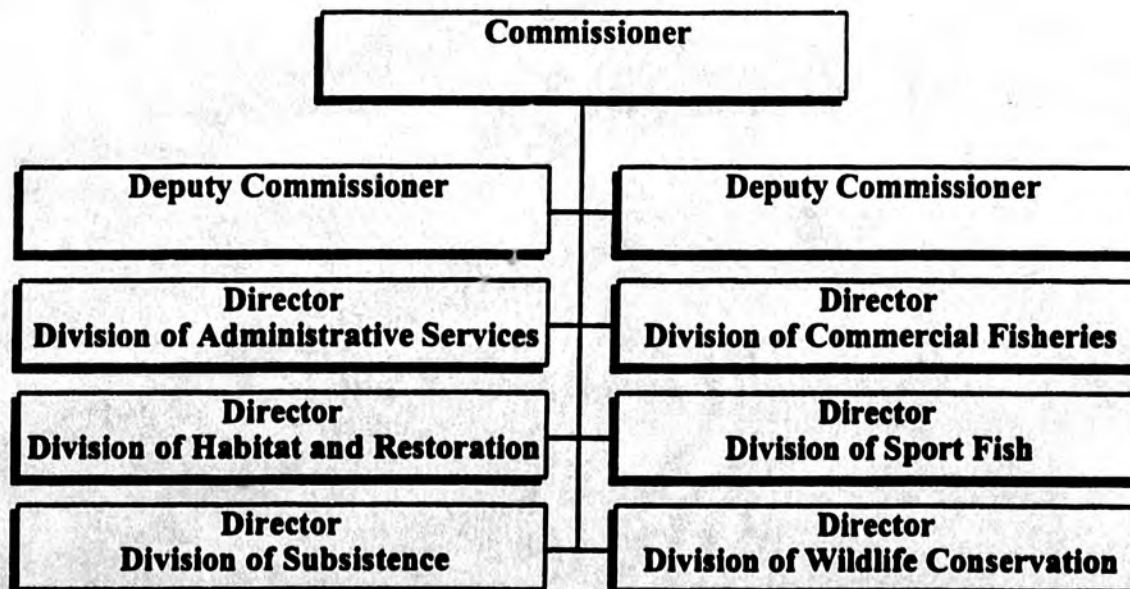
ADJOURN

Representing
Alaska's Capitol City

DEPARTMENT OF FISH AND GAME

MISSION STATEMENT

The Alaska Department of Fish and Game's mission is to manage, protect, maintain, and improve the fish, game, and aquatic plant resources of Alaska. The primary goals are to ensure that Alaska's renewable fish and wildlife resources and their habitats are conserved and managed on the sustained yield principle, and the use and development of these resources are in the best interest of the economy and the well-being of the people of the state.



DEPARTMENT OF FISH AND GAME

OVERVIEW

The Department of Fish and Game provides a core function of state government. Alaska's constitution and statutes give the department clear direction to provide for use of our state's fish and wildlife resources, and to manage those resources on the sustained yield principle. Fish and Game is responsible for managing, conserving, protecting, restoring and extending Alaska's fish, wildlife, and aquatic plant resources.

The department provides a foundation for our state's largest private sector employer, commercial fishing, as well as one of the fastest growing segments of our economy, tourism. Over a half million sport anglers and over 100,000 hunters use fish and wildlife resources each year. In FY98, a record number of Alaskans as well as visitors viewed fish and wildlife resources at state game sanctuaries, preserves and critical habitat areas, or simply by looking out a window.

ISSUES

Dual Subsistence Management. A moratorium has stalled the potential federal takeover of fisheries management in Alaska until October 1, 1999, but the issue continues to consume large amounts of staff time and energy. The department must continue to monitor expanding federal subsistence management and interact accordingly with the federal subsistence board.

Changing Ocean Environment. Devastatingly low salmon returns in Bristol Bay and the Yukon River, combined with other biotic and oceanographic anomalies during 1997 and 1998 all point to a changing ocean environment. Throughout the scientific community, researchers are working to understand what caused these and other unusual events, what they can tell us about the future of our fish and wildlife resources, and the need for management changes. Ocean environment changes affect the recreational, subsistence and commercial resource users, and many of the ADF&G staff have been involved in the unique detective work to determine what has gone awry.

Increasing Demands On Resources. All divisions within the department face increasing demand for fish and wildlife uses. The department will continue to encourage the creation of new opportunities for a variety of user groups. Such efforts include enhancing hunter education and hunter services programs, developing new commercial fisheries, sport fish stocking programs, supporting watchable wildlife programs such as Creamer's Refuge, McNeil River State Game Sanctuary, and Potter's Marsh, and continuing to work cooperatively with private industry to protect fish and wildlife resources.

RESPONSIBILITIES

- Manage
- Conserve
- Protect
- Restore
- Provide for Public Use

ISSUES

- Dual Subsistence Mgmt.
- Increasing Demands on Resources
- Demand for Watchable Wildlife Programs
- Salmon Market Problems
- Resource Allocation
- US/Canada Fisheries Disputes
- General Fund Decline
- Other Restricted Funds Increased
- Users Pay
- Quality Management

GOALS

- Progress Toward Regaining State Management
- Cooperative Management of Fish and Wildlife
- Meet Increasing Demands without Harming Resources
- Timely Permit Approvals Industry Partnerships

SHARE OF FY2000 STATE OPERATING BUDGET

General Funds

<1.6 %



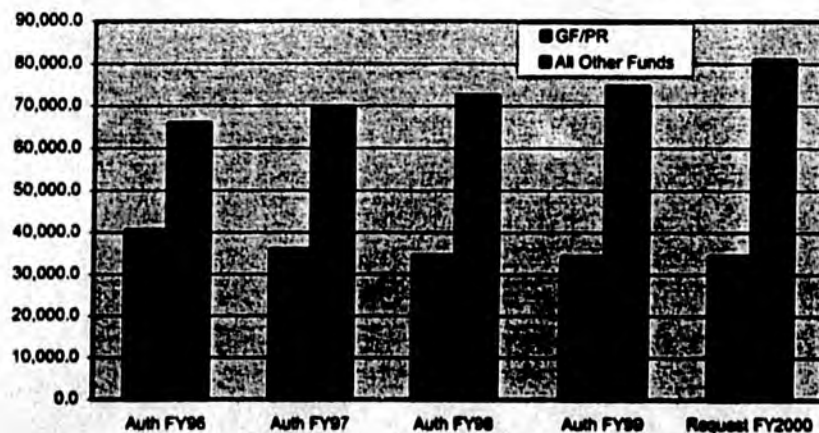
ISSUES (CONT.)

Salmon Market Problems. In 1998, existing salmon market problems were exacerbated by continued turbulence in Asian markets. While the overall Alaska salmon harvest was quite good, as witnessed by a total catch of 153 million salmon, poor returns to areas like Bristol Bay and western Alaska, forced buyers to turn elsewhere for product. The market value of salmon had previously been reduced over the last decade due to the growth of international farmed salmon production. Alaska's coastal communities have taken another blow. The department continues to work with industry during this time of uncertain markets on management issues that will enhance the competitiveness of the Alaskan salmon industry.

Allocation Disputes. Allocation of limited fish and wildlife resources continues to be contentious and litigious. Allocation disputes will continue to preoccupy the Boards of Fisheries and Game and impact the department's ability to effectively manage these resources.

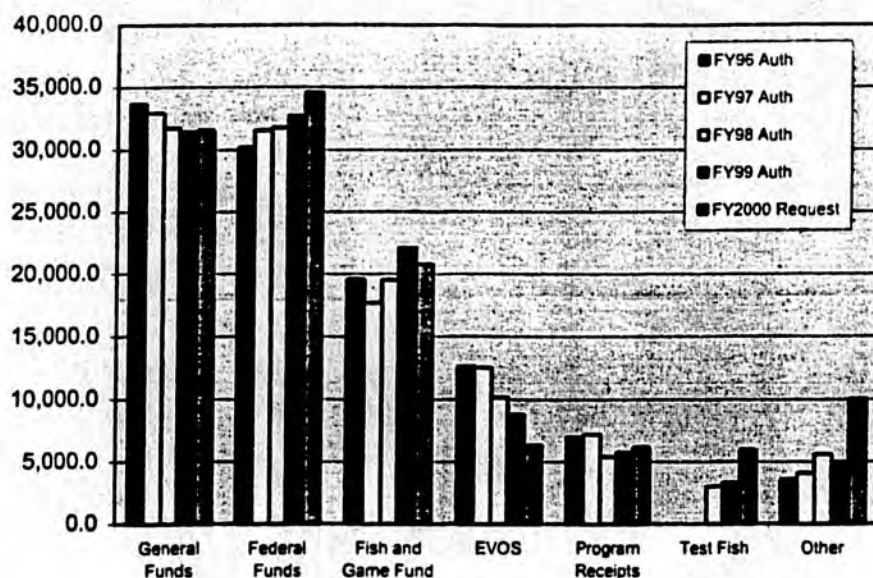
U.S./Canada Fisheries Disputes. The decades-old dispute over Pacific salmon allocation was again active in 1998. The U.S. and Canada failed to reach salmon sharing arrangements in 1998, with Alaska refusing to accept Canadian demands for a blanket pre-season shutdown of most fisheries in Southern Southeast Alaska. Canada did shut down many of its commercial fisheries, a move they say was needed to protect coho salmon. The U.S. and Canada have been without sharing arrangements since 1994, and the issue is certain to continue in FY2000.

Fish and Game Funding History GF vs. Other Sources



Issues (Cont.)

Five-Year Funding History by Source



General Funds Declining, Other Sources Rise. As general funds have steadily decreased during the 1990's, other sources, such as federal funds and fish and game fund and program receipts, have increased. But broad restrictions apply to the spending of money from these other funding sources. The result is that two divisions, Sport Fish and Wildlife Conservation, have maintained a stable and growing revenue base while the other general fund divisions have been substantially reduced. What happens next is like the domino principle: the inability of one division to do its job may have consequences for the ability of another to maintain healthy resources.

Users Pay for Resource Management. Users are willing to pay for the management of fish and wildlife resources through licenses, tags, and permit fees, as well as taxes on the commercial fishing industry. This income pays for state fish and wildlife management. However, while population and tourism have increased, general fund appropriations have decreased over 15 percent in the last five years. In fact, the Department of Fish and Game now receives fewer general fund dollars than in FY79 when adjusted for inflation, the year before oil money flooded the state's treasury. This increased demand coupled with a decline in general fund dollars makes it more difficult for the department to manage our fish and wildlife resources on the sustained yield principle.

USERS PAY

State Revenues (FY 97)

Fish \$108.8 million
Wildlife \$ 23.1 million

State Expenditures (FY97)

Fish \$107.8.1 million
Wildlife \$ 32.9 million

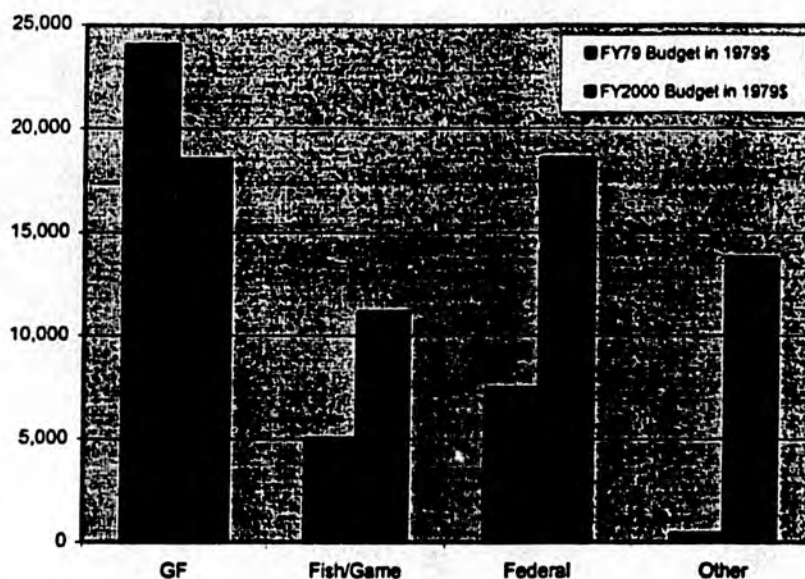
Fish and Wildlife Users Pay for the Programs of the Department of Fish and Game

At the Same Time, Fish and Game Resources Make Major Contributions to Coastal Communities by Providing Local Employment and Tax Receipts to Local Governments

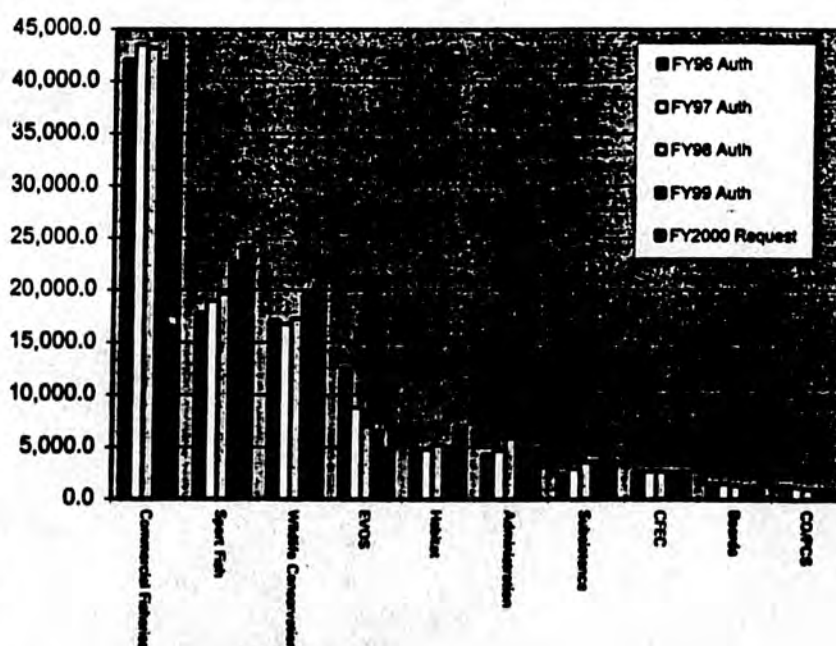
The
Department of
Fish and Game
Now Receives Less Relative
General Fund
Spending Power
than in FY79,
the Year Before
Oil Money Flooded
the State's Treasury

Some Non-General Fund
Sources are Growing, But are
Restricted in Their Use. General
funds are Declining.

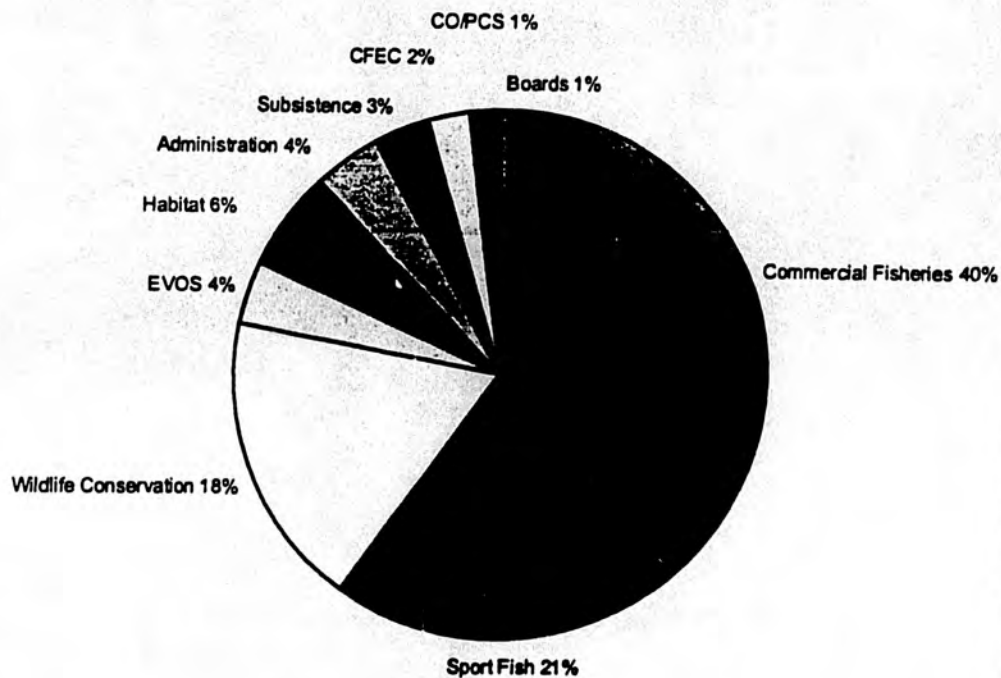
ADF&G Funding Sources Adjusted for Inflation (constant 1979 dollars)



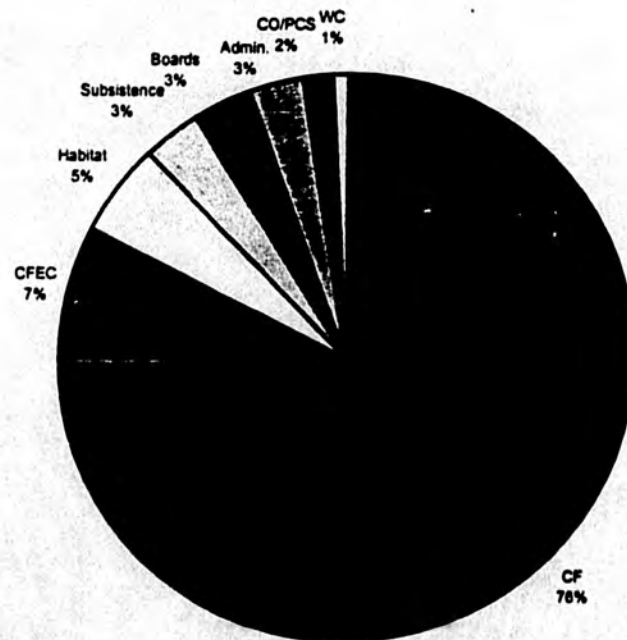
Divisions Funding History Five-Year Summary



FY2000 Budget Request All Funds



FY2000 Budget Request General Funds Only



HOW USERS PAY

Federal Funds
\$ 33.9 million

Fisheries Business Tax
\$ 31 million

Hunting Licenses/Tag Fees
\$ 8.6 million

Sport Fish License Fees
\$ 8.4 million

Fisheries Landing Tax
\$ 8.3 million

Salmon / Seafood Marketing
Assessment
\$ 6.6 million

Marine Fuel Tax
\$ 5.4 million

Limited Entry Fees
\$ 5.3 million

Salmon Enhancement Tax
\$ 4.2 million

King Salmon Stamps
\$ 2.7 million

(FY97 Revenues)

FY2000 BUDGET REQUEST

The Department of Fish and Game's FY2000 budget request represents an increase of about \$6.4 million from all funding sources over FY99 authorized, including \$147.3 general fund from FY99 negotiated labor contract salary increases. The main areas of increase are in non-general fund sources including: I/A Receipts (\$5,142.4) resulting from the implementation of SB 250 and HB 315 Test Fish Receipts (\$2,647.5) from the implementation of an on-board observer program, and federal funds (\$1,887.3) from various federal contracts.

Revenue from the Exxon Valdez Oil Spill Settlement continues to decline. This year, anticipated revenues are down by \$2.5 million. These funds may be used only for the restoration of Prince William Sound and other oil spill affected areas. Fish and Game funds are also being reduced by \$1,304.0 in the Division of Sport Fish to reflect anticipated revenues.

	FY96 Auth	FY97 Auth	FY98 Auth	FY99 Auth	FY2000 Request
Personal Services	66,187.2	65,283.7	67,333.8	69,171.1	72,024.5
Travel	3,763.1	3,660.3	3,661.7	4,053.8	4,392.5
Contractual	29,630.0	30,168.8	28,385.3	28,747.0	32,017.0
Supplies	5,266.7	5,210.5	5,274.3	5,562.2	5,778.6
Equipment	1,556.0	1,537.8	2,357.0	1,586.4	1,460.6
Grants	375.0	225.0	200.0	200.0	200.0
TOTAL	103,718.0	105,886.1	107,211.1	109,130.5	116,312.2
Funding Sources					
1002 Federal Receipts	30,205.7	31,529.2	31,769.8	32,693.2	34,580.5
1003 GFM Receipts	903.5	800.0	867.0	800.0	803.0
1004 General Fund	32,863.0	32,323.6	31,164.7	30,847.8	30,995.1
1005 GFI/Program Receipts	6,938.5	7,011.7	7,334.4	7,661.3	7,661.3
1007 I/A Receipts	2,530.4	3,161.6	3,914.4	3,151.6	8,294.0
1010 EVOS	2,018.0	2,500.3	10,113.2	3,117.0	6,350.4
1024 Fish & Game Funds	19,612.5	17,662.1	19,510.2	22,094.3	20,790.3
1035 DADIF	5,137.6	5,189.2	5,189.5	10,222.0	6,720.0
1061 CIP Receipts	952.8	720.0	1,476.2	1,640.0	1,640.0
1099 GFI/Designated Receipts	300.0	2,000.0	2,000.0	2,000.0	2,000.0
1108 Stat Designated PR	0.0	0.0	2,530.7	2,920.3	3,334.6
1109 GFI/Designated Receipts	1,000.0	1,000.0	1,000.0	1,000.0	700.0
1053 Invest Loss	0.0	0.0	25.5	72.3	0.0
PFT	732.0	757.0	788.0	801.0	820.0
Temp	64.0	95.0	84.0	68.0	68.0

BUDGET HIGHLIGHTS

- Overall Budget Increase From FY99 \$6,360.7 (5.8%)
- I/A Receipts \$5,142.4
- Test Fish Receipts \$2,647.5
- Federal Funds \$1,887.3
- Statutory Designated Receipts \$414.3
- General Fund \$147.3
- EVOS Decrement (\$2,466.6)
- F&G Fund Decrement (\$1,304.0)

SOURCES OF FISH AND GAME REVENUE

Federal Funds

30% of Total Budget Request

General Funds

27% of Total Budget Request

Fish and Game Funds

18% of Total Budget Request

I/A Receipts

7% of Total Budget Request

EVOS

6% of Total Budget Request

Test Fish Receipts

5% of Total Budget Request

GFI/Program Receipts

3% of Total

Miscellaneous

4% of Total Budget Request

COMMUNITIES SERVED

Anchorage

Angoon

Arvik

Barrow

Bear River

Bethel

Chitina

Cold Bay

Copper Landing

Coronet

Craig

Crater Lake

Delta Junction

Dillingham

Douglas

Dutch Harbor

Emeryville

Emmonak AFB

Emmonak

Fort Belknap

Fort Richardson

Gaucha

Germantown

Healy

Healy

Hoonah

Hoonah

Juneau

Kenai

Ketchikan

Ketchikan

Kodiak

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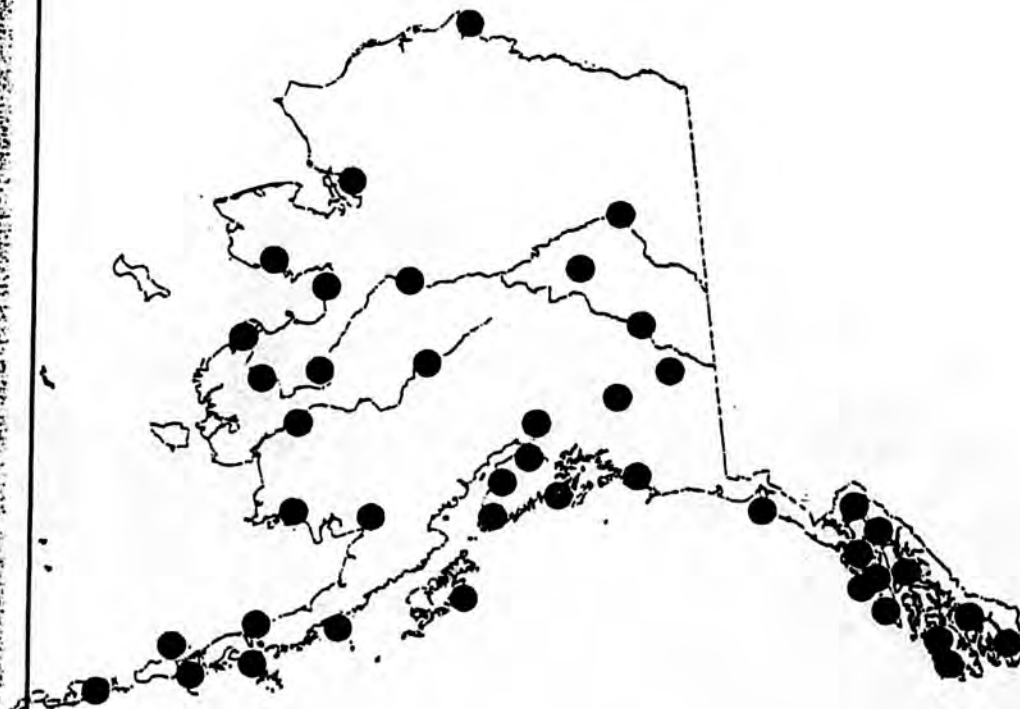
Kodiak

LOCATIONS AND STAFFING

The Department of Fish and Game is requesting 820 permanent full-time and 914 permanent part-time/seasonal employees for FY2000 representing an increase over FY99. None of these new positions will be funded by the general fund. The department employs a highly seasonal workforce with the number of employees more than doubling during the months of May through September. The table on the following page lists the number of permanent full-time and seasonal employees by division and location.

The Value of the Department's Area Offices. Fish and Game is one of the few departments with a presence throughout the state. To better serve Alaskans, our employees are located in over 40 communities across Alaska. This enables Fish and Game staff to have personal contact with users of fish and wildlife resources, providing the department with additional first-hand information needed to manage fish and wildlife or conduct research.

FISH AND GAME OFFICES



LOCATIONS AND STAFFING

	ADM	CO	BDS	CF	CFEC	HAB	SF	SUB	WC
ANCHORAGE	8		1	77		61	64	12	70
ANGOON								1	
ANIAK				3					
ANYIKI				7					
BARROW									1
BEAR RIVER				1					
BETHEL			2	18				1	2
CHIGNIK				7					
COLD BAY				7					
CORDOVA				32					2
CRAIG				4			1		
CRYSTAL LAKE							6		
DELTA JUNCTION							4		2
DILLINGHAM				23			10	3	1
DOUGLAS	1			134		7	51	6	17
DUTCH HARBOR				18					
ELFIN COVE				1					
ELMENDORF AFB							5		
EMMONAK				11					
FAIRBANKS	4		1	25		10	42	57	48
FORT RICHARDSON				1			18		
FORT YUKON									
GALENA				2					2
GLENNALLEN							15		3
HAINES				13			9		
HOMER				22			13		2
HOONAH				1					
JUNEAU	57	10	7	44	37	9	13	5	15
KETCHIKAN				34		2	17		4
KING SALMON				32					2
KLAWOCK						3	2		
KODIAK				105		6	29	11	24
KOTZEBUE			1	8				2	3
MANLEY HOT SPRINGS									
MCGRATH									2
NINILCHIK							2		
NOME				27					4
PALMER							43		5
PELICAN				1					
PETERSBURG				27					2
PORT ALEXANDER				1					
PORT MOLLER				6					
SAINT MARY'S				7					
SAND POINT				3					
SEWARD							1		
SITKA				21			10		2
SOLDOTNA				50		3	43		8
TIGARD									
VALDEZ							1		
VRANGEL									
YAKUTAT				8			6		

SUCCESSFUL MANAGEMENT OF FISH AND WILDLIFE REQUIRES:

- Good Science
- Good on-the-Ground, Real-time Management
- Habitat Protection
- Public Involvement in the Management and Allocation Process

STATE OF ALASKA

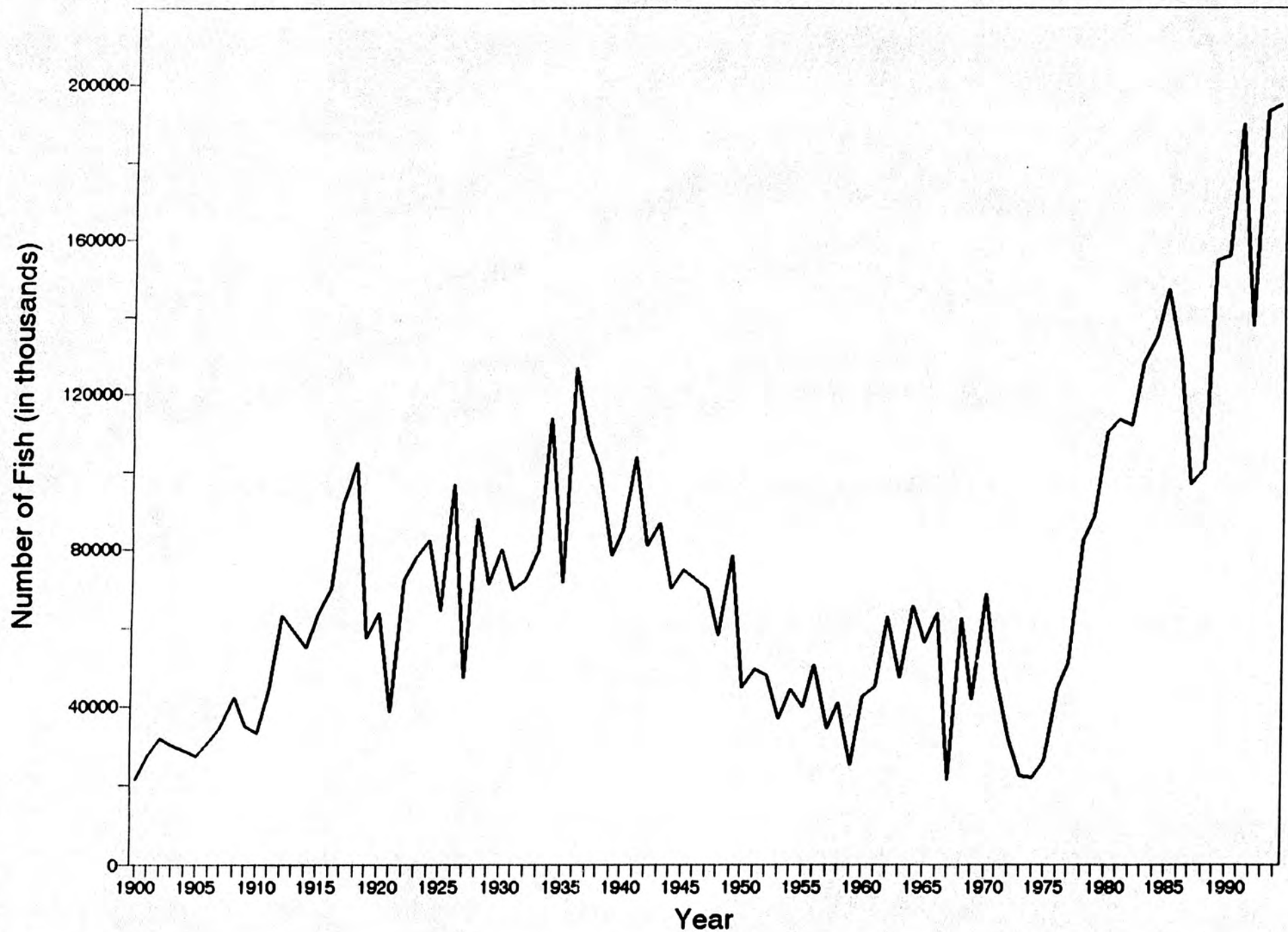
COMMERCIAL FISHERIES ENTRY COMMISSION

TONY KNOWLES, GOVERNOR

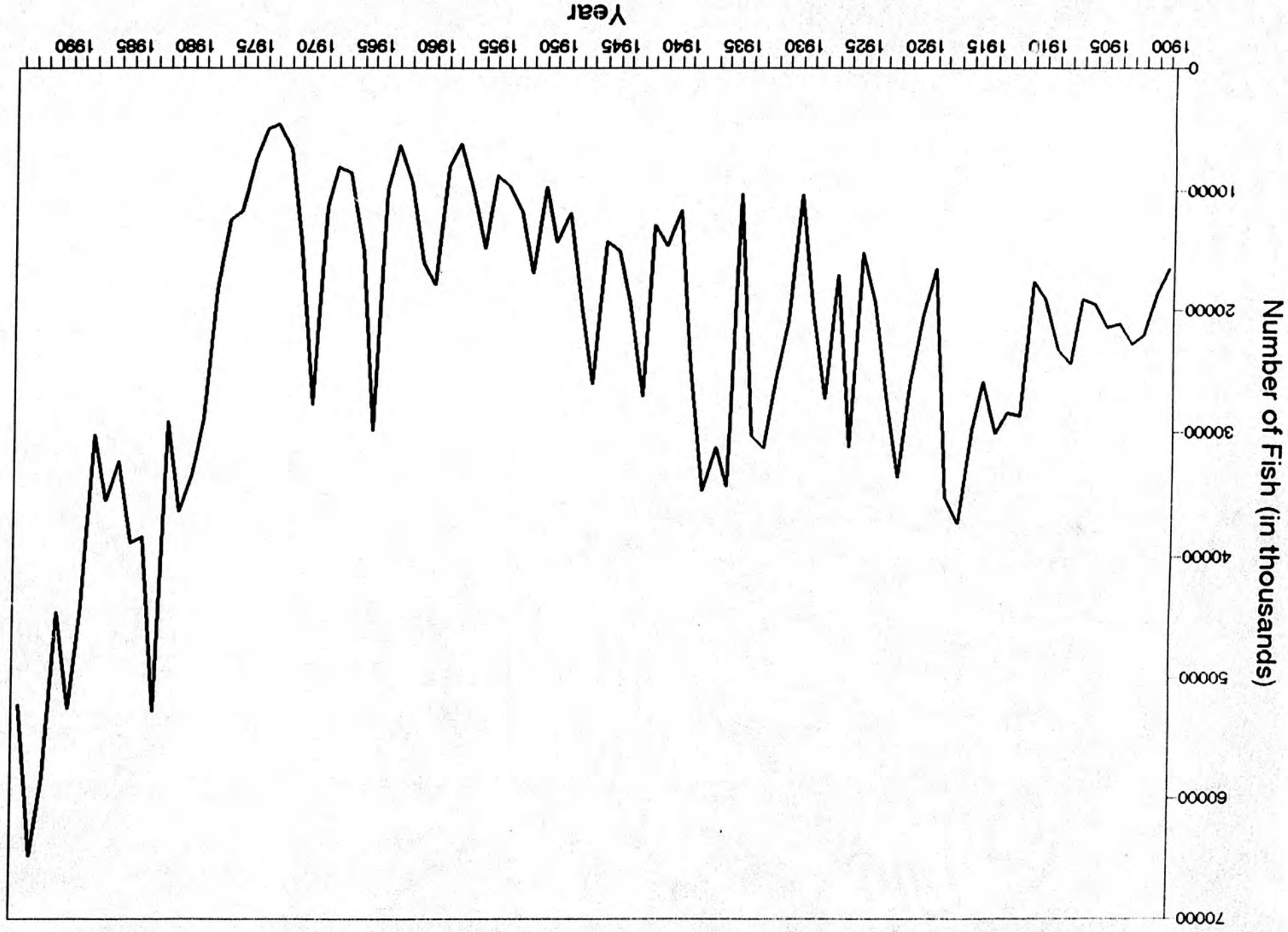
8800 GLACIER HWY. #109
JUNEAU, AK 99801
(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 789-6170 FAX

HISTORICAL SALMON HARVESTS IN ALASKA 1900 - 1994

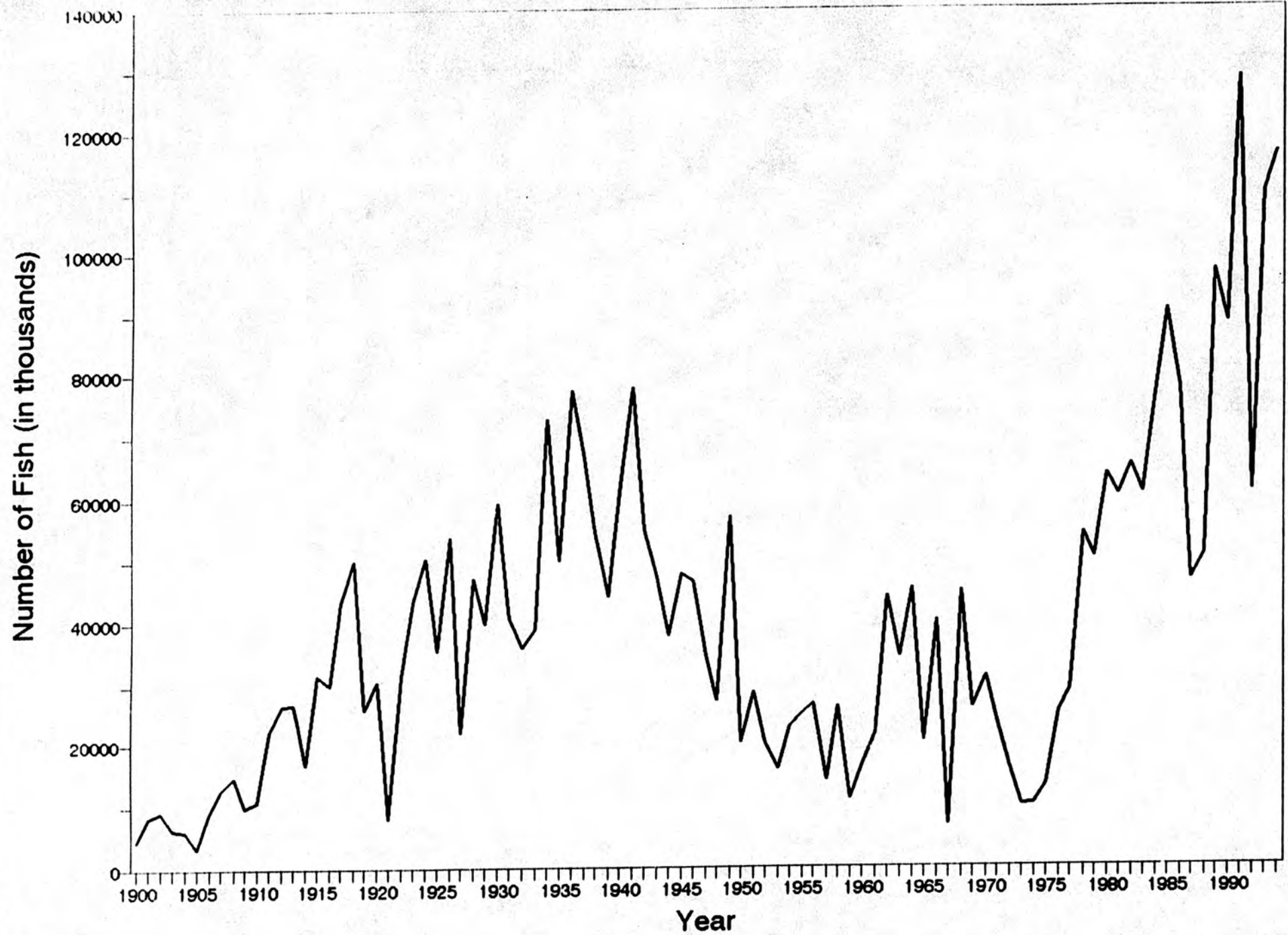
Statewide Commercial Salmon Harvests



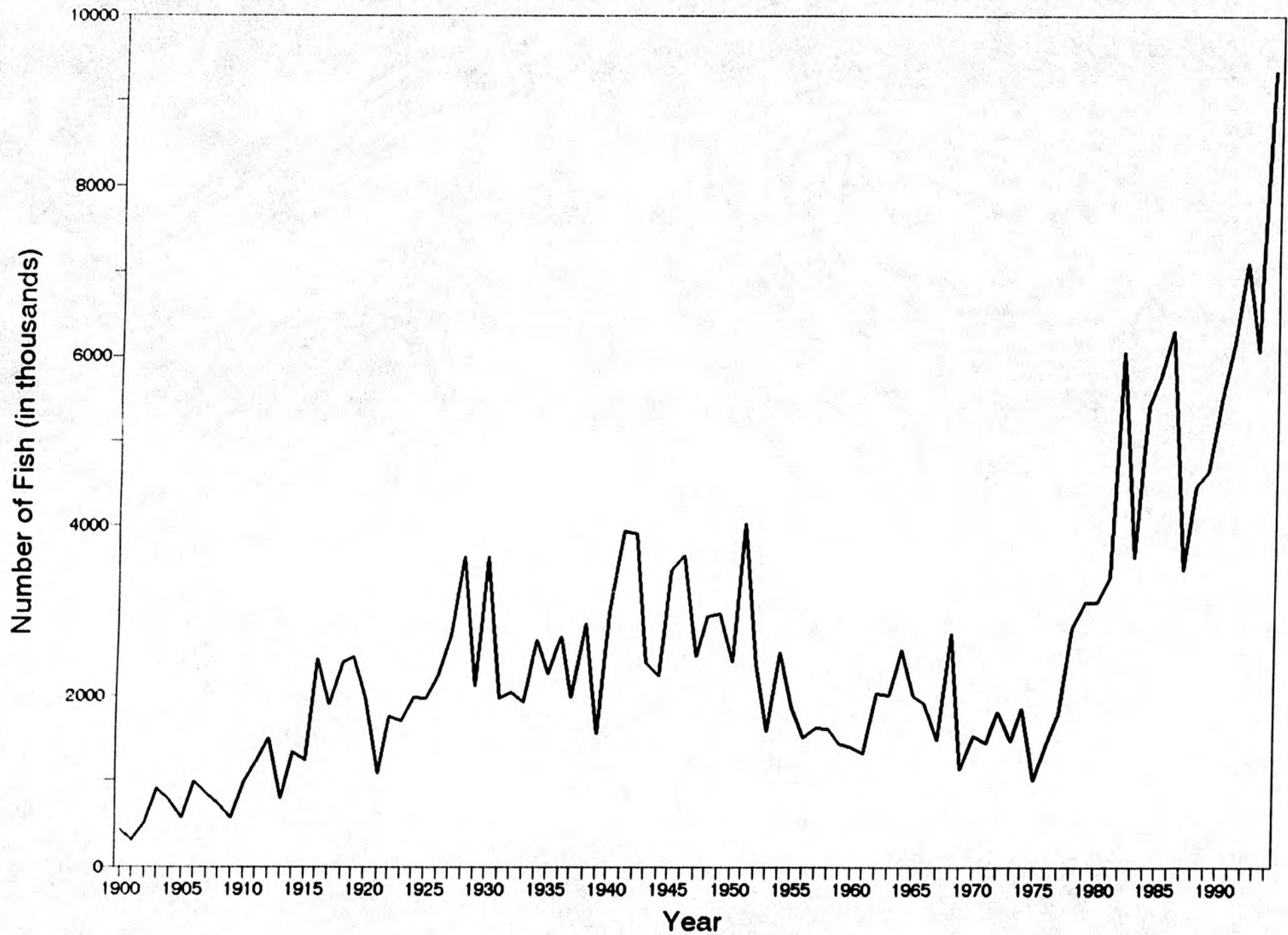
Statewide Commercial Sockeye Harvests



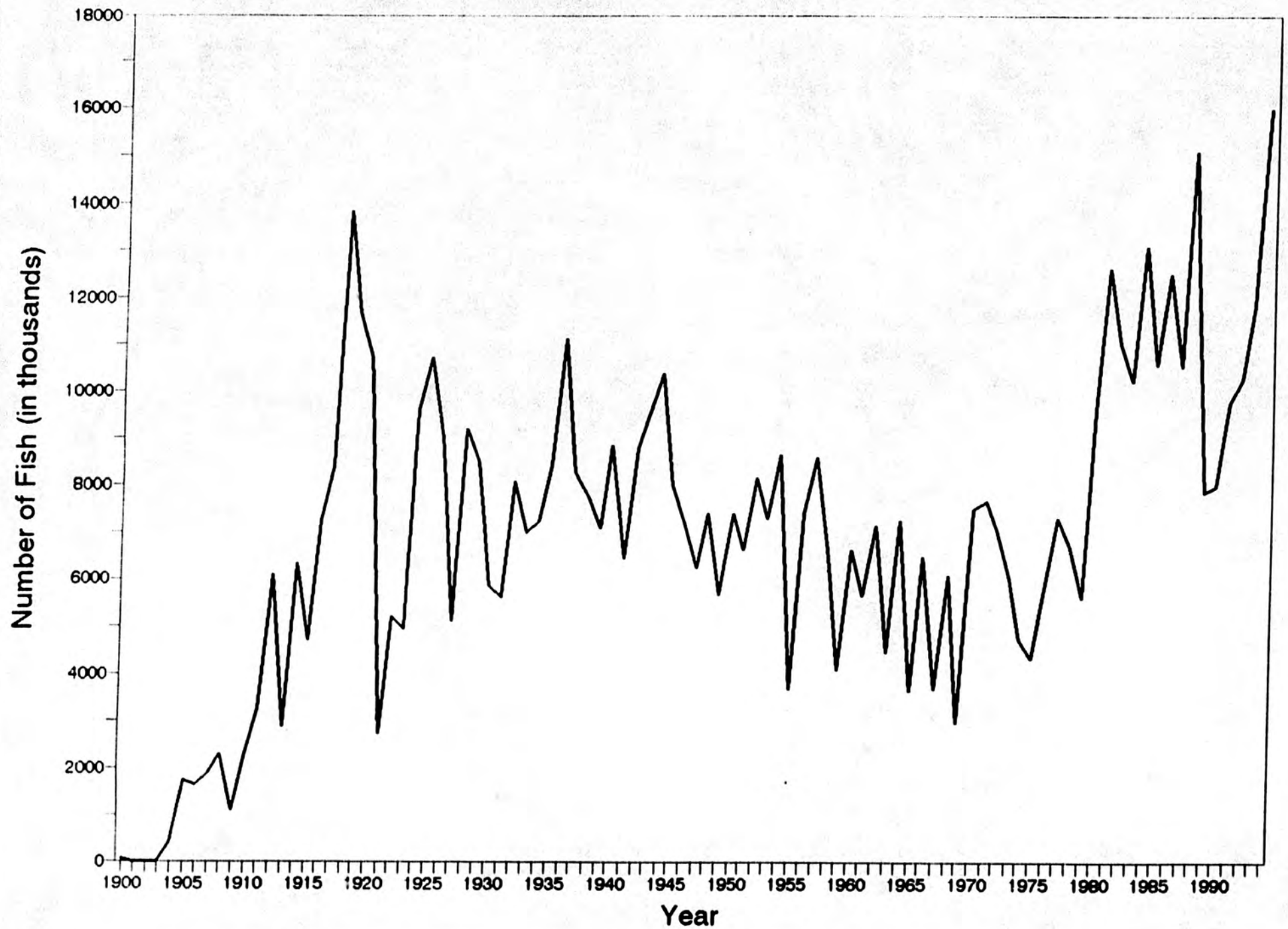
Statewide Commercial Pink Harvests



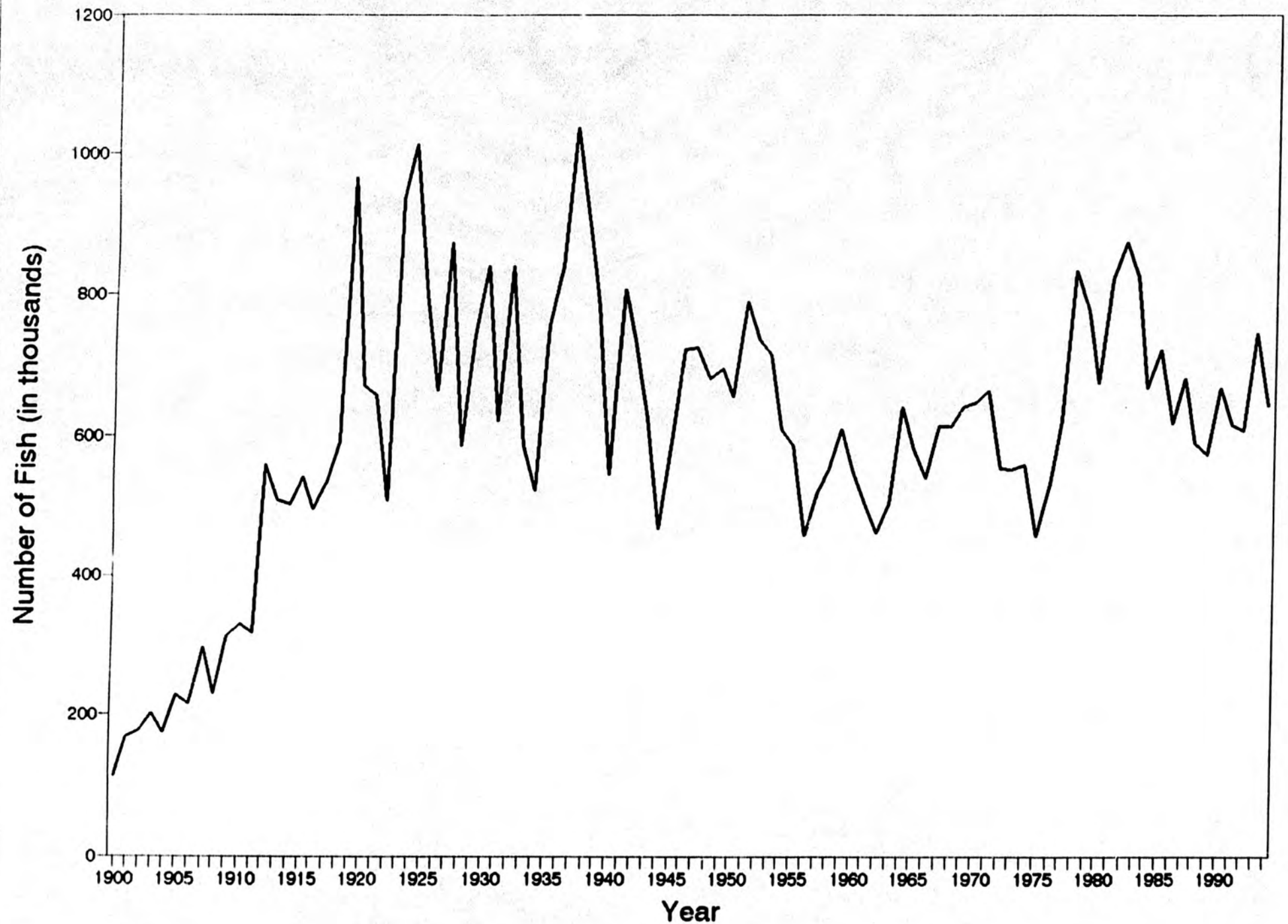
Statewide Commercial Coho Harvests



Statewide Commercial Chum Harvests



Statewide Commercial Chinook Harvests



HISTORICAL ALASKA COMMERCIAL HARVESTS (in thousands of fish)

Year	Chinook	Sockeye	Coho	Pink	Chum	Total
1900	110	16,534	440	4,432	34	21,550
1901	168	18,582	301	8,118	0	27,169
1902	175	22,046	519	9,058	0	31,798
1903	201	22,735	901	6,263	0	30,100
1904	174	21,108	774	6,183	396	28,636
1905	226	21,400	564	3,351	1,720	27,261
1906	215	19,489	984	9,002	1,628	31,318
1907	296	19,058	851	12,578	1,864	34,648
1908	229	24,388	730	14,671	2,285	42,301
1909	312	23,236	560	9,756	1,079	34,944
1910	329	19,027	984	10,725	2,308	33,373
1911	318	17,535	1,216	22,006	3,238	44,312
1912	559	28,619	1,499	26,398	6,069	63,145
1913	508	28,373	796	26,778	2,859	59,314
1914	501	30,091	1,334	16,731	6,326	54,983
1915	542	25,787	1,240	31,399	4,694	63,662
1916	493	29,744	2,440	29,831	7,243	69,751
1917	535	37,440	1,901	43,326	8,371	91,573
1918	591	35,210	2,390	50,028	13,829	102,048
1919	967	16,505	2,460	25,767	11,675	57,375
1920	671	20,358	1,993	30,312	10,740	64,074
1921	557	26,210	1,088	7,899	2,722	38,577
1922	505	33,581	1,765	31,233	5,198	72,281
1923	935	26,972	1,717	43,448	4,924	77,995
1924	1,014	19,265	1,984	50,336	9,589	82,188
1925	798	15,225	1,972	35,446	10,710	64,151
1926	662	31,136	2,260	53,747	8,987	96,791
1927	875	17,009	2,720	21,814	5,106	47,524
1928	585	27,154	3,634	47,182	9,186	87,741
1929	741	19,948	2,127	39,814	8,482	71,112
1930	842	10,394	3,645	59,345	5,856	80,083
1931	619	20,861	1,967	40,583	5,605	69,635
1932	841	25,401	2,059	35,823	8,079	72,202
1933	584	31,182	1,933	38,940	6,993	79,632
1934	521	30,194	2,683	72,801	7,239	113,438
1935	757	10,249	2,266	49,836	8,398	71,506
1936	839	34,358	2,705	77,424	11,121	126,446
1937	1,038	31,117	1,981	66,283	8,276	108,695
1938	902	34,703	2,871	54,475	7,766	100,718
1939	783	24,805	1,549	44,139	7,071	78,348
1940	543	11,683	2,993	60,766	8,821	84,806
1941	809	14,588	3,937	77,840	6,442	103,616
1942	730	12,859	3,900	54,610	8,751	80,849
1943	624	26,991	2,391	47,249	9,469	86,723
1944	467	19,291	2,252	37,741	10,381	70,133
1945	600	15,010	3,486	47,783	7,993	74,872
1946	722	14,233	3,657	46,644	7,207	72,463
1947	724	25,989	2,481	34,450	6,222	69,866
1948	681	19,879	2,957	27,250	7,399	58,167
1949	694	11,837	2,979	57,006	5,660	78,177
1950	655	14,374	2,416	19,974	7,402	44,822
1951	790	9,653	4,031	28,426	6,611	49,511
1952	735	16,929	2,376	19,862	8,138	48,040
1953	713	11,793	1,580	15,671	7,292	37,049
1954	608	9,639	2,533	22,890	8,634	44,305
1955	585	8,711	1,855	24,825	3,654	39,629
1956	456	14,783	1,513	26,421	7,423	50,596
1957	518	9,891	1,630	13,754	8,582	34,375

1958	552	6,104	1,607	26,099	6,645	41,007
1959	607	8,077	1,433	10,930	4,086	25,133
1960	547	17,834	1,404	16,079	6,625	42,490
1961	504	16,081	1,314	21,506	5,631	45,035
1962	461	9,297	2,039	43,864	7,149	62,809
1963	501	6,215	2,022	34,276	4,464	47,479
1964	639	9,966	2,558	45,291	7,271	65,725
1965	581	29,770	1,998	20,347	3,644	56,341
1966	540	15,073	1,921	40,051	6,456	64,041
1967	611	8,576	1,489	6,559	3,654	20,890
1968	611	8,130	2,751	44,727	6,082	62,300
1969	639	11,417	1,133	25,767	2,953	41,910
1970	646	27,634	1,527	31,147	7,500	68,454
1971	662	14,180	1,448	23,528	7,679	47,497
1972	553	6,590	1,831	15,920	7,065	31,959
1973	551	4,490	1,457	9,801	6,015	22,313
1974	557	4,878	1,859	9,859	4,729	21,881
1975	455	7,453	1,014	12,984	4,323	26,229
1976	531	11,780	1,432	24,755	5,924	44,422
1977	620	12,465	1,789	28,647	7,326	50,847
1978	836	18,140	2,821	53,852	6,677	82,326
1979	779	28,696	3,122	50,137	5,608	88,343
1980	675	33,295	3,115	63,304	9,603	110,043
1981	823	36,348	3,416	60,089	12,613	113,296
1982	877	28,954	6,040	64,859	10,994	111,727
1983	828	52,874	3,636	60,359	10,222	127,921
1984	667	38,450	5,405	76,343	13,096	133,961
1985	721	38,983	5,749	90,335	10,570	146,363
1986	616	32,208	6,293	77,304	12,510	128,949
1987	680	35,431	3,493	46,493	10,527	96,626
1988	589	30,038	4,473	50,357	15,102	100,563
1989	572	44,139	4,650	96,869	7,895	154,130
1990	666	52,692	5,477	88,252	8,005	155,242
1991	613	44,646	6,153	128,336	9,769	189,702
1992	606	58,283	7,095	60,597	10,223	136,937
1993	746	64,684	6,050	109,631	11,842	192,990
1994	642	52,329	9,344	116,160	16,006	194,481

Source: Compiled from ADFG RIR No. 5J91-16 and preliminary 1994 ADFG fish ticket data.

**FISH AND WILDLIFE REVENUES AND EXPENDITURES OF
STATE GOVERNMENT IN FISCAL YEAR 1997**



**Alaska Department of Fish and Game
Geron Bruce and Tuula Marquardt**

February 15, 1998

Fish and Wildlife Revenues and Expenditures

Results of FY97 Analysis:

	Fish	Wildlife
Revenues:	\$108.8 million	\$23.1 million
Expenditures:	\$107.8 million	\$32.9 million

This FY97 study shows, as did earlier studies, that revenues accruing to state government associated with Alaska's fish and wildlife resources are nearly equivalent to state expenditures associated with these resources. Total revenue from all sources related to fish and wildlife in fiscal year 1997 was \$132 million, one million more than in FY96. This compares to \$140.7 million in FY97 expenditures identified in this report. This is \$5.6 million more than in FY96.

This is not to say, for example, that taxes paid by the seafood industry are the exact source of funds that pay for management of the commercial fisheries in the state. This would grossly oversimplify the complex state budget. What the analysis attempts to convey is the size and variety of revenues flowing into the state treasury associated with the use of fish and wildlife resources and the corresponding variety and size of state expenditures related to fish and wildlife programs.

Fisheries revenues continued the decline observed in FY96. The primary reason for this decline was a drop of over \$7 million in the Fisheries Business Tax collections. Offsetting this to some degree were increases in federal revenues, sport fishing license fees, and the Fisheries Landing tax paid by offshore processors. In 1997, the offshore fish harvesting and processing industry dropped its administrative challenge to the Fisheries Landing Tax.

Revenues associated with wildlife increased over \$3 million compared to FY96. This included an increase in revenue from the sale of hunting licenses and tags as well as an increase in funding provided to the state by the federal government for wildlife management.

Fisheries expenditures increased \$2 million in FY97. Wildlife expenditures increased by \$3.5 million.

Methodology:

This study estimates revenue received by state government from Alaska's fish and wildlife resources during the 1997 fiscal year (FY97). It compares this revenue to the expenditures of state government during FY97 associated with the management, use and protection of these resources.

This analysis is updated annually with little research necessary outside of the Department of Fish and Game. Much of the information is available from the Alaska Statewide Accounting System. Expenditures requiring specific program knowledge are obtained from respective department personnel who are familiar with the fish and wildlife related programs and budgets of their departments. Because of the subjective nature of some expenditure estimates, they should be viewed strictly as estimates.

Funding for state fish and wildlife programs comes primarily from three sources: the state's general fund, from the federal government, and from the fish and game fund, which is one of the few dedicated funds in the state treasury. The Alaska Legislature has wide discretion in the spending of the state's general fund. Moneys spent from federal sources and from the fish and game fund are limited to specific programs and purposes.

We have listed below some of the key assumptions used in this analysis of which the reader should be aware.

1. All operating expenditures in the Department of Fish and Game were attributed to either fish or wildlife, except for \$63.1 thousand in the Division of Subsistence's budget and \$70.3 thousand in the Division of Habitat's budget.
2. Expenditures from eight other departments and the governor's office are also included in the analysis of expenditures. These expenditures range from approximately one-quarter of a million dollars in the Office of the Governor, to \$18 million and \$20 million respectively, for the Department of Commerce and Economic Development and the Department of Public Safety.
3. Capital expenditures in the Department of Fish and Game and the Department of Public Safety were included in this analysis.
4. Approximately half of the revenue collected by the Fisheries Business Tax and the Fisheries Landing Tax is distributed in accordance with state statute to the local governments. In this analysis, these distributions are considered a form of state revenue sharing. They are not considered state fish and wildlife expenditures.

The distribution of fish taxes to local governments is an example of the state sharing its larger revenue base with local governments. There are no restrictions on the purposes for which local governments may spend their portion of the shared taxes. Local governments use this shared revenue in any manner they choose.

5. Revenue sources that are generated in the course of management, regulation, and development of fish and wildlife are identified in this analysis. These include matching expenditures identified in departments other than the Department of Fish and Game with revenues accruing to those programs. An example of this is the federal funding received by the Alaska Seafood Marketing Institute to promote Alaskan seafood. Civil fines and criminal penalties collected as a result of law enforcement are other examples. A third example is interest revenue paid by participants in the commercial fishing loan programs. This revenue is transferred from the loan fund to the general fund and appropriated by the Legislature to cover the cost of administering the fishing loan programs.

6. Corporate income taxes accruing to the state treasury related to fish and wildlife related business cannot be segregated from other corporate taxes. Therefore these revenues are excluded from the analysis.

FISCAL YEAR 1997 FISH AND WILDLIFE REVENUES FROM ALL FUNDING SOURCES

(In thousands of dollars)

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,099.2		\$3,099.2
Salmon Marketing Tax		\$3,522.7		\$3,522.7
Salmon Enhancement Tax		\$4,189.8		\$4,189.8
Marine Fuel Tax	\$1,845.0	\$3,582.0		\$5,427.0
Fisheries Business Tax		\$30,967.6		\$30,967.6
Fisheries Landing Tax		\$8,279.0		\$8,279.0
Fines and Forfeitures	\$291.8	\$5,080.9	\$214.4	\$5,587.1
Test Fish/Buoy Stickers		\$2,008.4		\$2,008.4
Other Sales	\$3.4		\$28.7	\$32.1
Limited Entry Permit Renewal Fees		\$5,323.9		\$5,323.9
Commercial Crew Member Licenses		\$1,549.2		\$1,549.2
Interest from Commercial Fishing Loans		\$2,639.0		\$2,639.0
Sport Fishing License Fees	\$8,398.5			\$8,398.5
King Salmon Tag Fees	\$2,736.7			\$2,736.7
Hunting Licenses and Tag Fees			\$8,634.8	\$8,634.8
Application and User Fees			\$765.5	
Housing Rental	\$47.7	\$37.3	\$5.4	\$90.4
Other Revenues (Non-ADF&G)	\$280.6		\$137.0	
Federal Revenues	\$11,615.7	\$11,051.4	\$12,306.4	\$34,973.5
Big Game Guide License Fees			\$302.7	\$302.7
Program Receipts	\$70.6	\$1,339.8	\$280.8	\$1,691.2
Interagency Receipts	\$247.3	\$596.1	\$427.1	\$1,270.5
TOTAL	\$25,537.3	\$83,266.3	\$23,102.8	\$131,906.4

FISCAL YEAR 1997 STATE FISH AND WILDLIFE EXPENDITURES FROM ALL FUNDING SOURCES
(In thousands of dollars)

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$88.7	\$178.6	\$22.4	\$289.7
CED		\$18,194.0	\$226.9	\$18,420.9
CRA		\$363.4		\$363.4
DEC	\$910.7	\$3,005.8	\$98.8	\$4,015.3
Fish and Game	\$25,331.6	\$43,972.4	\$24,116.8	\$93,420.8
Labor		\$830.7	\$38.8	\$869.5
Law	\$710.9	\$1,380.1	\$277.5	\$2,368.5
Natural Resources	\$109.1	\$212.0	\$219.2	\$540.3
Public Safety	\$2,859.7	\$9,274.2	\$7,870.9	\$20,004.8
Revenue		\$375.2		\$375.2
Total	\$30,010.7	\$77,786.4	\$32,871.3	\$140,668.4

FISCAL YEAR 1997 FISH AND WILDLIFE REVENUES DEPOSITED IN THE GENERAL FUND

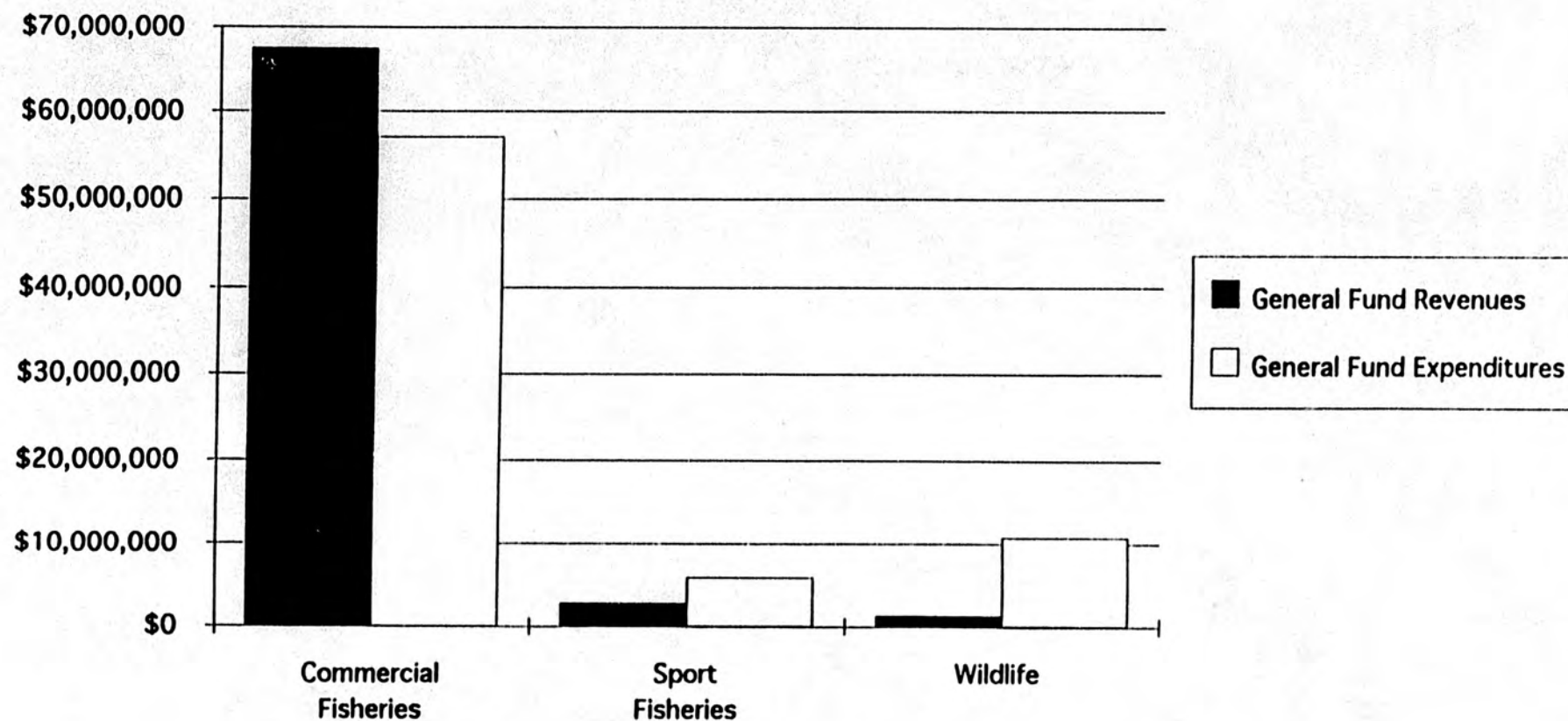
(In thousands of dollars)

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,099.2		\$3,099.2
Salmon Marketing Tax		\$3,522.7		\$3,522.7
Salmon Enhancement Tax		\$4,189.8		\$4,189.8
Marine Fuel Tax	\$1,845.0	\$3,582.0		\$5,427.0
Fisheries Business Tax		\$30,967.6		\$30,967.6
Fisheries Landing Tax		\$8,279.0		\$8,279.0
Fines and Forfeitures	\$291.8	\$496.8	\$214.4	\$1,003.0
Test Fish/Buoy Stickers		\$2,008.4		\$2,008.4
Application and User Fees			\$57.3	\$57.3
Housing Rental	\$47.7	\$37.3	\$5.4	\$90.4
Limited Entry Permit Renewal Fees		\$5,014.6		\$5,014.6
Commercial Crew Member Licenses		\$625.6		\$625.6
Interest from Commercial Fishing Loans		\$2,639.0		\$2,639.0
Special Licenses			\$15.1	\$15.1
Big Game Guide License Fees			\$302.7	\$302.7
Other Revenues (Non-ADF&G)	\$280.6	\$1,101.4		\$1,382.0
Other Fees				\$0.0
Program Receipts	\$70.6	\$1,339.8	\$280.8	\$1,691.2
Interagency Receipts	\$247.3	\$596.1	\$427.1	\$1,270.5
TOTAL	\$2,783.0	\$67,499.3	\$1,302.8	\$71,585.1

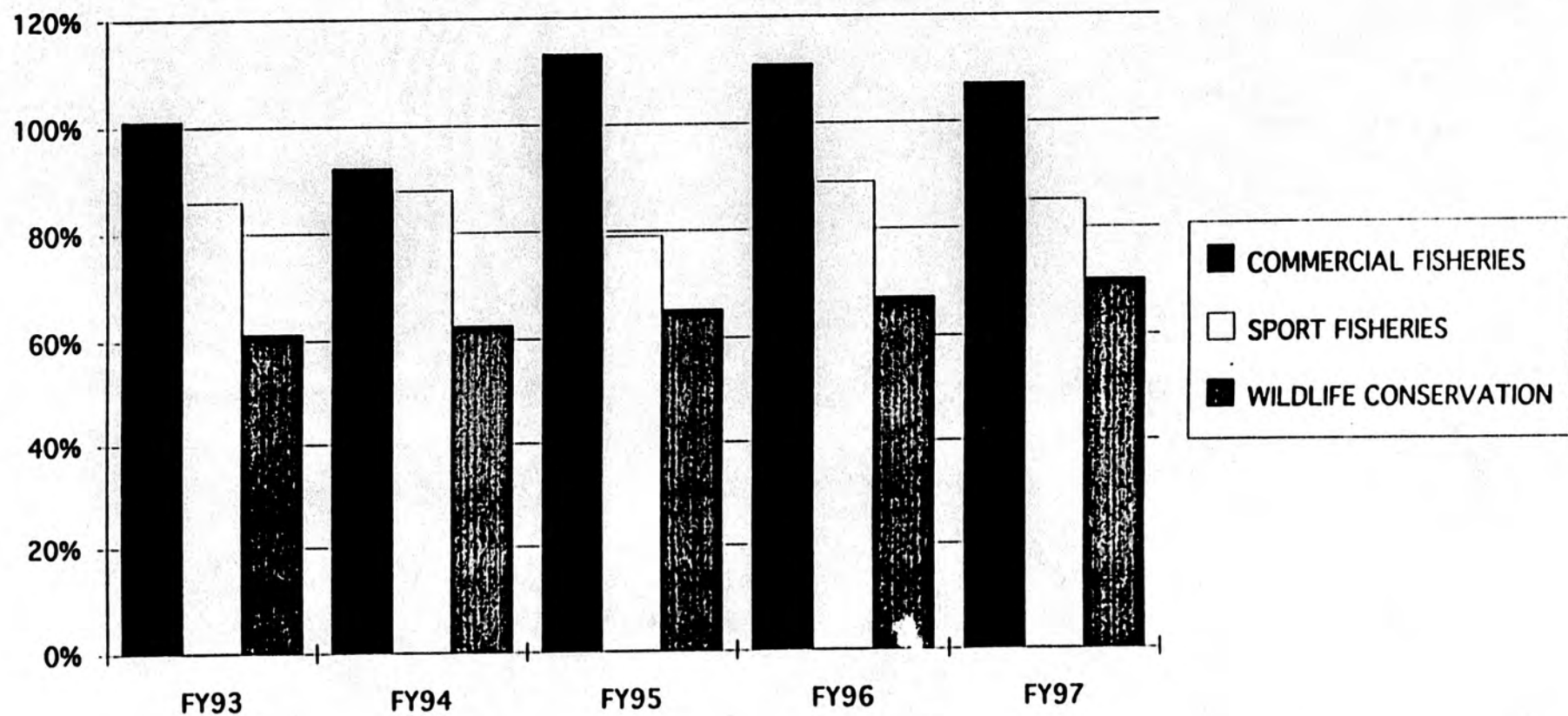
FISCAL YEAR 1997 FISH AND WILDLIFE EXPENDITURES FROM THE STATE GENERAL FUND
(in thousands of dollars)

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$81.0	\$162.1	\$22.4	\$265.5
CED		\$14,927.7	\$226.9	\$15,154.6
CRA		\$249.9		\$249.9
DEC	\$385.6	\$1,929.1	\$62.9	\$2,377.6
Fish and Game	\$1,936.0	\$32,634.3	\$2,514.4	\$37,084.7
Labor		\$120.7	\$38.8	\$159.5
Law	\$638.1	\$1,238.7	\$201.9	\$2,078.7
Natural Resources	\$81.4	\$158.1	\$164.6	\$404.1
Public Safety	\$2,798.4	\$5,274.8	\$7,506.6	\$15,579.8
Revenue		\$375.2		\$375.2
Total	\$5,920.5	\$57,070.6	\$10,738.5	\$73,729.6

GENERAL FUND REVENUES AND EXPENDITURES RELATED TO STATE FISH AND WILDLIFE PROGRAMS IN FISCAL YEAR 1997



**FISH AND WILDLIFE REVENUES AS A PERCENTAGE OF FISH AND WILDLIFE
EXPENDITURES IN FISCAL YEARS 1993-1997**



**RUN FORECASTS AND HARVEST PROJECTIONS
FOR 1999 ALASKA SALMON FISHERIES AND REVIEW OF THE 1998 SEASON:
THE SHORT VERSION**

**Edited by
Deborah Hart
and
Harold J. Geiger**

Regional Information Report No. 5J99-01

**Alaska Department of Fish and Game
Division of Commercial Fisheries
P.O. Box 25526
Juneau, Alaska 99802-5526**

January 1999

The Regional Information Report Series was established in 1987 to provide an information access system for all unpublished divisional reports. These reports frequently serve diverse ad hoc informational purposes or archive basic uninterpreted data. To accommodate timely reporting of recently collected information, reports in this series undergo only limited internal review and may contain preliminary data; this information may be subsequently finalized and published in the formal literature. Consequently, these reports should not be cited without prior approval of the author or the Division of Commercial Fisheries.

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The Alaska Department of Fish and Game is expecting 1999 commercial salmon harvests to be similar to 1998's levels. The 1999 commercial catch all-species projection of 148 million is distributed as 0.613 million chinook, 29.0 million sockeye, 5.86 million coho, 92.8 million pink, and 19.4 million chum salmon. Table 1 shows specific projection numbers by species and fishing area. In some cases the projections are based on formal run forecasts, using information on previous spawning level, the environment, and other factors. In other cases, the catch projections are simply recent average catch levels. With two or three exceptions, such as the Southeast chinook troll fishery and South Peninsula June Fishery chum catch, Alaskan salmon management will be based on actual observed salmon run strength. Alaska managers have the primary goal of maintaining spawning population sizes – not to reach preseason catch projections.

At this time last year, department biologists were expecting an all-species commercial catch of 146 million for the 1998 season. As it turned out, the overall catch of sockeye salmon was about 40% lower than expected, but statewide catches of pink salmon were about 20% higher than expected, and the all-species total reached 151 million salmon. Notably, pink salmon catches were far above expectations in Kodiak. Although statewide chum salmon catches were above expectation, and chum salmon catches in Southeast were far above expectation, other areas failed to produce at expected levels. For example, runs of Western Alaska chum salmon, Yukon River chinook salmon, and Bristol Bay sockeye salmon were well below expectations. We suspect that ocean conditions have changed and that unusually poor ocean survivals were to blame. Table 2 shows 1998 harvest numbers by species and fishing area, in units of fish harvested, and Table 3 provides this information in units of pounds harvested.

The exvessel value of the commercial harvest continued on its long downward trend. The preliminary estimate for the total value of Alaska's 1998 harvest is \$259 million – below the estimates of \$296 for 1997, \$378 for 1996, \$466 for 1995, and \$489 for 1994.

In both 1997 and 1998, the Bristol Bay sockeye salmon run was considerably less than the forecasted levels. The 1997 forecast was for a return of 35.8 million, with an in-Bay catch of 24.8 million. The actual run in 1997 was 20.1 million, with an in-Bay catch of 12.3 million. The forecast for 1998 was for a run of 32.1 million and an in-Bay catch of 20.6 million. The actual run in 1998 was 19.3 million, with an in-Bay catch of 10.0 million. We suspect that unfavorable climatic and oceanographic conditions reduced marine survival since parent-year escapements were at levels that had produced large runs in the past. The 13.8 million sockeye salmon harvest forecasted for Bristol Bay in 1999 should be used with caution since the climatic/oceanographic conditions that influence survivals are poorly understood and measured.

For 1999, biologists in Southeast Alaska are again expecting a *strong* run of pink salmon with catches in the range of 31 to 51 million. A run of 32.7 million pink salmon with a commercial catch of just over 29.9 million is being forecasted by biologists in Prince William Sound. The forecast for the Copper River sockeye salmon run is 2.2 million, with a catch of 1.5 million. The Upper Cook Inlet forecast of sockeye salmon is for a run of 3.5 million, with a harvest of 2.0 million. Kodiak area biologists are forecasting a run of 11.8 million pink salmon, with a catch of 9.5 million.

Look for inseason harvest information, postseason statistics, and other information about salmon in Alaska on the World Wide Web at <http://www.cf.adfg.state.ak.us/>.

Table 1. Preliminary projections of 1999 Alaska commercial salmon harvests by fishing area and species, in thousands of fish.

Fishing Area	Species					Total
	Chinook	Sockeye	Coho	Pink	Chum	
Southeast Region	242 ^a	2,170 ^a	3,430 ^a	41,000 ^b	13,000 ^a	59,800
Prince William Sound						
<i>Common Property</i>	53	1,550	575	19,600	2,410	24,200
<i>Cost Recovery</i>	0	135	16	10,300	530	11,000
Upper Cook Inlet	16	2,000	300	75	200	2,590
Lower Cook Inlet	1	391	15	3,400	10	3,820
Bristol Bay	150	13,800	100	0	680	14,700
Central Region	220	17,900	1,000	33,400	3,830	56,300
Kodiak Area	20	3,500	350	9,500	500	13,900
Chignik	4	1,330	185	925	185	2,630
South Peninsula	10	2,100	250	8,000	750	11,100
North Peninsula	10	1,800	150	15	150	2,130
Aleutian Islands	0	0	0	0	0	0
Westward Region	44	8,730	935	18,400	1,590	29,700
AYK Region	107	155	493	2	963	1,720
Statewide Total	613	29,000	5,860	92,800	19,400	148,000

Columns and rows do not total exactly due to rounding.

^a Average harvest for the five-year period, 1994–1998.

^b Midpoint of the 31-51 million forecast range.

Modified December, 1998

Table 2. Preliminary 1998 Alaska commercial salmon harvests by fishing area and species, in thousands of fish.

Fishing Area	Species					Total
	Chinook	Sockeye	Coho	Pink	Chum	
Southeast Region	230 ^a	1,370	2,900	42,500	15,500	62,500
Prince William Sound	71	1,710	195	28,700	1,270	31,900
Upper Cook Inlet	8	1,220	160	552	96	2,030
Lower Cook Inlet	1	284	16	1,450	5	1,760
Bristol Bay	126	9,990	125	25	391	10,700
Central Region	206	13,200	496	30,700	1,760	46,400
Kodiak Area	17	3,620	425	22,100	316	26,500
Chignik	4	1,050	130	777	129	2,090
South Peninsula	5	2,170	154	8,040	712	11,100
North Peninsula	6	1,090	135	35	70	1,340
Aleutian Islands	0	0	0	0	0	0
Westward Region	32	7,930	844	31,000	1,230	41,000
AYK Region	95	129	342	591	368	1,530
Total Alaska	563	22,600	4,580	105,000	18,900	151,000

Missing data indicates no harvest, and zeros indicate harvest activity but <1,000.
Columns and rows do not total exactly due to rounding.

^a Total commercial harvest of chinook salmon for the October 1, 1997 to September 30, 1998 catch accounting period.

Modified December, 1998

Table 3. Preliminary 1998 Alaska commercial salmon harvests by fishing area and species, in thousands of pounds.

Fishing Area	Species					Total
	Chinook	Sockeye	Coho	Pink	Chum	
Southeast Region	3,950	8,270	22,500	147,000	138,000	320,000
Prince William Sound	1,590	10,400	1,670	105,000	10,400	129,000
Upper Cook Inlet	181	6,690	1,100	2,090	695	10,800
Lower Cook Inlet	14	1,290	120	4,540	35	6,000
Bristol Bay	2,230	57,200	1,050	85	2,500	63,000
Central Region	4,020	75,600	3,940	112,000	13,600	209,000
Kodiak Area	249	17,500	3,590	81,700	2,460	105,000
Chignik	67	6,440	1,050	2,590	918	11,100
South Peninsula	75	12,500	1,110	28,300	5,040	47,000
North Peninsula	89	6,080	1,090	126	497	7,890
Aleutian Islands	0	0	0	0	0	0
Westward Region	480	42,500	6,840	113,000	8,920	171,000
AYK Region	1,690	1,000	2,630	1,830	2,830	9,980
Total Alaska	10,100	127,000	35,900	374,000	163,000	710,000

Missing data indicates no harvest, and zeros indicate harvest activity but <1,000.
Columns and rows do not total exactly due to rounding.

Modified December, 1998

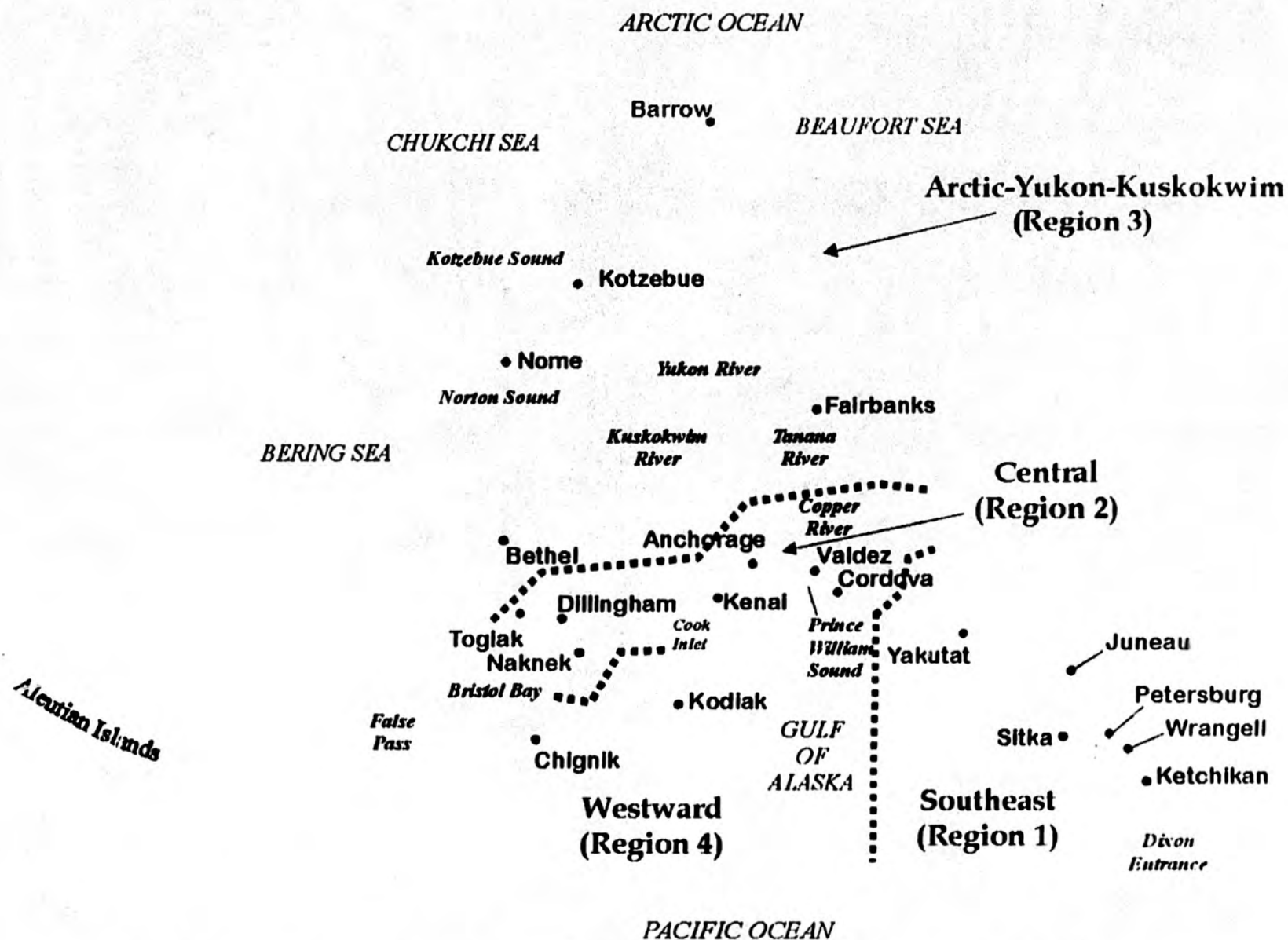


Figure 1. The four fishery management regions (Southeast, Central, Arctic-Yukon-Kuskokwim, and Westward) of the Alaska Department of Fish and Game, Division of Commercial Fisheries.

Chinook Salmon

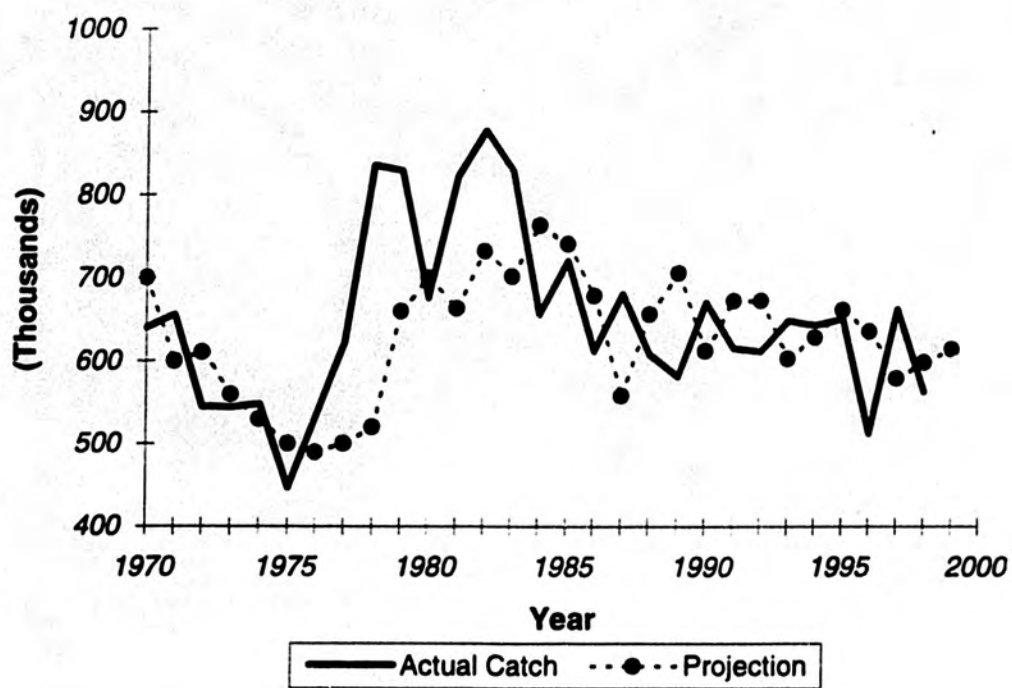


Figure 2. Relationship between actual catch (thousands) and projected catch (thousands) for Alaskan chinook salmon from 1970 to 1998, with the 1999 projection.

Sockeye Salmon

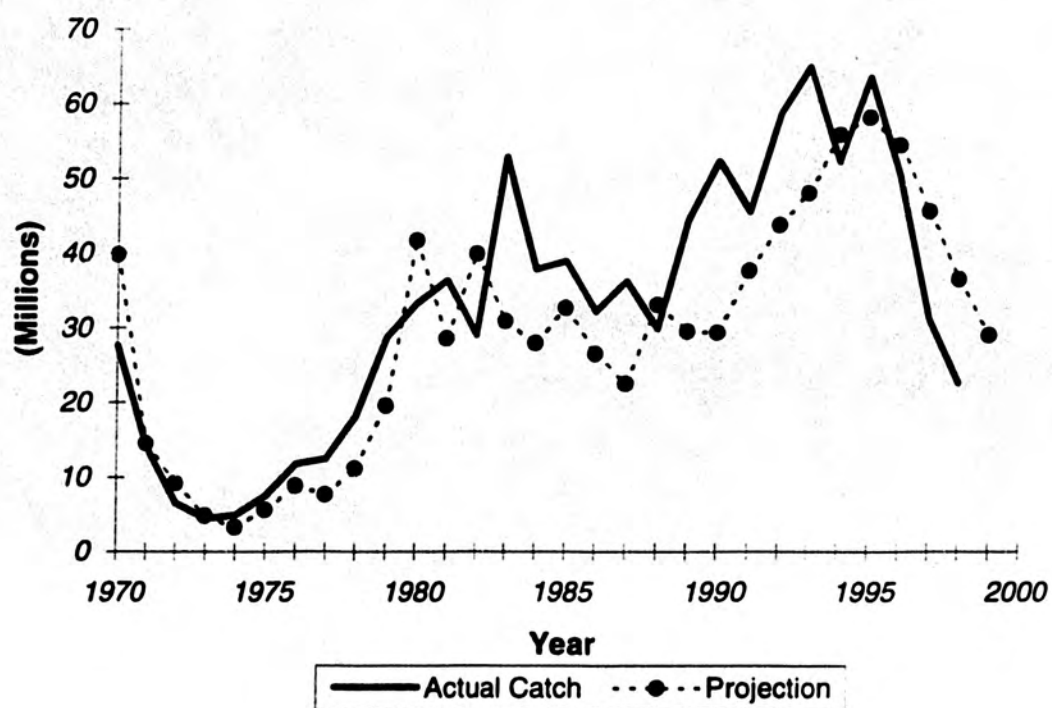


Figure 3. Relationship between actual catch (millions) and projected catch (millions) for Alaskan sockeye salmon from 1970 to 1998, with the 1999 projection.

Coho Salmon

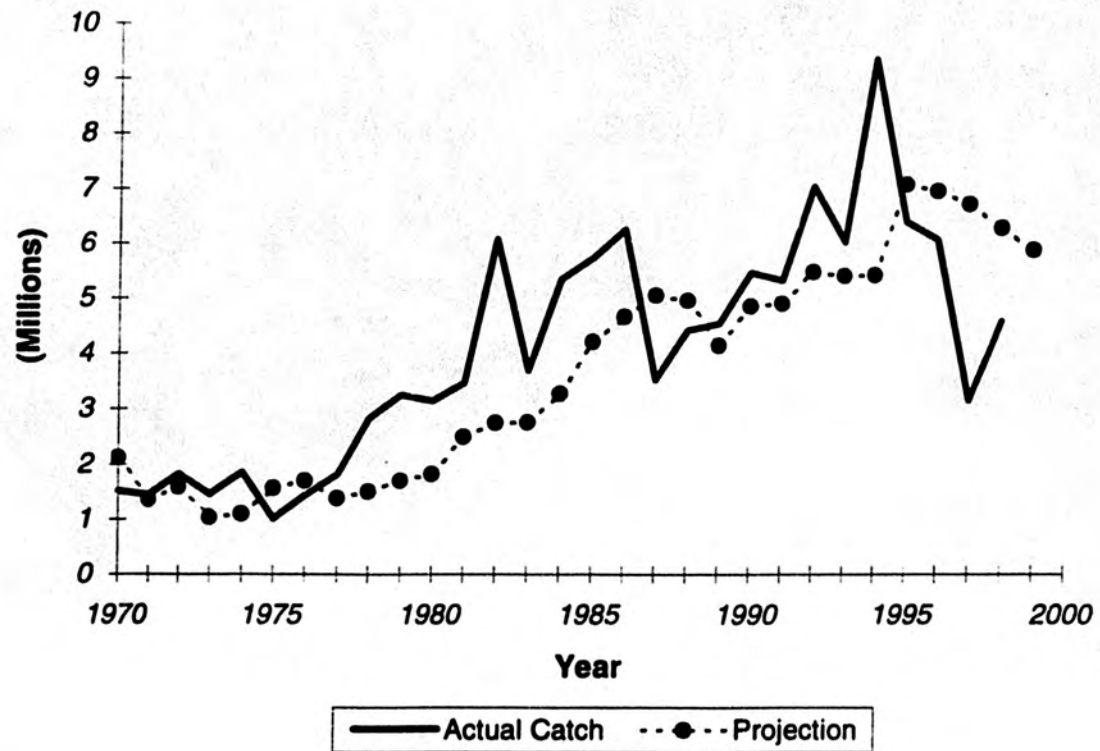


Figure 4. Relationship between actual catch (millions) and projected catch (millions) for Alaskan coho salmon from 1970 to 1998, with the 1999 projection.

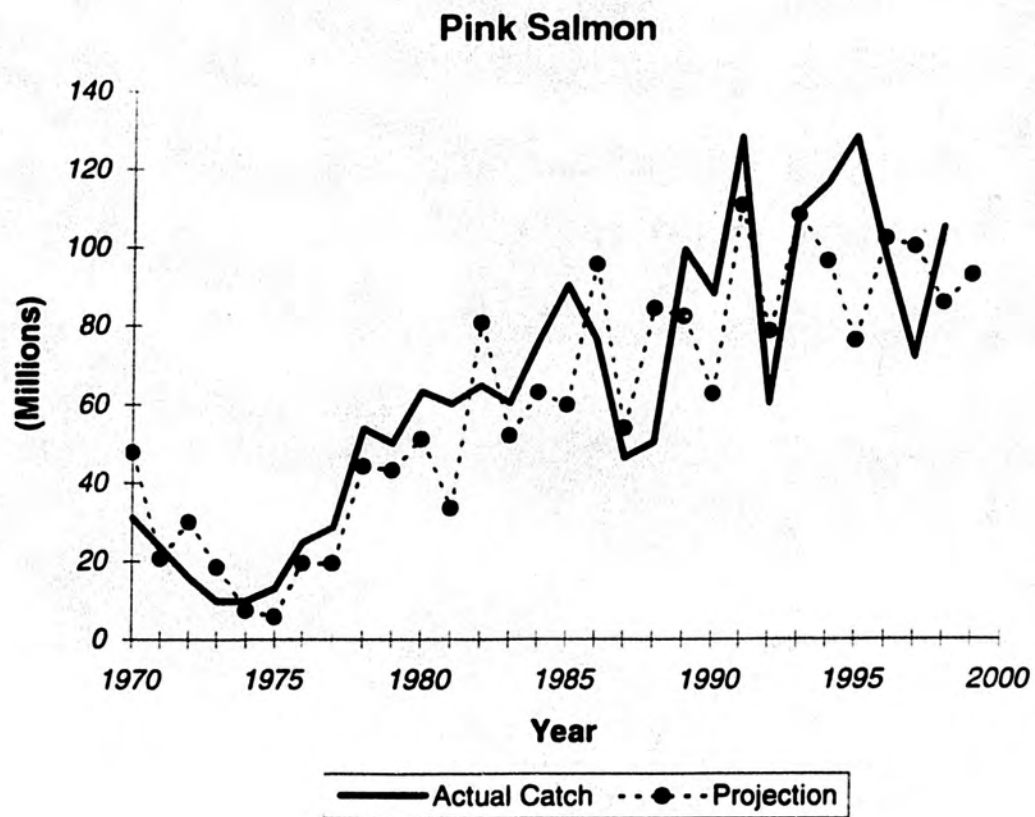


Figure 5. Relationship between actual catch (millions) and projected catch (millions) for Alaskan pink salmon from 1970 to 1998, with the 1999 projection.

Chum Salmon

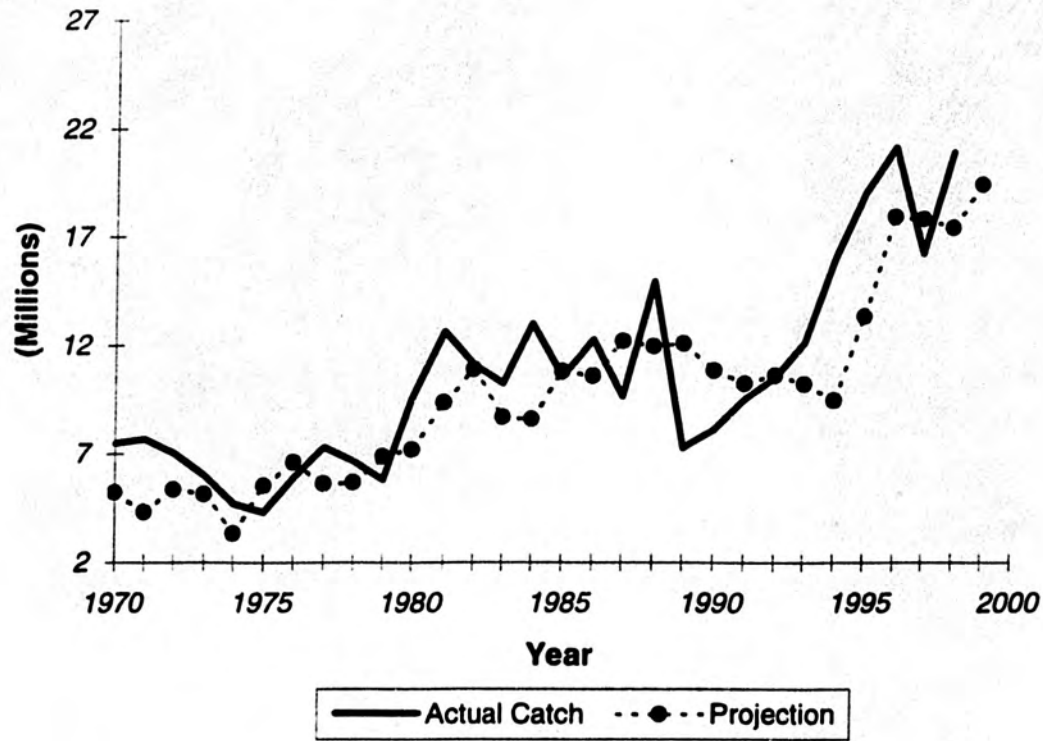
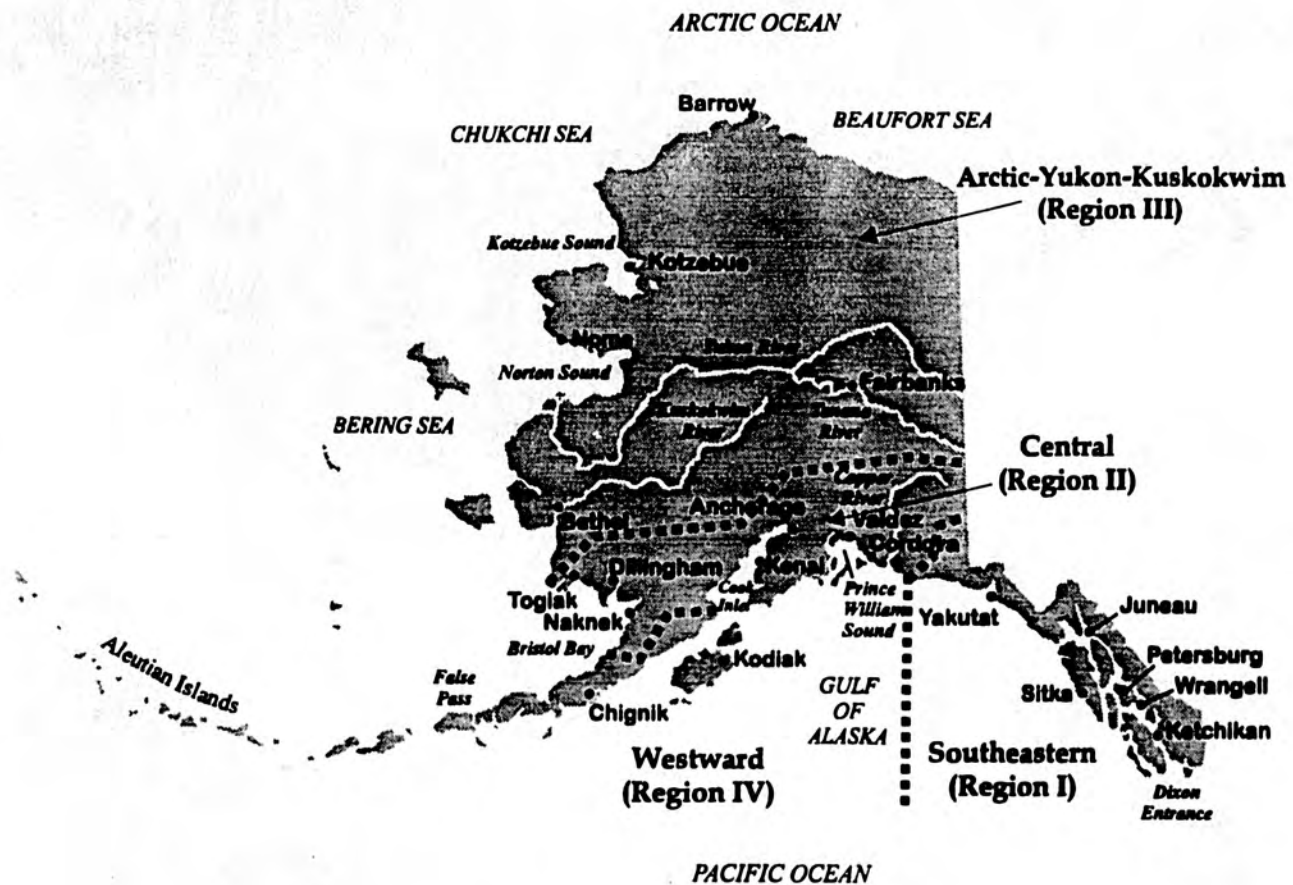


Figure 6. Relationship between actual catch (millions) and projected catch (millions) for Alaskan chum salmon from 1970 to 1998, with the 1999 projection.

FY 2000 Budget Information

Division of Commercial Fisheries

Robert D. Mecum
Director



January 1999



Alaska Department of Fish and Game
Division of Commercial Fisheries
P.O. Box 25526
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Division of Commercial Fisheries

FY 2000 Budget Information

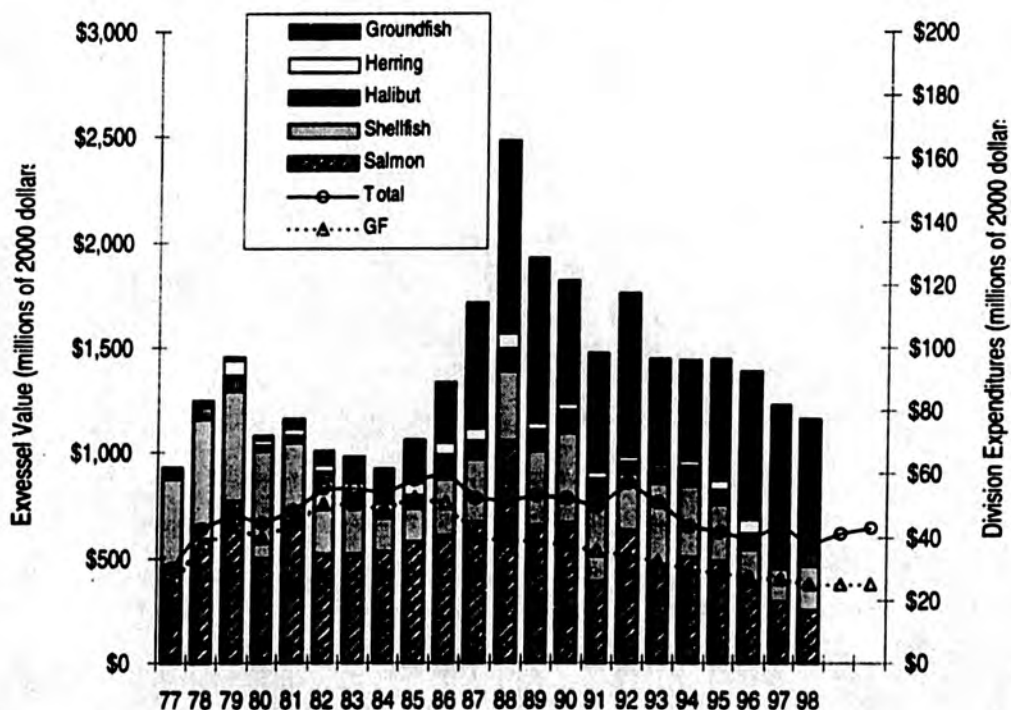
Funding History and Fishery Values

The preliminary 1998 exvessel value of Alaska's commercial fisheries has been estimated at \$1.2 billion, a \$50 million decrease from the 1997 value (see chart below). The 1998 exvessel values of the fisheries was \$259 million for salmon, \$627 million for groundfish, \$12 million for herring, \$68 million for halibut, and \$214 million for shellfish.

The division's total budget has experienced both increases and decreases during recent years. Except for the loss of General Fund support for some production salmon hatcheries and their transfer to the private sector, state funding for fisheries management has remained fairly constant since FY 91. The division's FY 2000 General Fund budget request is \$64.0 thousand more than the division's FY 99 authorized budget. This increase is due to a cost of living allowance provided from the Investment Loss Trust Fund, converted later to the General Fund. When adjusted for inflation, the purchasing power of the division's FY 2000 budget is actually less than any year since 1977 and 50% less than it was for FY 85 (see graph on page 3).

Exvessel Values of Alaska's Commercial Fisheries and Expenditures by the Division of Commercial Fisheries

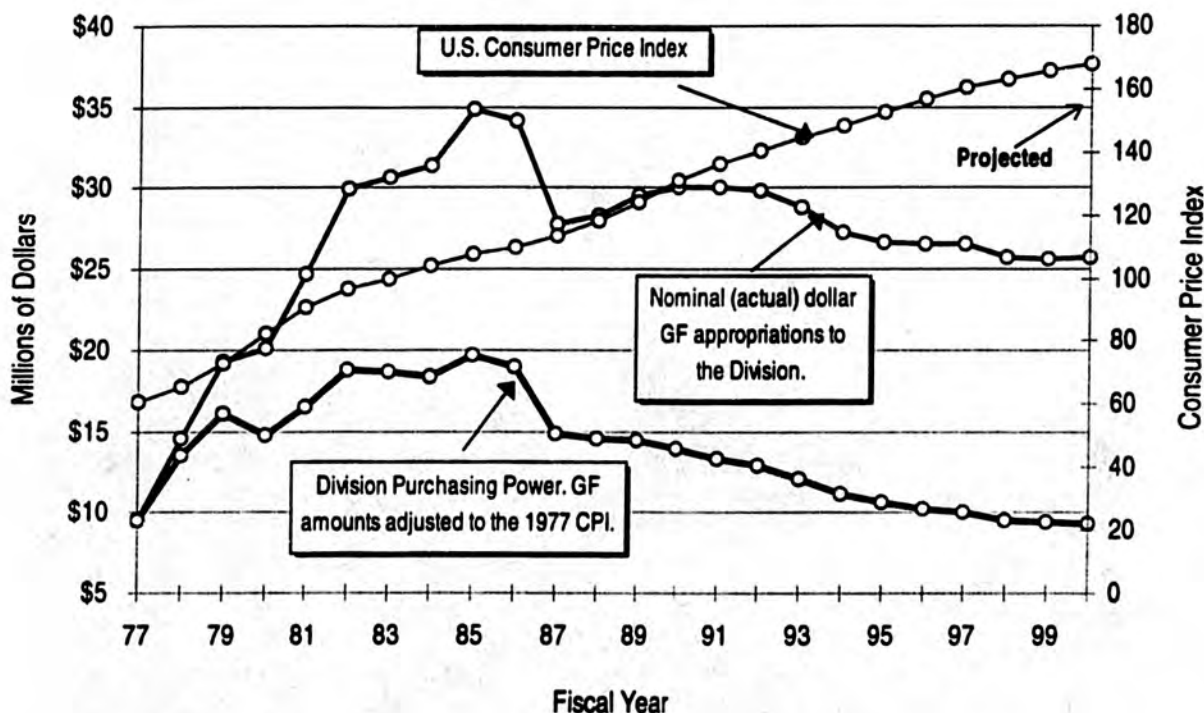
(All amounts shown as real dollar amounts that have been
inflation-adjusted to the projected 2000 U.S. Urban Consumer's Price Index)



The peak General Fund budget for the division was in FY 85 at \$34.9 million. The FY 2000 request is for \$25.7 million, a reduction of \$9.2 million (26.4%) since FY 85. This direct reduction has primarily impacted the salmon enhancement program and resulted in the closure of 3 salmon hatcheries, the transfer of 13 hatcheries to the private sector, and the transfer of 4 hatcheries to the department's Sport Fish Division. The planning and development programs that support and oversee the salmon hatchery and mariculture industries, provide information needed for fisheries management, and assist in the development of new fisheries.

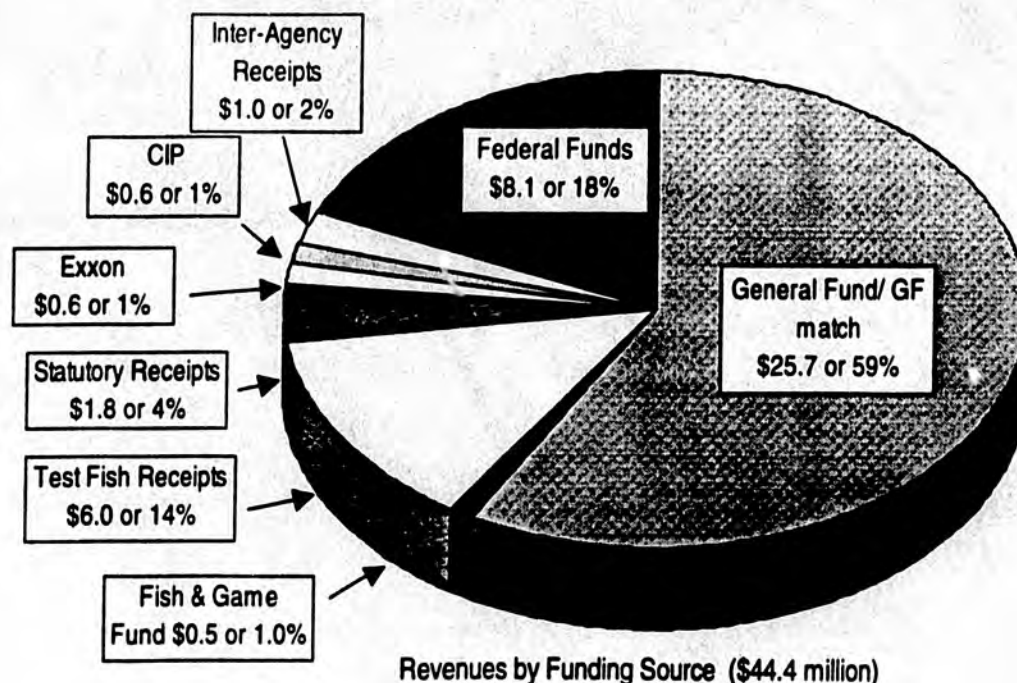
From FY 90 through FY 99 the division has had to absorb about \$7 million or 23% in program reductions. These reductions have nearly totally eliminated the state's groundfish program and have brought substantial reductions to projects supporting sustained yield management of herring and salmon, Bering Sea crab management, management of fisheries for hatchery stocks, interaction with federal fisheries managers, and program administration and support. Any further sizable reductions to the fishery management program will likely affect the division's ability to manage new fisheries, provide information to assist the Board of Fisheries in their allocative deliberations, force the division to implement such measures as fixed harvest caps on the shellfish fisheries, and further reduce the division's ability to manage salmon and herring fisheries for long-term stable and sustainable economic yield.

**General Fund Budgets
Division of Commercial Fisheries**
1977-2000 Nominal and Inflation-Adjusted Amounts



FY 2000 Budget by Revenue Source for the Division of Commercial Fisheries

(in millions of dollars)



Budget reductions and inflation have left the division with only those programs needed for basic management of the state's fisheries resources. Further reductions would seriously erode what is now recognized as the best fisheries management program in the world. That erosion would likely cause harvests to fluctuate as wildly as they did in the 1950s, 60s, and early 70s. Those were the years before oil. A significant portion of Alaska's population was heavily dependent on commercial and subsistence fishing during those years, and those harvest fluctuations put extreme economic stress on many coastal and river communities.

Magnitude and Importance of Alaska's Commercial Fisheries

Approximately 5 billion pounds of fish and shellfish were harvested in waters off Alaska in 1998 with an exvessel value of \$1.2 billion. Nearly 48% of the U.S. seafood production comes from Alaska, almost four times more than the next largest U.S.-producing state. Earnings to fish processors could approach \$2.4 billion in 1998.

According to the *Alaska Seafood Industry Study* (1989) and the *Seafood Sector Report* (Institute for Social and Economic Research 1991), the Alaska seafood industry is the most important private basic industry in the state, both in terms of employment and income. Alaska's dominant position in the U.S. seafood industry translates into 16% of the state's basic sector employment and 47% in private basic sector employment, ahead of oil and gas, mining, forest products, and tourism. This figure does not reflect the explosive growth in participation and employment in the offshore groundfish fishery that occurred after the 1989 study was completed.

Participation and employment in the Alaska seafood industry has grown in the last decade based upon the number of Commercial Fisheries Entry Commission (CFEC) permits and crewmember licenses issued and estimates of peak season processing employment. According to the 1989 study, when participation data are converted into direct and indirect employment figures, the seafood industry produced roughly 33 thousand annual jobs.

The fishing industry is important to Alaskans and Alaska's communities. Alaskans own about 75% of the total number of limited entry permits. More than 50% of the Alaskan permit holders reside in rural areas of the state. For many small coastal and river communities, commercial fishing is the major source of cash, whether it be direct or indirect. The cities and boroughs of the state receive one-half of the state's fisheries business tax. Their share of both the FY 98 fisheries business and fisheries landing taxes was \$16.0 million. For many small communities, this share likely represents a significant portion of their tax base.

Expenditures and Revenues

Alaska's seafood industry not only is self-supporting, but also makes significant contributions to the state's General Fund. This can be seen by comparing the total General Funds expended by the state to manage Alaska's commercial fisheries to the revenues generated by the industry. In FY 98, the estimated amount of General Funds expended was \$57.1 million. Of this amount, nearly \$32.6 million was expended by the Department of Fish and Game. On the other hand, revenues generated in FY 98 by the commercial fishing industry were estimated to be \$67.5 million, which included \$8.3 million generated by the new Fisheries Landing Tax. The net gain to the General Fund was \$10.4 million.

FY 2000 Budget Request

FY 99 Governor's GF Request*	FY 99 GF Authorized*	FY 2000 Governor's GF Request*
\$25,759.4	\$25,616.6	\$25,680.6

* includes GF + GF match

The FY 2000 Governor's budget request of \$44,396.7 (\$25,680.6 GF) should allow the division to continue the level of services it provided in FY 99. Those programs and projects operated during FY 99 will again operate in FY 2000.

The diagram above details the development of the division's FY 2000 General Fund budget request starting with the FY 99 Governor's request. Details of the total FY 2000 request are listed below.

Division Request (FY 2000)	
General Fund	\$25,308.8
General Fund Match	371.8
GF/Program Receipts	52.0
Statutory Program Receipts	1,798.5
Federal Funds	8,149.6
Exxon Valdez Settlement	626.2
Test Fish Receipts	5,970.5
Inter-Agency Receipts	996.0
Fish and Game Fund	490.6
CIP	632.7
Total	44,396.7

DIVISION FUNDING AND STAFFING

(in thousands of dollars)

Funding	FY 2000 Governor	FY 99 Authorized	FY 98 Actual	FY 97 Actual	FY 96 Actual	FY 95 Actual
General Fund	25,680.6	25,616.6	\$25,441.7	\$26,608.8	26,594.4	\$26,713.7
GF/Program Receipts	52.0	52.0	51.0	36.0	2,911.2	3,114.5
Designated Program Receipts	0	0	0	2,936.7		
Statutory Program Receipts	1,798.5	1,798.5	1,268.4			
Test Fish Receipts	5,970.5	3323.0	1,934.1			
Federal Receipts	8,149.6	7754.6	5,878.1	5,993.9	6,832.8	7,228.1
Fish and Game Fund	490.6	490.6	439.8	289.2	641.8	688.6
Inter-Agency Receipts	996.0	996.0	1,070.9	643.6	611.1	701.6
CIP	632.7	632.7	55.2	96.9	123.8	242.1
Exxon Valdez Settlement	626.2	1,112.8	1,497.1	1,594.2		
Totals	\$44,396.7	\$41,776.8	\$37,636.3	\$38,199.3	\$37,715.1	\$38,688.6

Personnel						
Full Time	289	289	292	292	298	317
Seasonal	574	527	527	550	537	546
Temporary	15	20	37	40	18	16
Staff Months	5,952	5561	5,631	5,698	5,460	5,565

COMMERCIAL HARVEST EXVESSEL VALUES

(in millions of dollars)

Fisheries	1998	1997	1996	1995	1994	1993
Salmon	\$259*	\$290	\$365	\$461	\$468	\$414
Herring	12*	16	64	42	22	20
Halibut	68*	111	77	65	85	59
Groundfish	627*	652	685	550	443	455
Shellfish	214*	161	164	258	312	356
Totals	\$1,180	\$1,230	\$1,355	\$1,376	\$1,330	\$1,304

* Note: All 1998 value and industry figures are preliminary.

TAX REVENUES GENERATED BY THE FISHING INDUSTRY

(in thousands of dollars)

	FY 98	FY 97	FY 96	FY 95	FY 94	FY 93
Fish Processing Taxes	28,464.4	30,967.6	38,241.2	\$39,034.2	\$33,928.4	\$42,165.8
Salmon Enhancement Tax	4,186.7	4,189.8	5,235.9	5,689.5	4,268.7	6,745.8
Seafood Marketing Tax	2,811.7	3,522.7	4,804.4	4,710.6	3,671.1	3,535.3
Seafood Marketing Assess.	2,878.8	3,099.2	3,777.7	3,242.0	-----	-----
Marine Fuel Tax	NA	3,582.0	4,335.3	3,896.2	4,268.7	4,636.7
Fishery Res. Landing Tax	3,767.7	8,279.0	7,137.8	7,302.0	-----	-----
CFEC License Fees	4,831.6	5,323.9	5,104.3	4,739.7	5,728.6	5,490.0
Totals	\$46,940.9	\$58,964.2	\$68,636.6	\$68,614.2	\$51,865.5	\$62,573.6

INDUSTRY AND FISHERIES EMPLOYMENT

	1998	1997	1996	1995	1994	1993
CFEC Permits	30,376	27,043	27,629	28,538	29,416	29,511
Vessel Licenses	11,448	16,443	16,326	16,277	16,259	16,276
Crewmember Licenses	24,916	27,238	28,752	31,391	32,310	31,478
Processors and Buyers	651	600	729	713	674	685

**Distribution of the State's Fish Tax
Collected in FY 98 by Borough and by City**

(Over \$32.0 million was collected — \$16.0 million was distributed to Alaska's boroughs and cities)

Distribution to Boroughs and Municipalities	
Aleutians East	\$1,309,926
Anchorage	72,686
Bristol Bay	1,105,218
Haines	188,066
Juneau	165,906
Kenai Peninsula	715,315
Ketchikan Gateway	309,134
Kodiak Island	855,077
Lake and Peninsula	216,037
Sitka	623,208
Yakutat	175,842

Distribution to Cities	
Akutan	334,971
Akutan	508,491
Atka	26,400
Bethel	39,153
Chignik	54,867
Clark's Point	46,657
Cordova	520,327
Craig	39,797
Dillingham	159,263
Egegik	60,837
Emmonak	16,031
False Pass	31,070
Homer	56,589
Hoonah	168,970
Kake	56,874
Kenai	201,800
Ketchikan	270,987
King Cove	231,044
Kodiak	579,682
Larson Bay	55,135
Mekoryuk	5,002
Pelican	81,898
Petersburg	569,889
Saint George	119,188
Saint Paul	679,680
Sand Point	126,933
Seward	235,157
Togiak	83,413
Unalakleet	9,273
Unalaska	4,843,964
Valdez	255,444
Whittier	77,490
Wrangell	60,166
All other cities	12,563

**Exvessel Values of Alaska's Commercial Fisheries and Expenditures
by the Division of Commercial Fisheries**
(in millions of dollars)

Year	Exvessel Values						Division Expenditures	
	Salmon	Shellfish	Halibut	Herring	Groundfish	Total Value	GF	Total
1977	\$176.4	\$153.2	\$17.6	\$2.7	\$1.6	\$351.5	\$9.5	\$11.2
1978	241.2	230.6	23.4	7.2	3.3	505.7	14.5	17.0
1979	346.8	239.0	32.9	32.7	6.3	657.7	19.3	21.0
1980	254.1	265.3	13.5	12.2	8.9	554.0	20.1	22.1
1981	397.3	196.9	19.3	18.6	24.0	656.1	24.7	27.0
1982	309.7	211.7	24.9	20.2	40.9	607.4	29.9	32.7
1983	320.2	146.6	35.3	28.9	78.0	609.0	30.7	33.7
1984	322.0	102.1	24.9	19.8	107.2	576.0	31.4	34.5
1985	372.0	106.3	40.3	38.0	137.5	694.1	34.9	38.2
1986	413.0	182.0	79.4	38.5	197.9	910.8	34.2	40.4
1987	500.0	213.5	60.9	42.7	423.5	1,240.6	27.8	36.1
1988	727.0	244.1	74.5	55.9	673.9	1,775.4	28.3	37.1
1989	584.0	274.0	76.8	24.2	606.8	1,565.8	29.5	40.4
1990	557.0	352.0	85.0	26.9	479.4	1,500.3	30.0	41.8
1991	325.0	325.0	95.0	28.0	478.0	1,251.0	30.0	41.3
1992	549.0	238.0	49.0	25.0	675.0	1,536.0	29.8	49.0
1993	414.0	356.0	59.0	20.0	457.0	1,306.0	28.8	45.3
1994	468.0	312.0	85.0	22.0	443.0	1,330.0	27.4	39.6
1995	461.0	258.0	65.0	42.0	550.0	1,376.0	26.7	38.7
1996	365.0	164.0	77.0	64.0	685.0	1,356.0	26.6	37.7
1997	290.0	161.0	111.0	16.0	652.0	1,230.0	26.6	38.2
1998	259.0	214.0	68.0	12.0	627.0	1,180.0	25.4	37.6
1999	----	----	----	----	----	----	25.7	41.8
2000	----	----	----	----	----	----	25.8	44.4

Notes:

1. Nominal amounts are displayed in the above table. Real (inflation-adjusted nominal amounts) are shown in the graph on page 2.
2. Exvessel values do not include Washington landings or fish caught by foreign fleets.
3. Exvessel values are reported by calendar year, while division expenditures are reported by fiscal year. The division's Authorized budget is shown for FY 99 and the Governor's Request is shown for FY 2000.
4. The 1998 exvessel values are considered preliminary and may be subject to revision.

CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION**



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

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1989	584.0	274.0	76.8	24.2	606.8	1,565.8	29.5	40.4
1990	557.0	352.0	85.0	26.9	479.4	1,500.3	30.0	41.8
1991	325.0	325.0	95.0	28.0	478.0	1,251.0	30.0	41.3
1992	549.0	238.0	49.0	25.0	675.0	1,536.0	29.8	49.0
1993	414.0	356.0	59.0	20.0	457.0	1,306.0	28.8	45.3
1994	468.0	312.0	85.0	22.0	443.0	1,330.0	27.4	39.6
1995	461.0	258.0	65.0	42.0	550.0	1,376.0	26.7	38.7
1996	365.0	164.0	77.0	64.0	685.0	1,356.0	26.6	37.7
1997	290.0	161.0	111.0	16.0	652.0	1,230.0	26.6	38.2
1998	259.0	214.0	68.0	12.0	627.0	1,180.0	25.4	37.6
1999	----	----	----	----	----	----	25.7	41.8
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SCOMM

114:6

Special Committee on Fisheries
5:00 P.M.
Wednesday, 03.08.2000
Capitol 124

Representative John Harris, Representative Carl Morgan, Jr., Co-Chairs

1. **Call to Order**
Today's Date is March 8, 2000
The Time is:
2. **Roll call - (Quorum - need 4)**
Representative Harris, Co-Chair
Representative Morgan, Co-Chair
Representative Dyson
Representative Whitaker
Representative Hudson
Representative Kapsner
Representative Smalley
3. **Identify Teleconference Sites**
Ask moderator to list sites that have persons who wish to testify.
Three-minute testimony will be heard later in the meeting.
4. **Purpose of the Meeting**
Overview on Alaska Groundfish Data Bank Proposal
5. **Background:**
American Fisheries Act (AFA)
Trevor McCabe, Executive Director, At-Sea Processors

Bering Sea/Aleutian Island (BSAI) pollock co-op(s) Structure
Heather McCarty, At-Sea Processors
John Iani, Unisea

6. **Alaska Groundfish Data Bank Proposal**
Chris Blackburn, AGDB
Al Burch, Alaska Draggers' Association
7. **Potential Impacts**
Bruce Schactler, United Salmon Association
John Garner, Norquest Seafoods
Dan Hull, Cordova District Fishermen United CDFU
Beth Stewart, Aleutians East Borough
Gerry Merrigan, Petersburg Vessel Owners
Duncan Fields, Old Harbor Fishermen's Association
Freddie Christiansen, Gulf Coastal Communities Coalition
Tom Maloney, City Borough of Yakutat
Dorothy Childers, Alaska Marine Conservation Council
8. **Public Testimony**

TESTIMONY OF CHRIS BLACKBURN, ALASKA GROUND FISH DATA
U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
MAGNUSON-STEVENSON ACT HEARING
ANCHORAGE, ALASKA – JANUARY 18, 2000

SUBJECT
DEVELOPMENT OF FISHING COOPERATIVES FOR THE GULF OF ALASKA

I appreciate the opportunity to testify to this committee. I am Chris Blackburn, sole proprietor of the consulting firm Alaska Groundfish Data Bank which represents trawl vessels and processing plants in the Gulf of Alaska and Bering Sea.

In this presentation I am representing the portion of the Greater Kodiak Area of Alaska east of 157 degrees longitude west to 140 longitude degrees west as shown on the map in your packet. For simplicity's sake I refer to this area as the Greater Kodiak Area. Beth Stewart who is also speaking today represents the East Aleutian Borough which is west of the Greater Kodiak Area. We support the East Aleutians Borough's proposal. It meets their unique circumstances which are different from the Greater Kodiak Area.

During the fifteen years Alaska Groundfish Data Bank has been in business the harvesting of Alaska's marine resources has constantly changed. I remember when the foreign fleets caught Alaska's pollock and cod and flatfish, when U.S. vessels caught Alaska's marine resources and sold the fish to foreign processors, and the jubilation when all of Alaska's fisheries were harvested by U.S. vessels and processed within Alaska. Senator Ted Stevens helped with, if not initiated, each step in the evolution of Alaska's fisheries.

Alaska is blessed with tremendous marine resources which have been well managed by the North Pacific Fishery Management Council. Alaska's fishing industry, as most fisheries in the U.S., is, with a few exceptions, an open access fishery. Open access is a polite name for "race for fish". Alaska's fisherman take to heart need for sustainable fisheries, need to protect habitat, reduce bycatch, protect sea lions and bring to the dock or the deck of a factory trawler or mothership quality product.

Fishing open access is totally at odds with sustainable fishing, with reducing bycatch, and producing quality products. Open access results in an ever tightening spiral in the race for fish and the evaporation of profits. For example, processors have had to freeze whole Pacific cod and send it to Asian markets for processing, simply because more cod was delivered than the processor could handle. Less than optimal fish may be delivered because the race for fish does not allow waiting until the fish school up or recover from spawning.

As the race for fish intensifies, the fishing seasons shorten and small vessels, considered the most ecologically sound, are left waiting weather and perhaps losing the entire season for a species.

The best science possible is used in managing Alaska's fish, but the management of the fishing fleet effort has remained Neolithic. The American Fisheries Act was a brilliant solution for rationalizing the Alaska pollock fishery. It allows the Bering Sea pollock fishermen to opt out of the race for pollock. The At Sea trawlers who fished as a pollock co-op in 1999 increased recovery (the amount of the fish used) by 20%.

The benefits of co-ops are obvious. Unlike IFQ's co-ops do not privatize a national resource nor is a fisherman who wants to continue fishing open access have to coop. Those who do choose to co-op receive the benefit of having their own quota as contractually arranged in the co-op so that they may fish at the times that are most suitable for the vessel and the processor.

GULF EXCLUDED FROM THE AMERICAN FISHERIES ACT

The Greater Kodiak Area pollock fishery was not included in the final draft of the American Fisheries Act. The Greater Kodiak Area processors and fisherman request that this oversight be remedied.

We ask that the Greater Kodiak Area pollock processors be limited as they were in the Bering Sea. This requires a Congressional Bill. Currently there are seven processors in Kodiak – Alaska Fresh Seafoods, Alaska Pacific Seafoods, Western Alaska Seafoods, Trident Seafoods, Ocean Beauty (aka Kodiak King Crab), International Seafoods, and Cook Inlet Seafoods. Outside of Kodiak the Cook Inlet Seafoods plant in Seward and the North Pacific Processors Cordova plant also process pollock.

We also ask that the bill allow that co-ops be formed if 80% of a processors fleet (the vessels which fished for that processor in 1999) vote to co-op as was done in the Bering Sea.

Because of the great diversity in vessel size and fishing patterns in the Greater Kodiak Area we ask that the qualifying years for vessels be 1995 thru 1999. To qualify as a Greater Kodiak Area co-op vessel, the vessel must have made at least one landing in each of two years. Catch history for the eligible vessels is proposed as the average of the three best years within 1995 thru 1999. Pollock discarded at sea or sent whole to a meal plant cannot be counted in a vessel's catch history. There are no tonnage or landing criteria.

Vessels that are Bering Sea American Fisheries Act vessels may also qualify to co-op in the Greater Kodiak Area of Alaska.

Processors need to be part of the co-op structure. This need was recognized in the American Fisheries Act which named the Bering Sea shorebased plants, motherships and factory trawlers eligible for co-ops. If the processors are not limited they will continue to be overcapitalized which means less profit for the plant and for the vessels. The inevitable outcome will be fewer processors due to mergers or bankruptcy. Hardest hurt will be the small companies and family owned businesses.

If diversity of processors, vessels and product forms are to be maintained in the Alaska coastal communities pollock coops must be available for all pollock processors and vessels. If the ability to develop coops in the Greater Kodiak Area is granted as we propose the coastal communities will have the economic stability necessary to survive.

BACKGROUND INFORMATION ON THE GULF GROUND FISH COOPERATIVES MOVEMENT

A movement is underway to institute co-ops in the Gulf of Alaska (GOA) groundfish fisheries between 140° and 157° west longitude. The initiative is put forth by the Alaska Groundfish Data Bank (AGDB) on behalf of most of Kodiak's seafood processors, who are also members of the AGDB, and several GOA groundfish fishermen who are also members of AGDB.

Originally, this initiative included only pollock, but all indications are that the GOA co-op movement has been expanded to include all GOA groundfish. The current strategy with respect to the initiative is to amend the Magnuson-Stevens Fisheries Conservation and Management Act (MSA) to authorize co-ops in the GOA groundfish fisheries. AGDB is utilizing the services of a skilled and effective Washington D.C. lobbyist to advance this initiative. Testimony was provided in support of Congressional action to institute GOA groundfish co-ops by at least two individuals at the MSA Reauthorization hearings in Anchorage on 1/18/00. On 1/17/00, representatives of most of the Kodiak processors and several Kodiak fishermen met in Anchorage with Senator Stevens' fisheries aide to discuss their desire for an amendment to the MSA to institute GOA groundfish co-ops for fishermen and processors.

It appears that the desired amendment may include qualification criteria for fishermen and processors, such as qualification years (in which a fisherman or processor must have participated to receive a harvesting or processing privilege), qualification pounds (how much each fishermen must have harvested), qualifications for fishermen participation (i.e., who may continue to harvest GOA groundfish), etc. Potential qualification criteria for GOA may:

- 1) limit the number of fishermen who are permitted to harvest GOA groundfish (i.e., "co-op qualified fishermen,"
- 2) limit fishermen to some historical catch/poundage-based assignment of fishing privileges, and,
- 3) limit the number of processors who are permitted to harvest GOA groundfish.

Co-ops are similar to IFQ's in some ways. It appears that processors are more easily able to obtain a form of protection, a restriction on the entry of additional processors, and property rights or processing privileges under co-ops than IFQ's. However, there are IFQ program models that have been developed and discussed that provide certain property rights and processing privileges to processors under an IFQ system. The institution of co-ops in the Bering Sea/Aleutian Islands (BSAI) pollock fishery have proven that it is possible for processors to obtain specific protections under a co-op system; no such IFQ mechanism has yet been implemented that achieves this goal. Therefore, it is reasonable, from the perspective of a GOA groundfish processor, to want to pursue a proven mechanism, i.e., co-ops.

People have expressed interest in what GOA groundfish co-ops for fishermen and processors might mean to them. The concept and application of co-ops with respect to GOA groundfish fisheries are not yet clearly explained or understood. The details of this initiative have not been widely advertised to, or discussed with, all of the stakeholders who will be impacted: harvesters, processors, and coastal communities. The similarities and differences, and the advantages and disadvantages, between co-ops and IFQ's appear to be little understood. Co-ops and IFQ's can differ with respect to how property rights and harvesting/processing privileges are ultimately distributed among fishermen and processors who have a history in the GOA groundfish fisheries. There can be differences with respect to ownership caps, leasing, transferability, payment of fees, etc. Co-ops appear to operate with less government involvement and oversight than IFQ's. Co-ops are generally seen to provide an easier avenue than IFQ's for processors to obtain protection under a processor limited entry-type system. Co-ops are generally seen to provide an easier avenue for processors to receive an indirect assignment of property rights or processing privileges (based upon a past processing history) with respect to those species that may be the focus of any co-op initiative. The processor-related provisions of GOA groundfish co-ops may have ramifications for several non-groundfish or non-co-op processors and fishermen (i.e. crab, salmon, herring, halibut, black cod, etc.) Harvesters and processors in the BSAI pollock co-op system so far appear to be generally comfortable and cautiously optimistic with respect to the operation of that co-op system. (However, there are still several issues that are under consideration, such as "sideboards," the details of how and when fishermen may sell to a processor of their choice, etc.) Participants in the halibut and sablefish IFQ program appear to be generally comfortable with the benefits that have accrued with respect to those fisheries. Proponents of the GOA groundfish co-ops are concerned about the general stability of the GOA groundfish harvesting and processing sectors, and about the impacts of the BSAI co-ops on GOA groundfish harvesting and processing.

If you wish to express an opinion with respect to an amendment of the MSA that provides for the institution of co-ops in the GOA groundfish fisheries you should send comments to Senator Olympia Snowe, Chair, Senate Subcommittee on Fisheries and Oceans. You should also provide a copy of your comments to Senators Stevens and Murkowski, Congressman Don Young, and Rick Dauber, Chairman of the NPFMC.

Groundfish Data Bank

P.O. BOX 948 - KODIAK, AK. 99615

Alaska

PH: 907-486-3033

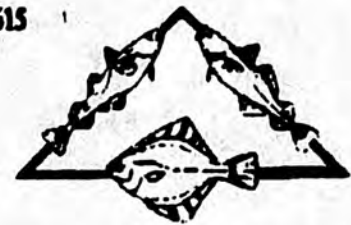
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GULF OF ALASKA RATIONALIZATION INFORMATION PAPER PREPARED FOR THE HOUSE FISHERIES HEARING REPRESENTATIVE JOHN HARRIS PRESIDING MARCH 8, 2000

I. WHY IS A CHANGE IN THE MANAGEMENT OF THE GULF FISHERIES NECESSARY?

- A. OPEN ACCESS FISHERIES ONLY WORK UNTIL THE NUMBER OF VESSELS or capacity of the participating vessels grows to the point that a race for fish occurs. This occurred in the halibut fishery, which went from a nine month fishery to a two day derby. IFQ's were implemented to rationalize the halibut fishery. Those who received or bought adequate IFQ's have seen exvessel prices increase, their fishing days increase, the quality of the product increase and the deaths at sea decrease.
- B. THE GULF GROUND FISH FISHERIES HAVE GONE FROM SIX MONTH POLLOCK FISHERIES to four seasons each lasting from 3 to 10 days. The Pacific cod fishery, which used to last a good part of the year is now, for the trawl fleet, a six week fishery.
- C. IT IS THE SMALLER RESIDENT VESSELS who are most harmed by the ever shorting seasons. Storms keep the small vessels tied to the dock while the larger vessels keep fishing. All or most of season can be lost just waiting for weather.
- D. THE INCREASING ENVIRONMENTAL CONSTRAINTS TO ACHIEVE SUSTAINABLE FISHERIES cannot be met by vessels racing in an open access fishery. AGDB'S members support the goals of sustainable fisheries:
 1. Reduce bycatch of other species.
 2. Reduce bycatch of prohibited species.
 3. Reduce bycatch of under or oversized fish. (Many of the groundfish species are processed by machines. Fish too large or too small for the machines are often used only for meal.)
 4. Spread fishing over time and space to avoid localized depletion.
 5. Protect habitat. This may mean fishing further from port than can be done profitably in an open access fishery.
 6. Continue fishing pollock under the new sea lion protective measures. The measures force pollock fisherman to fish outside ten miles from shore in many areas.

II. METHODS OF SLOWING OR RATIONALIZING A FISHERY

- A. **INDIVIDUAL TRANSFERABLE QUOTAS (IFQ'S) FOR HALIBUT AND SABLEFISH:** This rationalization program has worked well for those who received adequate IFQ's or were able to buy additional IFQ's. However it hurt many people who, due to the way the criteria was set, found that their share of the halibut or sablefish quota was much smaller than expected.
Further, the IFQ program privatized a national resource.
- B. **LICENSE LIMITATION - ALSO CALLED LIMITED ENTRY:** Used to somewhat rationalize the salmon fishery and some herring fisheries. Recently implemented in the Federal groundfish fisheries. License limitation only keeps new entrants out. It is rarely implemented in time to prevent overcapitalization and may, as in the federal license actually increase effort since latent become valuable and the latent licenses are activated.
- C. **TRIP LIMITS.** Trip limits are in place for gulf ☐ Pollock. Though the trip limits do seem to have kept the largest Bering Sea ☐ Pollock vessels from fishing in the Gulf, there is no evidence that trip limits have increased fishing time or mitigated the loss of share experienced by small vessels when a season coincides with a period of storms.
- D. **BREAKING QUOTAS UP INTO SEVERAL SEASONS:** This was done for pollock to protect sea lions. There is no evidence that breaking the ☐ Pollock quota into several seasons slowed down the fishery. Starting and stopping the ☐ Pollock fishery four times a year is expensive to the fleet and the processors.
- E. **VOLUNTARY COOPS:** In some cases fishermen voluntarily form an adhoc coop to most effectively harvest a low quota - I understand this has occurred in Southeast. These cases seem to limited to fisheries with a low quota and a small group of fishermen.
- F. **1934 FISHERIES COOP ACT OF CONGRESS:** This act allows vessels to form coops provided that there is 100% agreement among the effected fisherman. The Bering Sea factory trawlers used this act to coop their share of the hake fishery off Washington and Oregon.
- G. **AMERICAN FISHERIES ACT COOPS:** Authorized by Congress in 1998. Requires pollock vessels to coop with the processor to whom the vessel delivered the majority of its catch in the previous year. Also requires 80% of the vessels eligible to coop with the processor to agree. The factory trawler fleet cooped in 1999 and increased yield (the amount of saleable meat by 20%. The factory trawl coop allowed the vessels to spread out and slow down.
The mothership and shorebased coops formed in the year 2000. Most of the eligible vessels agreed to coop.
One group of vessels has asked the North Pacific Fishery Management Council to allow "Independent coops" which do not coop with a processor. This proposal is scheduled to be taken up in June of this year.
- H. Of all these efforts to rationalize fisheries only IFQ's and AFA coops appear to actually reach or come near the goal.

III. WHY IS RATIONALIZATION BEING PURSUED NOW?

THE DISCONTENT AND PAIN that was part of the implementation of IFQ's in Alaska's sablefish and halibut IFQ programs that Congress enacted a three year moratorium on the implementation of rights based fisheries. The moratorium sunsets in October of this year. Several groups are seeking the right to pool (or coop) including Kodiak processors and fishermen and crab fishermen. All hope to have proposals that will be ready to submit after the moratorium on IFQ's sunsets.

IV. WHICH FISHERIES COULD BE RATIONALIZED?

ONLY FEDERALLY MANAGED FISHERIES could be rationalized: Pollock, Federally managed Pacific cod, flatfish and rockfish

The salmon fisheries, herring fisheries, state managed sablefish fisheries, State managed Pollock fishery in Prince William Sound, State Water Pacific fishery, State managed Demersal shelf rockfish fishery, urchin fishery, etc. cannot be rationalized or managed by the Federal system.

V. WHAT IS THE DIFFERENCE BETWEEN AN AFA COOP, INDEPENDENT POOL AND ITQ's:

- A. THE BERING SEA AFA COOP STYLE RATIONALIZATION IS MANAGED BY NATIONAL MARINE FISHERIES at the coop level. The coop decides the shares or quota for each member. At this point a vessel's history is the vessel's share. Those with small quotas can lease their share of a species to another vessel year by year. The shares are not owned by the vessel.
- Currently AFA coops include the vessel's processor. This may change if the Council approves the independent coop proposal scheduled for review in June of this year.
- The AFA style coop also requires limits on the amount of share of pollock a vessel or a processor can catch or process.
- Fishing under a pool or coop arrangement means that a vessel that overshoots its quota or has high bycatch of other species will have hurt the members of his coop and will be subject to peer pressure. I know of no effective way to change behavior than peer pressure.
- B. A POOL is another name for an independent coop.
- C. ITQ's ARE OWNED BY FISHERMEN. There is a limit to the share of ITQ a fisherman can have, but no restrictions on the processors.

VI. WHY SHOULD PROCESSORS BE PARTNERS IN RATIONALIZATION?

- A. PROCESSORS ARE AS AFFECTED BY THE LACK OF RATIONALIZATION OF THE GROUND FISH FISHERIES as vessels. Under open access processors, just as vessels, are racing for share. This leaves no time for value added products. There are times when a processor has more fish at the dock than the plant can handle and is forced to freeze the fish whole and send them out for processing elsewhere in the world.
- B. THE PROCESSOR RACE FOR SHARE, similar to the vessels' race for share, is costly and does not allow the industry, vessels or processors to maximize the value of the product delivered by the vessels. This hurts the communities.
- B. IF A PROCESSOR IS PART OF A COOP then the processor knows which vessels will be delivering, the total amount of fish which will be delivered during year based on the share brought to plant by the vessels. The processor also has stake in the quality of the product delivered and the vessels' efforts to reduce bycatch, especially halibut bycatch.
- C. THE PROCESSOR DOES NOT OWN ANY QUOTA. HIS QUOTA IS THE AGGREGATED QUOTA OF HIS FLEET.
- D. AS LONG AS COOP PROVISIONS INCLUDE LIMITS OF THE SHARE of catch any one processor may accrue communities are most likely to retain their existing processors. IFQ's have no processor excessive share provisions.

VII: PARTING THOUGHTS

- A. THE WHOLE CONCEPT OF COOPS, WHETHER WITH OR WITHOUT PROCESSORS, is a new management concept whose virtues and problems have barely begun to be explored. As the Bering Sea catcher boats go thru their first year of the American Fisheries Act the positives, negatives and needed changes will become clearer.
- B. COOPS MAY NOT BE THE ANSWER TO THE OVERCAPITALIZED PARTS OF THE GULF, or they may be the answer for certain fisheries or certain communities. I see no reason that IFQ's, Open Access, pools and AFA style coops cannot co-exist within a community or among different communities or fisheries.
- C. ANY CHANGE IN THE MANAGEMENT OF ANY FISHERY IN THE GULF CAN BE INCLUSIVE OR EXCLUSIVE depending on the will of the community or fishermen involved. To those who ask "what is your proposal" the only answer I have is that my clients are still in "the exploratory phase". We are glad that this important issue is being paid serious attention so early in the process when there is time to think, rethink again, throw everything out and start again. We are also glad to reach so many people in the early stages of the discussions. All ideas, whether for Kodiak or other communities are welcome.



UNITED FISHERMEN OF ALASKA

April 4, 2000

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The Honorable Tony Knowles
State of Alaska
P.O. Box 110001
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Dear Governor Knowles,

United Fishermen of Alaska would like to urge your administration's support for the State's involvement in dialog and activities regarding the potential development of a closed class of harvesters and processors in the Gulf of Alaska groundfish fisheries.

Some assert that the effects of the American Fisheries Act are being felt in Gulf of Alaska fisheries, and as a result, some harvesters and processors in the Gulf groundfish fisheries are actively seeking formation of AFA-style cooperatives at the U.S. Congressional level.

The Gulf of Alaska supports a broad diversity of fisheries resources, vessels and gear types over a broad range of sizes and abilities, and most importantly, supports hundreds of family fishing businesses, dozens of seafood processors and fishing support businesses, and many coastal communities. The nature, structure, and details of any new system will have predictable ramifications to the economies of the fishermen remaining in these fisheries, and to the excluded harvesters, processors, coastal communities, and to the State of Alaska. The potential negative effects on coastal communities should be of grave concern to the State of Alaska, and UFA believes that the State should become active as a stakeholder in the examination and discussions of any such potential action. Please see the enclosed UFA Discussion Paper regarding process elements and considerations.

MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Copper River Salmon Producers Association • Cordova District Fishermen United
Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Northwest Seiners Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association • Sealfood Producers Cooperative
Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
I Inland Cook Inlet Fish Association • Inland Southeast Alaska Association

UFA believes that this examination, discussion, and decision-making should occur at the North Pacific Fisheries Management Council. It is at this level that potential mechanisms and impacts can be comprehensively discussed with stakeholder input and involvement.

We urge you and your administration to provide much-needed leadership as we work to address this issue of such importance to the health of our marine resources, our industry and the coastal communities of Alaska that the Gulf fisheries support. In addition, we respectfully suggest that the state support a federally-funded economic impact analysis of the affected fisheries and communities.

Sincerely,

Thomas M. Gemmell

Thomas M. Gemmell
Executive Director

Encl. UFA Discussion Paper on GOA Groundfish Fisheries: Socio-Economic & Process Considerations

cc: Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
Rick Lauber, Chair, North Pacific Fisheries Management Council
Lt. Governor Fran Ulmer
Members, House Special Committee on Fisheries

UFA Discussion Paper
Gulf of Alaska Groundfish Fisheries: Socio-Economic & Process Considerations
March 12, 2000

In developing a rationalization program for fisheries in the Gulf of Alaska (GOA), public interests are best served by a Regional Fisheries Management Council process that considers the following points:

- 1) Creating a closed class of processors through co-ops is likely to have varying affects on markets for all GOA groundfish fishermen and harvesters of other species. Therefore, all Gulf fishermen should have a realistic avenue to be involved in this process.
- 2) Creating co-ops or IFQ-like systems for trawlers in any groundfish fishery in the GOA will also create "sideboard" type issues for all groundfish gear groups and other Gulf fisheries. "Sideboard" type issues should be worked out before adoption of any new system.
- 3) Creating a new rationalization regime even for five years will consolidate and irrevocably change the character of the Gulf groundfish fleet. Therefore, the effects and consequences should be analyzed and dealt with before adoption of a new system.
- 4) The GOA groundfish harvesting fleet has overwhelmingly been comprised of small businesses. These small businesses are an essential part of Gulf communities. The character of the fleet and the effect on communities of any changes to it should be considered in creating any new system.
- 5) Any new system should consider opportunities for entry-level access for both harvesting and processing, as well as the consequences to communities adjacent to the resources.
- 6) Conservation and management issues should be analyzed and addressed prior to adoption of any new system.
- 7) A federally-funded economic impact analysis of the affected fisheries and communities should be conducted prior to the implementation of any plan.

**Joint Report of the
Pollock Conservation Cooperative
and
High Seas Catchers' Cooperative
1999**

**Presented to the
North Pacific Fishery Management Council
January 31, 2000**

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- A. Membership Agreement of the Pollock Conservation Cooperative**
- B. Membership Agreement of the High Seas Catchers' Cooperative**
- C. Cooperative Agreement Between Offshore Pollock Catchers Cooperative and Pollock Conservation Cooperative**
- D. NPFMC Letter Dated October 21, 1999**
- E. NPFMC Letter Dated November 1, 1999**

Preface

General

In 1999, for the first time, the owners of catcher/processors and catcher vessels that deliver to catcher/processors in the Bering Sea and Aleutian Islands pollock fishery were able to form fishing cooperatives and coordinate harvest efforts, rather than race for fish. Catcher/processor owners formed the Pollock Conservation Cooperative (PCC), and catcher vessel owners formed the High Seas Catchers' Cooperative (HSCC). An agreement called the "Cooperative Agreement Between Offshore Pollock Catchers Cooperative and Pollock Conservation Cooperative" (Inter-cooperative Agreement) was formed to facilitate efficient management and accurate accounting between the HSCC and PCC. This report is intended to satisfy 1999 reporting requirements for the PCC and HSCC. The catch data in this report was provided by Sea State, Inc., and was largely obtained from the National Marine Fisheries Service (NMFS)¹.

The PCC and HSCC were formed during the final two months of 1998, taking effect for the fishing season that began on January 20, 1999. It is difficult to predict the long-term impacts of the cooperatives, or draw many conclusions from one year's experience. Because the cooperative agreements were entered into only four or five weeks before the opening of the fishing season, PCC and HSCC members had little time to adapt to the new regime. In addition, PCC and HSCC members had to adapt to significant revisions in the fishery management rules for the 1999 pollock fishery. Sweeping new measures intended to protect Steller sea lions were implemented in 1999 and new rules promoting improved retention and utilization of pollock and Pacific cod took effect just one year earlier.

Despite these complicating factors, the data from 1999 suggest that cooperative fishing was successful on many fronts. Daily catch rates declined significantly in the absence of a race for fish, complementing regulatory measures intended to disperse pollock fishing on a temporal as well as spatial basis. Preliminary figures indicate that the utilization of the pollock resource by catcher/processors increased by more than 20 percent in 1999. Fewer vessels were used to harvest and process the catch in 1999 as a result of the cooperatives, thereby easing long-term capacity pressures that had developed during the race for fish. And finally, the vessels that did participate in the fishery were able to remain at port when weather conditions would have made operating unsafe. While other observations can be made from the preliminary 1999 data, it will likely be years before the full impacts of the fishing cooperatives can be understood.

¹ The NMFS database for the 1999 fishing year is still subject to revision as catch data and other information from the fishery is finalized. To the extent that information in this report is based on NMFS data, it must be considered "preliminary" and subject to revision between now and the submission of the final report on January 31, 2000. At this point, however, neither the PCC nor the HSCC are aware of any data discrepancies that would materially alter the substantive elements of this report.

Reporting Requirements

Fishing cooperatives formed in the directed pollock fishery are subject to certain annual reporting requirements under the AFA. Section 210(a)(1)(B) of the AFA requires the NPFMC and Secretary to "make available to the public in such manner as the North Pacific Council and Secretary deem appropriate information about the harvest by vessels under a fishery cooperative of all species (including bycatch) in the directed pollock fishery on a vessel-by-vessel basis." In doing so, however, the NPFMC and Secretary must take into account "the interest of the parties to [a fishing cooperative] in protecting the confidentiality of proprietary information."

In October 1999, the NPFMC took action to implement section 210(a)(1)(B) of the AFA by recommending that cooperatives annually prepare a report (a preliminary report due by December 1 and a final report due by January 31) containing: (1) allowed catch and bycatch in pollock and all sideboard species by whatever method is used to determine those allocations; (2) actual catch and bycatch in the directed pollock fishery by vessel, and in sideboard fisheries by whatever method is used to determine those sideboards; (3) methods used to monitor fisheries in which cooperative vessels participated; and (4) actions taken by cooperatives to enforce vessel or aggregate catches that exceeded allowed catch and bycatch in pollock and all sideboard fisheries.

On October 21, 1999, the NPFMC sent a letter (see appendix) summarizing the NPFMC's four reporting recommendations and asking cooperatives to prepare 1999 reports even if the regulations to implement the reporting requirements were not in place before the due dates for the 1999 season. On November 1, 1999, the NPFMC sent a second letter (see appendix) expanding and clarifying the NPFMC's expectations for cooperative reports, providing much greater detail with respect to the information that should be provided in the reports.

Purpose of Report

This report is intended to fully disclose all information required or identified in the AFA, in the NPFMC's October 1999 recommendation to the Secretary, and in the NPFMC's letters dated October 21, 1999 and November 1, 1999. The report is presented as a "preliminary" report in accordance with the NPFMC's October recommendation, and a "final" report will be presented to the NPFMC by January 31, 2000. The charts in the report are intended to be largely self-explanatory, though comments have been included with some of the charts to provide a more full perspective.

Cooperative Members and Allocations

Pollock Conservation Cooperative

The Pollock Conservation Cooperative (PCC) was formed in December 1998 in order to (among other things) promote the rational and orderly harvest of pollock by the catcher/processor sector of the Bering Sea and Aleutian Islands trawl fisheries off Alaska through the mutual cooperation of PCC members.

The PCC is made up of the nine companies that own the 20 catcher/processors eligible under section 208(e)(1)-(20) of the AFA to harvest and process pollock in the directed pollock fishery. Under the PCC, each company is contractually allocated a percentage of the directed fishery catch specified under section 206(b) of the AFA. The following chart shows the percentage of the annual directed pollock fishery (DPF) that each PCC member has been allocated under the PCC:

	<u>% DPF²</u>	<u>% PCC</u>
Alaska Ocean Seafood, L.P.	2.891	≈7.90
Alaska Trawl Fisheries, Inc.	1.375	≈3.76
American Seafoods Company	15.949	≈43.58
Arctic Fjord, Inc.	1.725	≈4.71
Arctic Storm, Inc.	1.772	≈4.84
Glacier Fish Company, L.L.C.	3.097	≈8.46
Highland Light Seafoods, L.L.C.	1.698	≈4.64
Starbound Ltd. Partnership	1.525	≈4.17
Trident Seafoods	<u>6.568</u>	<u>≈17.95</u>
Totals	36.6 ³	100.00

Changes occurred during 1999 (or are in the process of occurring) in the ownership of certain PCC members. Trident Seafoods acquired Tyson Foods, Inc. The Aleutian Pribilof Island Community Development Association acquired an ownership interest in Starbound Ltd. Partnership. A combination of PCC members will likely acquire the PCC fishing privileges of Alaska Trawl Fisheries, Inc. before fishing begins in 2000. Other changes may occur by 2000 and beyond as PCC members continue to adapt to new circumstances in the fisheries, including new U.S. controlling interest requirements for fishing vessels under the AFA.

² Under sections 205(4) (definition) and 206 (allocations) of the American Fisheries Act, the directed pollock fishery (DPF) is the amount of the total allowable catch remaining after 10 percent has been deducted for the western Alaska Community Development Quota program and an additional amount has been deducted for the incidental catch of pollock in other groundfish fisheries.

³ Section 206(b)(2) of the American Fisheries Act allocates a total of 40 percent of the DPF to catcher/processors and catcher vessels that deliver to catcher/processors, and section 210(c) allocates 8.5 percent of this amount (3.4 percent of the DPF) to catcher vessels that deliver to catcher processors.

High Seas Catchers' Cooperative

The High Seas Catchers' Cooperative (HSCC) (originally the Offshore Pollock Catchers Cooperative) was formed in December 1998 in order to (among other things) enable members of the HSCC to extract the maximum amount of value from fish that is available for harvest by cooperatively harvesting or arranging for the harvest of fish in the directed pollock fishery.

The HSCC is made up of the seven companies that own the seven catcher vessels eligible under section 208(b)(1)-(7) of the AFA to harvest pollock for processing by catcher/processors in the directed pollock fishery. Under the HSCC, each company is contractually allocated a percentage of the directed pollock fishery catch provided for under sections 206(b) and 210(c) of the AFA. The following chart shows the percentage of the annual directed pollock fishery (DPF) that each HSCC member has been allocated under the HSCC:

	<u>% DPF</u>	<u>% HSCC</u>
Forum Star, Inc.	.2441	≈7.18
American Seafoods Company	.3149	≈9.26
Harvester Enterprises	.4325	≈12.72
Muir Milach, Inc.	.4538	≈13.35
Tracy Anne, Inc.	.4642	≈13.65
Neahkahnne Fisheries, Inc.	.6679	≈19.64
Sea Storm, Inc.	<u>.8226</u>	<u>≈24.19</u>
Totals	3.4 ⁴	100.00

Inter-Cooperative Agreement Between HSCC and PCC

On January 21, 1999, a cooperative agreement was entered into between the HSCC and PCC to facilitate efficient management and accurate accounting between the two cooperatives (see appendix; the "Cooperative Agreement Between Offshore Pollock Catchers Cooperative and Pollock Conservation Cooperative"). Under the Inter-Cooperative Agreement, the PCC and HSCC established a Joint Harvest Schedule and agreed to retain the same independent quota monitoring service. Among other purposes, the Inter-Cooperative Agreement facilitates the harvest and processing of the HSCC members' share of the DPF and the transfer of pollock allocations between members of the two cooperatives.

⁴ See Footnote 2 for explanation of HSCC allocation of 3.4 percent of the directed pollock fishery.

Monitoring and Enforcement

PCC Monitoring

All data used in monitoring PCC pollock and non-pollock fishing was obtained from the NMFS observer program office. Information concerning the catch and bycatch of individual vessels is available on the NMFS password-protected web site 24 hours a day, and is generally accessible 20 minutes after transmission from the vessels. Sea State, Inc. is authorized by the PCC and its members to receive and process this observer data and report back to the members on the status of the harvest. Observer data are downloaded one or two times per day, processed to generate target catch and bycatch information, and then sent to a Sea State web site where company representatives can examine the data for their vessel or vessels.

Aboard the vessels, a direct weight reading from flow scales is taken for the total catch for each haul (though catcher/processors that did not participate in the CDQ program for pollock in 1999 are not required to have scales until the 2000 fishing season). The species composition of the catch is determined from observer sampling. Since two observers are required on AFA-eligible catcher/processors in the groundfish fisheries, the number of unsampled hauls is very low. In 1999, 98 percent (4,704 of 4,797) of the pollock hauls were sampled, and 96 percent (747 of 775) of the non-pollock groundfish hauls were sampled. For those hauls that were not sampled, species composition was determined as in the CDQ program, where species composition for an unsampled haul is presumed to be the same as the previous haul.

Once the catch and species composition is posted on the Sea State web site, it is available for review by vessel owners and representatives. Typically, either an operations manager or vessel operator checks into the site each day to make sure the vessel's harvest numbers are as expected. Companies with several vessels tended to have initial season allocations for each vessel in 1999, managing the vessels independently until late in the season. Late in the 1999 seasons, allocations from one vessel to another within a company and between companies began to occur, as economic efficiencies and other exigencies became obvious. For example, if a vessel needed to offload and thereafter had only 150 metric tons of pollock left to harvest under the cooperative, that quota was likely shifted to another vessel to avoid the necessity of steaming back to the grounds for such a limited amount of fish.

PCC Enforcement

No enforcement actions were taken by the PCC, as members complied with the provisions of the PCC Membership Agreement.

HSCC Monitoring

All data used in monitoring HSCC pollock and non-pollock fishing for delivery to offshore processors was obtained from the NMFS observer program office. Information is available on the NMFS password-protected web site 24 hours a day, and is generally accessible 20 minutes after transmission from the vessel. Sea State, Inc. is authorized by the HSCC and its members to receive and process this observer data and report back to the members on the status of the harvest. The process is identical to that described for PCC "Monitoring and Enforcement."

Additionally, for deliveries to shoreside processors, each company submitted copies of its ADF&G fish tickets to Sea State, Inc. for tabulation and the information was made available to all HSCC members. Member provided confidentiality waiver requests to ADF&G for release of the data directly to Sea State, Inc. in order that the completeness and accuracy of data submitted members could be verified.

The observer data for shoreside deliveries was not incorporated in the preparation of this report. Fish ticket data was used for shoreside deliveries, and observer data was used for off shore deliveries.

HSCC Enforcement

No enforcement actions were taken by HSCC in either pollock or sideboard fisheries, as members complied with the provisions of the HSCC Membership Agreement.

Table 1 – Cooperative Allocations and 1999 Directed Pollock Harvest

Coop.	Company	Vessel	Cooperative Shares			1999 Harvest		Over (Under) Allocation
			Coop. Amount	1999 Transfers	1999 Allocation	Vessel Harvest	Company Total	
PCC	Alaska Ocean	Alaska Ocean	24,410	-85	24,325	24,313	24,313	(12)
	Alaska Trawl	Endurance	11,610	-6,856	4,754	4,753	4,753	0
	American Seafoods		134,662	13,817	148,479		148,392	(86)
		Northern Hawk				28,794		
		American Triumph				29,165		
		Northern Jaeger				28,351		
		Ocean Rover				29,195		
		Katie Anne				4,856		
		Northern Eagle				28,031		
		American Dynasty				0		
	Arctic Storm	Arctic Storm	14,961	2,573	17,534	17,533	17,533	(1)
	Arctic Fjord	Arctic Fjord	14,565	6,220	20,785	20,784	20,784	(1)
	Glacier		26,149	2,115	28,264		28,256	(7)
		Northern Glacier				11,317		
		Pacific Glacier				16,940		
	Highland Light	Highland Light	14,337	5,541	19,878	19,865	19,865	(13)
	Starbound	Starbound	12,876	5,465	18,341	18,333	18,333	(8)
	Trident		55,455	-8,216	47,239		47,148	(91)
		Kodiak Enterprise				23,040		
		Island Enterprise				24,109		
		Seattle Enterprise				0		
		American Enterprise				0		
		U.S. Enterprise				0		
HSCC	Ocean Harvester	Ocean Harvester	3,652	-1,094	2,558	2,549	2,549	(9)
	Tracy Anne	Tracy Anne	3,919	-3,775	144	144	144	0
	Neahkahnie	Neahkahnie	5,639	-3,457	2,182	2,182	2,182	0
	Sea Storm	Sea Storm	6,945	-4,195	2,750	2,751	2,751	0
	Muir Milach	Muir Milach	3,832	-3,333	499	498	498	0
	Forum Star	Forum Star	2,061	-2,061	0	0	0	0
	American Challenger	American Challenger	2,659	-2,659	0	0	0	0
Cooperative Totals			337,731	0	337,731	337,502	337,502	(229)

Table 1 Comments:

1. Catcher/processors and catcher vessels operating under the PCC and HSCC harvested almost exactly (and just under) the amount allocated in 1999.
2. Four eligible catcher/processors and two eligible catcher vessels did not participate in the 1999 directed pollock fishery.
3. As contemplated in the respective cooperative membership agreements, in-season transfers of cooperative allocations occurred within the PCC and the HSCC, and between PCC members and HSCC members. The allocation formulas in the membership agreements of the PCC and HSCC did not change.
4. PCC and HSCC enforcement penalties were established for 1999; however, no individual PCC or HSCC members exceeded their allowed harvest levels (as adjusted) for 1999, and therefore no enforcement penalties were assessed.
5. The vessel eligible under section 208(e)(21) of the AFA to harvest up to one-half percent of the directed pollock fishery allocation to catcher/processors (the F/T Ocean Peace) participated in the fishery in 1999, but was not a member of the PCC or HSCC.

Table 2 – 1999 Directed Pollock Fishing: Actual Catch and Bycatch

Coop.	Vessel	Catch	Catch/Bycatch	Bycatch						
		Pollock (mt)	Non - target Groundfish (mt)	Halibut mort. (mt)	Herring (mt)	Red King crab (N)	Bairdi (N)	Other Tanner (N)	Chinook (N)	Other salmon (N)
PCC	Alaska Ocean	24,313	351	0.96	46	0	6	0	493	78
	Endurance	4,753	70	0.74	0	0	0	1	12	0
	American Triumph	29,165	335	5.35	12	0	2	10	612	606
	Katie Anne	4,856	141	1.03	0	0	0	0	57	1
	Northern Eagle	28,031	210	0.94	0	0	17	57	431	105
	Northern Hawk	28,794	358	5.82	6	0	0	9	1,158	302
	Northern Jaeger	28,351	419	3.56	0	1	10	61	247	116
	Ocean Rover	29,195	590	4.58	0	0	0	103	60	262
	Arctic Storm	17,533	114	0.69	1	0	0	12	87	67
	Arctic Fjord	20,784	67	1.41	3	0	0	0	59	103
	Northern Glacier	11,317	198	1.49	34	0	8	0	161	286
	Pacific Glacier	16,940	224	2.02	32	0	0	0	164	76
	Highland Light	19,865	183	1.43	22	1	0	28	249	233
	Starbound	18,333	200	2.08	32	0	7	24	329	200
	Island Enterprise	24,109	168	1.33	0	0	0	3	94	34
	Kodiak Enterprise	23,040	128	0.87	0	0	0	4	106	25
HSCC	Ocean Harvester	2,549	25	0.06	0	0	0	0	16	0
	Tracy Anne	144	0	0	0	0	0	0	0	0
	Neahkahnie	2,182	11	0.08	0	0	0	0	7	0
	Sea Storm	2,751	9	0.12	0	0	0	0	5	0
	Muir Milach	498	4	0.03	0	0	0	0	3	0
Totals		337,502	3,807	34.59	191	2	49	313	4,350	2,494

Table 2 Comments:

1. Significant changes in addition to the formation to the PCC and HSCC occurred in 1999 that likely affected the performance of the fishery. As with other sectors in the directed pollock fishery, PCC and HSCC members experienced differences in fishing in 1999 due to a combination of the new measures to protect Steller sea lions, the changes in 1999 in the water temperature and currents, and other factors.
2. Although still quite low (.0001 ton of halibut per ton of pollock in the catcher/processor sector for example), bycatch levels for halibut appear to have been higher throughout the pollock fishery in 1999 as compared to 1998. This is likely the result of a combination of the factors mentioned in comment 2.

**Table 3 – 1999 C/P Aggregate Catch of
Sideboard Species**

Species	1999 C/P Catch	1999 C/P Limits ¹	Over (Under) 1999 Limits
Pacific Cod	6,561	10,119	(3,558)
Sablefish – BS	0	3	(3)
Atka Mackerel - Eastern	23	0	NA
Atka Mackerel - Central	567	2,383	(1,816)
Atka Mackerel - Western	12	4,995	(4,983)
Yellowfin sole	11,713	41,190	(29,477)
Rock sole	995	7,446	(6,451)
Greenland Turbot - BS	24	51	(27)
Greenland Turbot – AI	3	13	(10)
Arrowtooth flounder	209	2,398	(2,189)
Flathead sole	1,221	2,234	(1,013)
Other flatfish	979	17,148	(16,169)
Pacific Ocean Perch - BS	110	12	98
Pacific Ocean Perch - EAI	17	57	(40)
Pacific Ocean Perch - CAI	6	53	(47)
Pacific Ocean Perch - WAI	0	167	(167)
Other Red Rockfish - BS	20	6	14
Sharpchin/Northern - AI	57	305	(248)
Shortraker/Rougheye - AI	1	15	(14)
Other rockfish – BS	1	12	(11)
Other rockfish – AI	9	29	(20)
Squid	206	3	203
Other species	651	1,508	(857)
Halibut mortality	116	293	(177)
Herring	191	20	171
Chinook	4,823		
Other salmon	2,487		
Red King crab	612	1,295	(683)
Other King Crab	396		
Other Tanner Crab	62,103	636,863	(574,760)
Bairdi Zone 1	17,989	97,125	(79,136)
Bairdi Zone 2	28,718	86,858	(58,140)

¹ The 1999 C/P sideboard limits were established at the December 1998 NPFMC meeting, and only reflected catch history in non-pollock groundfish fisheries.

Table 4 -- 1999 C/P Directed Cod Fishing

Vessel	Cod (mt)	Non - target Groundfish (mt)	Halibut mort. (mt)	Herring (mt)	Red King crab (N)	Baird (N)	Other Tanner (N)	Chinook (N)	Other salmon (N)
Katie Anne	1,305	79	2	0	45	76	77	62	0
Ocean Rover	280	80	9	0	0	11	0	98	0
Northern Glacier	1,020	282	8	1	0	399	1,671	68	0
Pacific Glacier	764	199	7	0	0	68	92	211	0
Highland Light	1,680	98	6	0	98	219	296	34	3
Totals	5,048	737	32	1	143	773	2,136	473	3
Catch Rates	0.87	0.13	0.01	0.00	0.02	0.13	0.37	0.08	0.00

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Table 4 Comments:

1. The PCC Membership Agreement provides that "Members shall annually allocate among themselves the amount of non-pollock groundfish allocations available for directed harvest...in direct proportion to the catch history...in the Base Years [meaning 1995-1997 as identified in the AFA], or during such other year(s) as all Members may agree." (PCC Membership Agreement 1b(i)) At a PCC meeting on January 11, 1999, PCC members agreed that only PCC members who had traditionally participated in the directed cod fishery (American Seafoods, Glacier Fish Company, and Highland Light) would participate in the 1999 directed cod fishery.
2. The AFA "sideboard" on directed cod fishing only establishes a cap, but does not guarantee that AFA-eligible catcher/processors will be able to harvest any amount of cod. Nevertheless, two of the three companies that participated in the 1999 cod fishery harvested roughly their traditional portion of the cod harvested by catcher/processors.