

AK LEGISLATURE SPECIAL COMMITTEE FILES SCOMM 147 31548

GMU 13 Tier II caribou hunt has generated a large majority of the complaints and controversy about the state subsistence permit process. Any changes, however well-intentioned, are likely to generate a new round of public debate. The incoming administration should be prepared to respond to Nelchina-related issues spanning from an increase in questions from the public all the way to potential lawsuits by hunter constituencies who feel deprived by the BOG's decisions. Within ADF&G, the Division of Subsistence, the Division of Wildlife Conservation, and the Boards Support Section will be focal points for questions and controversy on this subject and will be heavily involved in preparations for the upcoming Southeastern Region BOG meeting in March 2007.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192); Elizabeth Andrews, Director, Subsistence Division (465-4146)

Regulation of the Transporter Industry

Conflicts between local and nonlocal Alaskan hunters are aggravated by the practice of some commercial transporters, who are not legally prevented from putting too many nonlocal hunters into areas already heavily used by other hunters. This not only detracts from the clients' experience, but creates and worsens competition and friction among different user groups. The Board of Game is not equipped with tools that directly address this type of problem, and the new Big Game Commercial Services Board has limited ability to control transporters. In order to successfully administer hunting equitably among a wide array of users, regulation of transporters is necessary.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192)

Impacts of Development on Wildlife in Northwestern Alaska, North Slope

Petroleum and mining development in northern and western Alaska are important for the state's economy but hold the potential for effects to wildlife resources important on local, regional, and continental scales. It is important that the Division of Wildlife Conservation regain capability for research and monitoring wildlife populations in these regions in order to help guide development. The Department is working to coordinate information needs and research projects on the North Slope with numerous federal agencies through the North Slope Science Initiative (NSSI). The goal is to ensure that development is not delayed or prohibited because of a lack of information necessary for permits to be issued and to reduce operating costs by working together. The Commissioners of ADF&G and ADNR represent the State as members of the NSSI oversight group.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192)

Terminating the Exxon Valdez Oil Spill Trustee Council

The Exxon Valdez Oil Spill Trustee Council was created to administer the \$900 million provided by Exxon to settle state and federal claims arising from the 1989 Exxon Valdez oil spill. The Council includes representatives of both state and federal agencies. Of the initial \$900 million, about \$146 million remains uncommitted and available for restoration projects. In addition, the state and federal governments have filed a claim for another \$92 million under a "reopener" provision of the settlement agreement.

As the state approaches 18 years after the spill, the vast majority of the resources injured by the spill have recovered or are nearly recovered. Viable projects to restore any lingering injuries are elusive. The state and federal governments are faced with fundamental questions of the most efficacious uses of remaining settlement moneys and whether there is a continuing purpose and need for the Trustee Council.

Contact: McKie Campbell, Commissioner (465-4100); Leslie Pearson, DEC Prevention and Emergency Response Program (269-7543)

Contact: Kim Tinn, Deputy Director, Division of Wildlife Conservation (465-4102); Elizabeth Anderson, Director, Subsistence Division (465-4146)

Regulation of the Transporter Industry

Conflicts between local and nonlocal Alaskan hunters are aggravated by the practice of some commercial transporters who are not legally prevented from putting too many nonlocal hunters into areas already heavily used by other hunters. This not only detracts from the hunting experience but creates and worsens competition and friction among different user groups. The Board of Game is now equipped with tools that directly address this type of problem and the state is looking for ways to implement them. The state is currently studying the need for a regulatory framework to address this problem. A regulatory framework is necessary.

Contact: Kim Tinn, Deputy Director, Division of Wildlife Conservation (465-4102)

Impacts of Development on Wildlife in Northwestern Alaska, North Slope

Development and the impact of development on wildlife and wildlife-dependent resources is a state's economic and environmental health. It is important that the state and its wildlife-dependent regions, local, and subsistence users, be able to manage development in these regions in order to help sustain the state's economy and wildlife-dependent resources. The state is currently studying the need for a regulatory framework to address this problem. A regulatory framework is necessary. The state is currently studying the need for a regulatory framework to address this problem. A regulatory framework is necessary.

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FEDERAL LEGISLATION:

Proposed Change to North Pacific Halibut Act

The state is exploring an option that would allow it (and other west coast states) to directly manage halibut sport charter fisheries within existing allocation guidelines established by the NPFMC and the biological guidelines established by the International Pacific Halibut Commission (IPHC). This option would require an amendment to the Halibut Act. This approach is generally supported by National Marine Fisheries Service (NMFS), IPHC, ADFG and many user groups. As a result, the state is trying to include this in the Magnuson-Stevens reauthorization or other appropriate legislative vehicle.

Contact: Doug Vincent-Lang, Special Projects Coordinator, Division of Sport Fish (267-2339)

Magnuson-Stevens Act Reauthorization

ADF&G has served as the lead state agency on MSA reauthorization, working through the state Ocean Policy Cabinet on issues of multi-agency concern. MSA reauthorization has been active in both the House and Senate this session. The State has commented on succeeding versions of the legislation and developed positions and draft statutory language for both House and Senate versions. The State's focus has been on providing authority for decision-making at the local level, i.e., the Regional Fishery Management Councils. Codification of a clear separation between resource assessment and allocation has also been a priority.

Contact: Sue Aspelund, Special Assistant (465-6139)

Monitor Marine Aquaculture Legislation

Congress is considering legislation which would authorize aquaculture in waters of the Exclusive Economic Zone. Aquaculture poses significant risks for living marine resources and could disrupt the markets on which the Alaska seafood industry depends. In conjunction with the Governor's Washington, D.C., office, the department should monitor developments and be poised to help shape the legislation.

Contact: Sue Aspelund, Special Assistant (465-6139)

Application of ESA and Boldt Decision to Southeast Alaska Fisheries

The fishery provisions of the Pacific Salmon Treaty adopted in 1999 which address harvest in sport and commercial fisheries of salmon that migrate between the United States and Canada will be renegotiated in 2007 and 2008. It will be necessary to pursue extension of statutory provisions adopted with the 1999 treaty agreement that deal with application of the Endangered Species Act (ESA) to Alaskan salmon fisheries, stay of litigation in federal court that seeks to compel harvest sharing between Northwest treaty Indian tribes and Alaska and federal appropriations necessary to implement the treaty and address salmon conservation in the Pacific Northwest.

Contact: David Bedford, Deputy Commissioner (465-4115)

Endangered Species Act

FEDERAL LEGISLATION

Reauthorization of the Endangered Species Act will likely be considered by Congress in 2007. This issue is of great importance to Alaska because of efforts to use ESA to limit development in Western states. The State must work to ensure meaningful reform occurs during the reauthorization process. Alaska has a detailed policy statement on ESA and specific amendments that should be incorporated into reauthorization language.

Contact: Wayne Regelin, Deputy Commissioner (465-6138)

Marine Mammal Protection Act

While minor amendments have been made to the MMPA in the last four years, major changes are not anticipated until the next Congress. The State's main interest is in clarifying key terms within the Act so as to better understand the potential impacts on Alaska's fisheries and marine mammals. ADF&G has served as the lead state agency on MMPA issues.

Contact: Wayne Regelin, Deputy Commissioner (465-6138)

STATE LEGISLATION:

Repeal Sunset Date for Alaska Weathervane Scallop, Bering Sea Hair Crab Fisheries

Legislation is needed to repeal the sunset provisions which will eliminate limited entry for the Alaska weathervane scallop and Bering Sea hair crab fisheries (AS 16.43.450-520) on December 30, 2008.

If these fisheries return to open access, the fisheries may have to be closed or remain closed to protect the resource. Without new legislation, the state will not have the ability to limit the number of vessels entering these fisheries.

The Alaska weathervane scallop fishery in state waters was in danger of being closed before the vessel-based limitation statutes were passed in 2002. Currently the scallop fishery is limited in both federal and state waters. The entire fishery is managed by the state through an agreement with the federal government. The fishery occurs in both state waters and the federal Exclusive Economic Zone (EEZ). This is an active fishery with estimated gross earnings in 2005 of about \$4.1 million a year.

The Bering Sea hair crab fishery is such a fragile fishery that it was closed in 2001 and has not re-opened. The stock is in the process of rebuilding and needs the protection of limitation when it does re-open. Without limitation on the number of participants, the fishery will likely have to remain closed. The average gross value of this fishery between 1991 and 1999 was \$2.6 million a year.

Contact: Frank Homan, Co-Commissioner of the CFEC (790-6942)

Allowing Board of Fisheries to Allocate Within a Fishery

ADF&G has asked the Department of Law (Steven Daugherty) to draft a bill that would allow the Board of Fisheries to continue to allocate fisheries resources among permit holders within a single fishery, to the extent the Board is doing that now, making sure that the Board's authority to allocate within a fishery has adequate sideboards.

Contact: Patti Nelson, Deputy Director, Commercial Fisheries Division (465-6105)

Share Marine Sport Charter Logbook Data with NMFS, NOAA

The Department cannot share logbook information with the NPFMC or NOAA. This is resulting in increased costs and enforcement difficulties. To correct this, the Department plans to propose state legislation that would allow it to share confidential charter logbook information with the NPFMC and NOAA. Shared information would remain confidential. This would require a modification to AS 16.05.815.

Contact: Doug Vincent-Lang, Special Projects Coordinator, Division of Sport Fish (267-2339)

Board of Game Membership Terms

The Board of Game feels that legislation is needed to align the dates of the Board of Game membership terms with those of the Board of Fisheries terms. The terms for the Board of

Game members expire on March 1st while BOF terms begin July 1st. The March 1st deadline is disruptive to the Board of Game cycle because the transition occurs less than two weeks prior to the big BOG regional meetings (Southcentral and Interior every other year). Aligning these dates would be beneficial for the board process.

Contact: Kristy Tibbles, Executive Director, Alaska Board of Game (465-6098)

Legislation is needed to repeal the sunset provisions which will eliminate limited entry for the Alaska walleye and sculpin and Bering Sea hair crab fisheries (AS 16.43.420-420) on December 30, 2008.

If these fisheries return to open access, the fisheries may have to be closed or remain closed to protect the resource. Without new legislation, the state will not have the ability to limit the number of vessels entering these fisheries.

The Alaska walleye and sculpin fisheries in state waters was in danger of being closed before the vessel-based limitation statutes were passed in 2002. Currently the sculpin fishery is limited in both federal and state waters. The entire fishery is managed by the state through an agreement with the federal government. The fishery occurs in both state waters and the federal Exclusive Economic Zone (EEZ). This is an active fishery with estimated gross earnings in 2005 of about \$4.1 million a year.

The Bering Sea hair crab fishery is such a fragile fishery that it was closed in 2004 and has not reopened. The stock is in the process of rebuilding and needs the protection of a limitation which is being developed. A total limitation on the number of permits for the fishery will likely have to be implemented. The strategic plan for the fishery between 2004 and 1999 was \$2.6 million a year.

Contact: Frank Brown, (465-6098)

Allowing Board of Fisheries to Allocate Within a Fishery

ADFG has asked the Department of Law (LAW) to draft a bill that would allow the Board of Fisheries to allocate fishing effort among permit holders within a single fishery. To the extent the Board is doing that now, having said that the Board's authority to allocate within a fishery is not an absolute authority.

Contact: Frank Brown, (465-6098)

Share Marine Sport Charter Logbook Data with NAIS, NOAA

The Department cannot share logbook data with NAIS or NOAA because of the resulting in the state's (and non-state) commercial fisheries. The Department has proposed state legislation that will allow a limited number of charter logbook data to be shared with the NAIS and NOAA. The legislation would require a confidentiality agreement with the NAIS and NOAA.

Contact: Doug Vinyard, (465-6098)

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Positions Held by the Commissioner (or his designee)

Alaska Department of Fish and Game

The Commissioner of Fish and Game, or a person designated to represent him and the agency, serves on these bodies:

The North Pacific Fishery Management Council. The Commissioner or his designee (currently, Commissioner Campbell fills this seat)

The Pacific Fishery Management Council. The Commissioner or his designee (currently, Special Assistant Gordy Williams fills this seat)

The Pacific States Marine Fisheries Commission. The Commissioner or his designee (currently, Special Assistant Sue Aspelund fills this seat)

The University of Alaska-Fairbanks School of Fisheries and Ocean Sciences (SFOS) Advisory Council. The Commissioner or his designee

The Alaska Board of Fisheries. The Commissioner is the ex officio secretary, though not a member of the Board (the duties of the secretary are carried out by the Board's Executive Director, Jim Marcotte, an ADF&G employee)

The Alaska Board of Game. The Commissioner is the ex officio secretary, though not a member of the Board (the duties of the secretary are carried out by the Board's Executive Director, Kristy Tibbles, an ADF&G employee)

The Federal Subsistence Board. The Commissioner or his designee has a non-voting seat (currently, Deputy Commissioner Wayne Regelin attends most of these meetings)

The Association of Fish and Wildlife Agencies. The Commissioner or his designee

The Western Association of Fish and Wildlife Agencies. The Commissioner or his designee (currently, Special Projects Coordinator Doug Vincent-Lang attends)

The Alaska Migratory Bird Comanagement Council. The Commissioner or his designee (currently, Wildlife Conservation Division Director Matt Robus fills this seat)

The Pacific Flyway Council. The Commissioner or his designee (currently, Wildlife Conservation Division Director Matt Robus fills this seat)

The North Slope Science Initiative Board of Directors. The Commissioner or his designee (currently, Deputy Commissioner Wayne Regelin fills this seat)

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Subsistence in Alaska: A Year 2000 Update

Division of Subsistence, Alaska Department of Fish and Game
Box 25526, Juneau, Alaska, 99802 (907) 465-4147

Introduction

Subsistence fishing and hunting are important for the economies and cultures of many families and communities in Alaska. Subsistence exists alongside other important uses of fish and game in Alaska, including commercial fishing, sport fishing, personal use fishing, and general hunting. This report provides an update on subsistence in Alaska, including the dual state-federal management system.

What is Subsistence?

State and federal law define subsistence as the "customary and traditional uses" of wild resources for food, clothing, fuel, transportation, construction, art, crafts, sharing, and customary trade. Subsistence uses are central to the customs and traditions of many cultural groups in Alaska, including Aleut, Athabaskan, Alutiiq, Euroamerican, Haida, Inupiat, Tlingit, Tsimshian, and Yup'ik. Subsistence fishing and hunting are important sources of employment and nutrition in almost all rural communities.

Commercial fishing differs from subsistence fishing, as it is fishing for sale on commercial markets. Subsistence fish and game cannot be commercially sold. Personal use

fishing is similar to subsistence fishing, except that it is fishing with nets for food in areas generally closed to subsistence, particularly by residents of urbanized areas. Sport fishing and sport hunting differ from subsistence in that, although food is one product, they are conducted primarily for recreational values, following principles of "fair chase". While subsistence is productive economic activity which is part of a normal routine of work in rural areas, sport fishing and sport hunting usually are scheduled as recreational breaks from a normal work routine.

Who Qualifies for Subsistence?

Federal and state laws currently differ in who qualifies for subsistence. Rural Alaska residents qualify for subsistence under federal law. About 20% of Alaska's population (123,118 people in 270 communities) lived in rural areas in 1999 (see Fig. 1). Of the rural population, 62,646 (51%) were Alaska Native and 60,472 (49 %) were not Alaska Native. Of Alaska's urban population (498,882 people), about 35,243 (7%) were Alaska Native and 463,639 (93%) were not Alaska Native. Under state law, rural residents qualified for subsistence from 1978-1989. Since 1989, all state residents have qualified under state law.

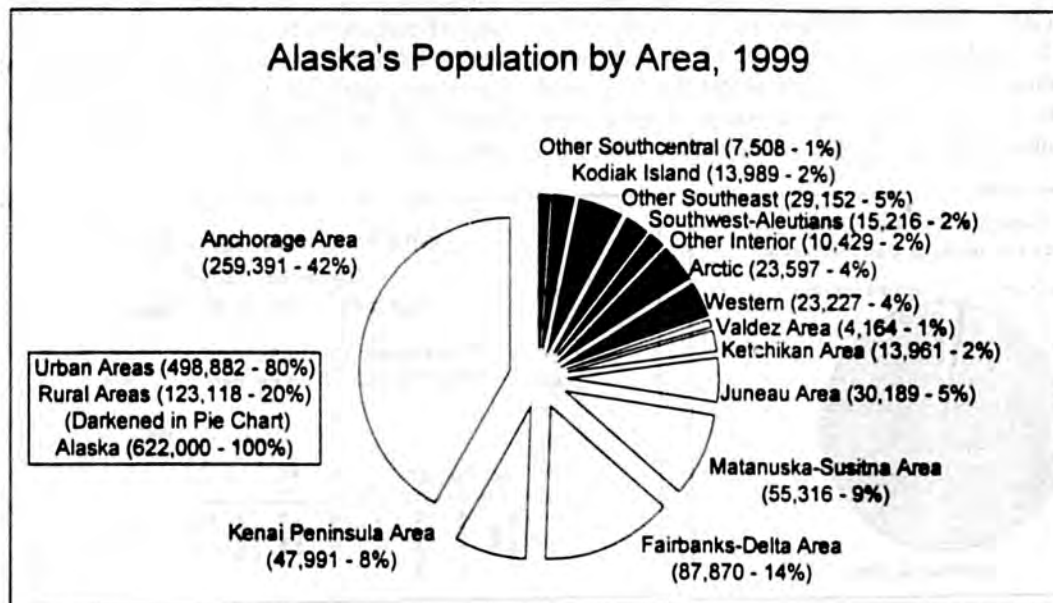


Figure 1

Percent of Households Participating in Subsistence Activities in Rural Areas				
Area	Harvesting Game	Using Game	Harvesting Fish	Using Fish
Arctic	63%	92%	78%	96%
Interior	69%	86%	75%	92%
Southcentral	55%	79%	80%	94%
Southeast	48%	79%	80%	95%
Southwest	65%	90%	86%	94%
Western	70%	90%	98%	100%
Total Rural	60%	86%	83%	95%

Figure 2

Who Participates in Subsistence?

Most rural families in Alaska depend on subsistence fishing and hunting. A substantial proportion of rural households harvest and use wild foods (see Fig. 2). For surveyed communities in different rural areas, from 92%-100% of sampled households used fish, 79%-92% used wildlife, 75%-98% harvested fish, and 48%-70% harvested wildlife. Because subsistence foods are widely shared, most residents of rural communities make use of subsistence foods during the course of the year.

What is the Rural Food Harvest?

Most of the wild food harvested by rural families is composed of fish (about 60% by weight), along with land mammals (20%), marine mammals (14%), birds (2%), shellfish (2%), and plants (2%) (see Fig. 3). Fish varieties include salmon, halibut, herring, and whitefish. Seals, sea lion, walrus, beluga, and bowhead whale comprise the marine mammal harvest. Moose, caribou, deer, bear, Dall

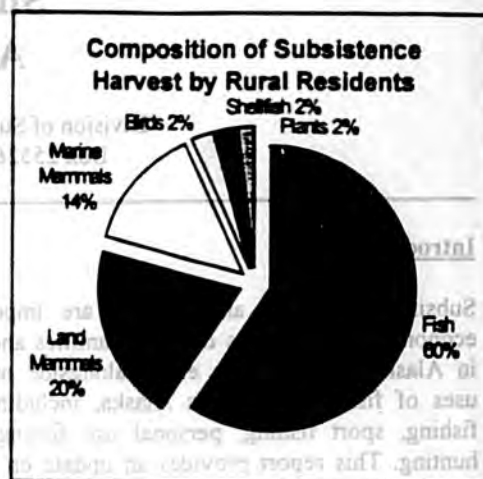


Figure 3

sheep, mountain goat, and beaver are commonly used land mammals, depending on the community and area.

How Large is the Subsistence Harvest?

The subsistence food harvest in rural areas represents about 2% of the fish and game harvested annually in Alaska (see Fig. 4). Commercial fisheries harvest about 97% of the statewide harvest (about 2.0 billion lbs annually), while sport fishing and hunting take about 1% (18.0 million lbs).

Though relatively small in the statewide picture, subsistence fishing and hunting provide a major part of the food supply of rural Alaska (see Figs. 5 and 6). Our best estimate is about 43.7 million lbs (usable weight) of wild foods are harvested annually by residents of rural areas of the state, and 9.8 million lbs by urban residents (see Fig. 6). On a per person basis, the annual wild food harvest is about 375 lbs per person per year for residents of rural areas (about a pound a day per person), and 22 lbs per person per year for urban areas (see Fig. 5).

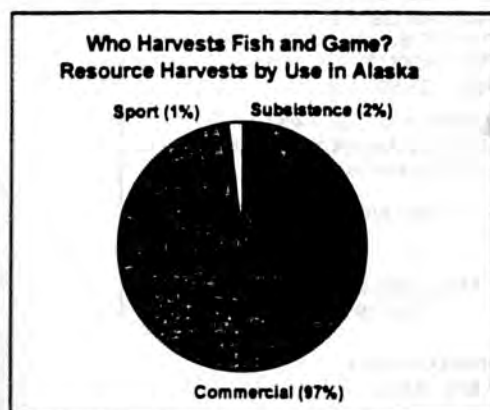


Figure 4

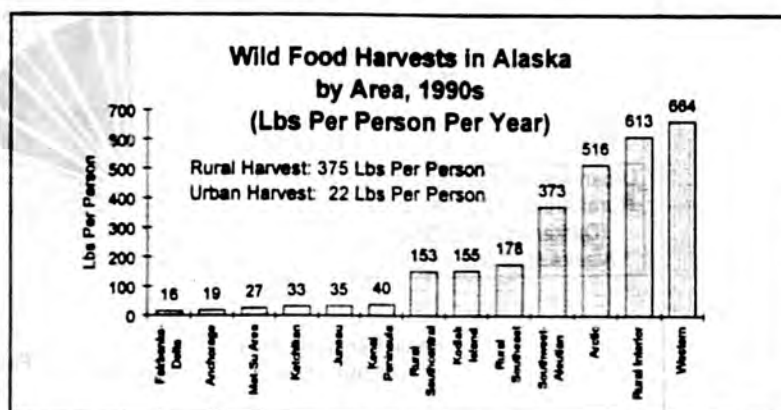


Figure 5

Nutritional Value of Subsistence

The subsistence food harvest provides a major part of the nutritional requirements of Alaska's population. The annual rural harvest of 375 lbs per person contains 242% of the protein requirements of the rural population (that is, it contains about 118 grams of protein per person per day; about 49 grams is the mean daily requirement) (see Fig. 6). The subsistence harvest contains 35% of the caloric requirements of the rural population (that is, it contains about 840 Kcal daily, assuming a 2,400 Kcal/day mean daily requirement). The urban wild food harvests contain 15% of the protein requirements and 2% of the caloric requirements of the urban population (see Fig. 6).

Wild Food Harvests in Alaska: Nutritional and Replacement Values

	Annual Wild Food Harvest (Lbs Per Person)	Annual Wild Food Harvest (Total Lbs)	Percent of Population's Required		Estimated Wild Food Replacement Value @ \$3/lb	Estimated Wild Food Replacement Value @ \$5/lb
			Protein (49 g/day)	Calories (2400 C/day)		
Rural Areas						
Southcentral	153	1,688,467	99%	14%	\$5,065,401	\$8,442,335
Kodiak Island	155	2,061,607	100%	14%	\$6,184,821	\$10,308,035
Southeast	178	5,064,509	115%	17%	\$15,193,527	\$25,322,545
Southwest-Alutian	373	5,114,522	241%	35%	\$15,343,566	\$25,572,610
Interior	613	6,359,597	396%	57%	\$19,078,791	\$31,797,985
Arctic	516	10,507,255	333%	48%	\$31,521,765	\$52,536,275
Western	664	12,918,649	429%	62%	\$38,755,947	\$64,593,245
Total Rural	375	43,714,608	242%	35%	\$131,143,818	\$218,573,030
Urban Areas						
Ketchikan Area	33	461,855	22%	3%	\$1,385,566	\$2,309,276
Juneau Area	35	922,910	22%	3%	\$2,768,729	\$4,614,548
Matsu Area	27	1,056,322	17%	2%	\$3,168,966	\$5,281,610
Fairbanks-Delta	16	1,307,648	10%	1%	\$3,922,944	\$6,538,240
Kenai Peninsula	40	1,600,320	26%	4%	\$4,800,960	\$8,001,600
Anchorage Area	19	4,390,957	13%	2%	\$13,172,872	\$21,954,786
Total Urban	23	9,740,012	15%	2%	\$29,220,036	\$48,700,060
Alaska Total	100	53,454,618	65%	9%	\$160,363,854	\$267,273,090

Figure 6

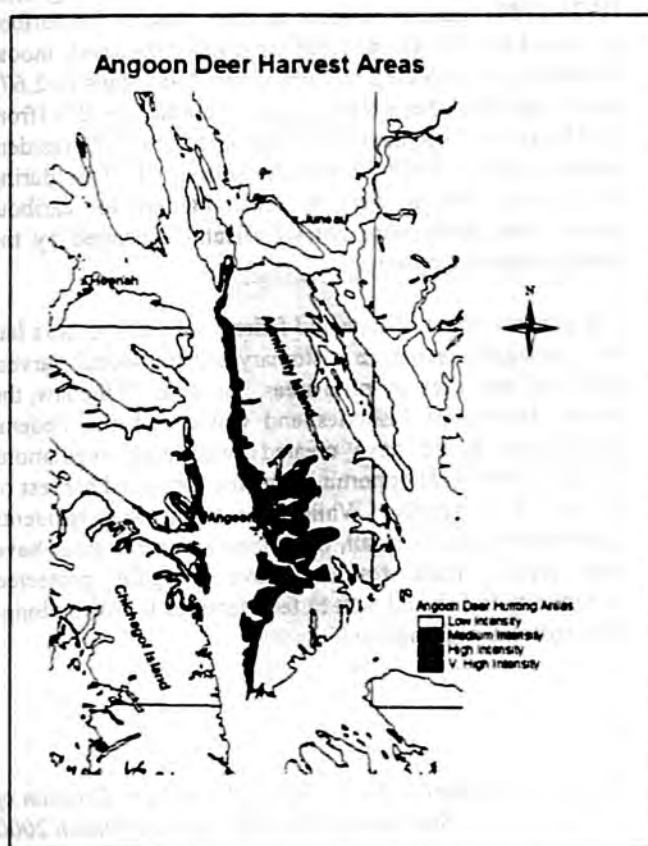


Figure 7

Traditional Harvest Areas

Studies show that subsistence users tend to harvest in traditional use areas surrounding their communities. Subsistence harvest areas are accessible from the community, although seasonal camps are used to access some species. Subsistence harvest areas for communities are definable and relatively predictable. Subsistence users generally do not harvest outside their community's traditional use areas (see Fig. 7).

The Monetary Value of Subsistence Harvests

Subsistence fishing and hunting are important to the rural economy. Attaching a dollar value to wild food harvests is difficult, as subsistence products do not circulate in markets. However, if families did not have subsistence foods, substitutes would have to be purchased. If one assumes a replacement expense of \$3 - \$5 per pound, the simple "replacement value" of the wild food harvests in rural Alaska may be estimated at \$131.1 - \$218.6 million dollars annually (see Fig. 6).

Subsistence and Money

Subsistence is part of a rural economic system, called a "mixed, subsistence-market" economy. Families invest

money into small-scale, efficient technologies to harvest wild foods, such as fishwheels, gill nets, motorized skiffs, and snowmachines. Subsistence food production is directed toward meeting the self-limited needs of families and small communities, not market sale or accumulated profit as in commercial market production. Families follow a prudent economic strategy of using a portion of the household monetary earnings to capitalize in subsistence technologies for producing food. This combination of money from paid employment and subsistence food production is what characterizes the mixed, subsistence-market economies of rural areas. Successful families in rural areas combine jobs with subsistence activities and share wild food harvests with cash-poor households who cannot fish or hunt, such as elders, the disabled, and single mothers with small children.

Dual Subsistence Management

Subsistence fishing and hunting in Alaska are regulated by the State of Alaska and the federal government, depending upon where the harvests occur. This system is called a "dual management system" because there are overlapping state-federal jurisdictions in many areas. The federal government regulates federal subsistence fisheries and hunts on federal public lands and federally-reserved waters in Alaska. The State of Alaska regulates state subsistence fisheries and hunts on all Alaskan lands and waters. A harvester should consult both the federal subsistence regulation booklet and the state subsistence regulation booklet, to be apprised of the complete set of hunting or fishing regulations in a particular area.

The Alaska Board of Fisheries and the Alaska Board of Game create regulations for state subsistence fisheries or hunts. The Federal Subsistence Board creates regulations for federal subsistence fisheries or hunts. In creating regulations, each board follows procedures for obtaining information and comment on proposed regulations from the public, agencies, and other interests.

Hunting of marine mammals is managed by the federal government through the National Marine Fisheries Service (seals, sea lions, and whales) or the U.S. Fish and Wildlife Service (polar bear, sea otters, and walrus). There is an exemption in the federal Marine Mammal Protection Act to allow for the traditional harvest and use of marine mammals by coastal Alaska Natives.

Subsistence hunting and fishing are closed in non-rural areas of Alaska by the federal and state programs. Federal law recognizes subsistence harvests only by residents of rural areas. State law recognizes subsistence harvests in subsistence areas outside the boundaries of "nonsubsistence areas". The Federal Subsistence Board and the Alaska

Joint Board of Fisheries and Game have determined that the areas around Anchorage-Matsu-Kenai, Fairbanks, Juneau, Ketchikan, and Valdez are non-rural areas, where fish and game harvests may be allowed under sport, personal use, or commercial regulations, but not under subsistence regulations.

The Subsistence Priority

Subsistence uses of fish and land mammals are given a priority over commercial fishing and recreational fishing and hunting in state and federal law. This means that when the harvestable portion of a fish stock or game population is not sufficient for all public uses, that subsistence uses are restricted last by regulation.

By and large, urban fishers and hunters have not experienced major changes in harvest opportunity due to the subsistence priority. General hunting and sport fishing regulations continue to provide opportunities for residents and non-residents. Personal use net fisheries provide for established food fisheries of urban residents in areas closed to subsistence fishing.

For example, during the eleven-year period when the rural priority was being implemented under state management (1978-1989), general resident hunting seasons for caribou increased by 36% (from 5,505 days to 7,500 days), moose hunting days decreased by 10% (from 2,961 days to 2,671 days), and Dall sheep hunting days increased by 2% (from 1,855 days to 1,900 days) – comparing the 1978-79 resident season with the 1989-90 resident season. That is, during this period, hunting days by urban hunters for caribou, moose, and sheep were not significantly changed by the rural subsistence priority.

The greatest effect of state and federal subsistence laws has been to legally recognize customary and traditional harvest practices and uses in rural areas. Because of the law, the Alaska Boards of Fisheries and Game and the Federal Subsistence Board have created subsistence regulations designed to provide opportunity for the continued harvest of the rural food supply. While impacts on urban residents have been relatively small, the impacts on rural areas have been great. Rural residents have a legally protected opportunity to fish and hunt to feed families following long-term customs and traditions.

Robert J. Wolfe, Research Director, Division of Subsistence, ADF&G, Juneau, March 2000

Department of Fish and Game

Overview

Mission

To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle.

Core Services

- Provide opportunity to utilize fish and wildlife resources;
- Ensure sustainability and harvestable surplus of fish and wildlife resources;
- Provide information to all customers;
- Involve the public in management of fish and wildlife resources; and
- Protect the state's sovereignty to manage fish and wildlife resources.

The Department of Fish and Game's FY08 operating budget is \$180.3 million, from seventeen funding sources, including \$62.1 million in federal funds, \$52.7 million in general funds and \$26.4 million in fish and game funds. The department's FY08 capital budget request is \$4.0 million.

The department's FY08 budget request maintains the FY07 level of service. Excluding the salary adjustment increases (primarily retirement contributions and health care), total funds increased by less than 1% and general funds increased by only 2.9% from the FY07 budget (most of which is due to general funds replacing a one-time funding source: Investment Loss Trust Fund, in the Division of Wildlife Conservation).

The department comprises five divisions plus the Commercial Fisheries Entry Commission, the Exxon Valdez Trustee Council, and the Boards of Fisheries and Game. Two Deputy Commissioners and special assistants support the Commissioner in managing the state's fish and wildlife resources.

The Commissioner of Fish and Game, or a person designated to represent him and the agency, serves on these bodies:

The North Pacific Fishery Management Council. The Commissioner or his designee.

The Pacific Fishery Management Council. The Commissioner or his designee.

The Pacific States Marine Fisheries Commission. The Commissioner or his designee.

The University of Alaska-Fairbanks School of Fisheries and Ocean Sciences (SFOS) Advisory Council. The Commissioner or his designee.

The Alaska Board of Fisheries. The Commissioner is the ex officio secretary, though not a member of the Board.

The Alaska Board of Game. The Commissioner is the ex officio secretary, though not a member of the Board.

The Federal Subsistence Board. The Commissioner or his designee has a non-voting seat.

The Association of Fish and Wildlife Agencies. The Commissioner or his designee.

The Western Association of Fish and Wildlife Agencies. The Commissioner or his designee.

The Alaska Migratory Bird Comanagement Council. The Commissioner or his designee.

The Pacific Flyway Council. The Commissioner or his designee.

The North Slope Science Initiative Board of Directors. The Commissioner or his designee.

Funding Source Summary

All dollars in thousands

Funding Sources	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1002 Federal Receipts	53,366.4	63,432.6	62,137.9
1003 General Fund Match	400.2	400.2	435.7
1004 General Fund Receipts	33,352.1	38,620.8	52,226.7
1005 General Fund/Program Receipts	11.9	11.9	17.9
1007 Inter-Agency Receipts	9,666.9	11,980.4	12,240.6
1018 Exxon Valdez Oil Spill Settlement	2,098.8	4,314.7	4,612.3
1024 Fish and Game Fund	24,108.9	26,834.8	24,660.2
1036 Commercial Fishing Loan Fund	1,976.3	1,326.3	1,326.3
1053 Investment Loss Trust Fund		1,330.7	
1055 Inter-agency/Oil & Hazardous Waste		64.3	64.3
1061 Capital Improvement Project Receipts	5,044.1	5,001.2	4,572.9
1108 Statutory Designated Program Receipts	2,345.9	5,911.7	7,403.9
1109 Test Fisheries Receipts	1,968.2	2,513.4	2,514.3
1156 Receipt Supported Services	591.5	501.7	501.7
1194 Fish and Game Non-dedicated Receipts	1,172.5	1,660.5	1,660.5
1199 Alaska Sport Fishing Enterprise Account		350.0	500.0
1201 Commercial Fisheries Entry Commission Receipts	2,766.3	5,002.9	5,470.6
Totals	138,870.0	169,258.1	180,345.8

Position Summary

Funding Sources	FY2007 Management Plan	FY2008 Governor
Permanent Full Time	861	862
Permanent Part Time	809	800
Totals	1,770	1,662

Divisions

Commercial Fisheries <i>All dollars shown in thousands</i>	General Funds	Federal Funds	Fish & Game Fund	Other Funds	Total Funds
FY2008 Governor	32,108.0	14,268.2	1,571.1	14,374.3	62,321.6

Positions: 301 PFT / 497 PPT

Core Services:

- 1) Stock Assessment and Applied Research
- 2) Harvest Management
- 3) Laboratory Services
- 4) Aquaculture Permitting
- 5) Data Processing
- 6) Education and Information Services

Sport Fish <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	5,155.3	23,596.9	14,738.3	7,491.9	50,982.4

Positions: 245 PFT / 216 PPT

Core Services:

- 1) Management
- 2) Stock Assessment
- 3) Habitat Assessment
- 4) Hatchery Production
- 5) Access Development and Maintenance
- 6) Planning and Survey
- 7) Education and Information Services

Wildlife Conservation <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	6,012.7	19,168.3	10,202.3	1,129.9	36,513.2

Positions: 169 PFT / 58 PPT

Core Services:

- 1) Wildlife Population Inventories
- 2) Harvest Management
- 3) Participation in Regulatory Process
- 4) Species-Specific Research to Address Management Problems
- 5) Implementation of Intensive Management Programs Where Necessary
- 6) Education and Information Services

Subsistence <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	1,880.7	2,127.9	-	1,101.5	5,110.1

Positions: 27 PFT / 10 PPT

Core Services:

- 1) Collect Information on Subsistence Harvest
- 2) Conduct Research on Subsistence Harvest and Patterns of Use
- 3) Determination of Customary and Traditional Uses
- 4) Participation in Regulatory Process
- 5) Education and Information Services

Commercial Fisheries Entry Commission <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	342.8	114.4		3,540.6	3,997.8

Positions: 29 PFT / 4 PPT

Core Services:

- 1) Limit Entry into Commercial Fisheries for Resource Conservation and Economic Viability
- 2) Administer Limited Entry Permit and Vessel Licensing System
- 3) Adjudication of Claims Related to Limited Entry Program
- 4) Participation in Board of Fisheries Process
- 5) Education and Information Services

Commissioner's Office <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	869.1	171.9	-	682.7	1,723.7

Positions: 10 PFT

EVOS Trustee Council <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	-	582.8	-	3,173.4	3,756.2

Positions: 9 PFT

Boards/Advisory Committees <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	1,175.6	267.5	-	431.9	1,875.0

Positions: 6 PFT / 4 PPT

Administrative Services <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	2,646.6	1,840.0	-	5,780.9	10,267.5

Positions: 66 PFT / 11 PPT

Facilities Maintenance and Rent <i>All dollars shown in thousands</i>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Fish & Game Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Governor	2,489.5	-	-	1,308.8	3,798.3

No positions.

DEPARTMENT
OF
FISH AND GAME



GOVERNOR'S TRANSITION
REPORT

Department of Fish and Game Overview

The mission of the Department of Fish and Game is to protect, maintain and improve the fish, game and aquatic plant resources of the state, and manage their use and development in the best interests of the economy and the well-being of the people of the state, consistent with the sustained yield principle.

The Department's core services are:

- Provide opportunity to utilize fish and wildlife resources;
- Ensure sustainability and harvestable surplus of fish and wildlife resources;
- Provide information to all customers;
- Involve the public in management of fish and wildlife resources; and
- Protect the state's sovereignty to manage fish and wildlife resources.

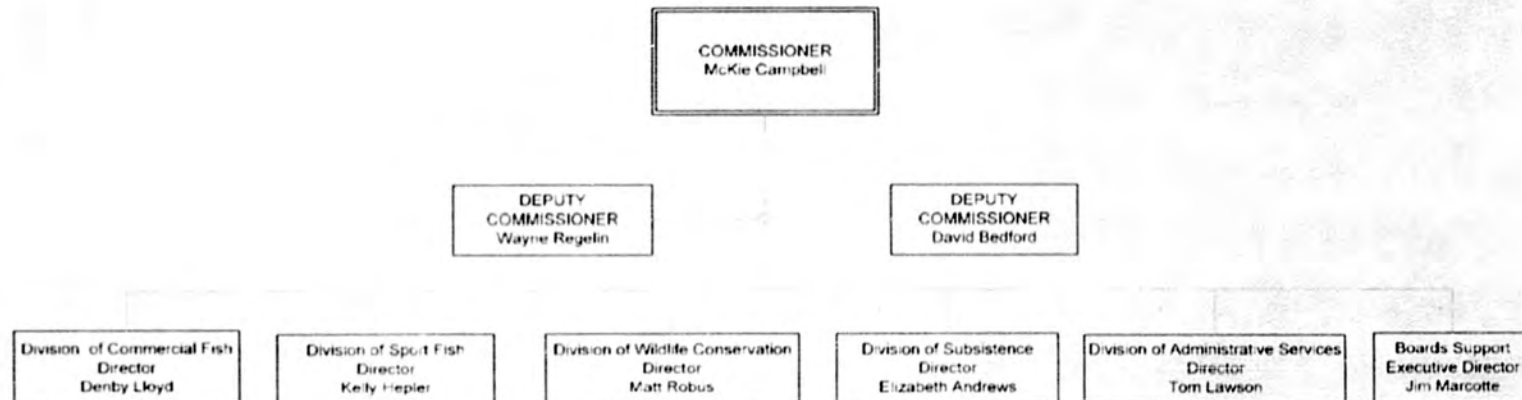
The department has approximately 1,772 permanent positions (861 full-time, 809 part-time, 102 non-permanent) in more than forty communities across the state. The department employs a highly seasonal workforce, with the number of employees doubling during the months of May through September.

The Department of Fish and Game's FY07 operating budget is \$169.3 million, from fourteen funding sources, including \$63.4 million in federal funds, \$39 million in general funds and \$26.8 million in fish and game funds. The department's capital budget is relatively small (generally under \$15 million), with many items relating to deferred maintenance on facilities, docks, vessels and aircraft.

The department is comprised of five divisions plus the Commercial Fisheries Entry Commission, The Exxon Valdez Trustee Council, and the Boards of Fisheries and Game. Two Deputy Commissioners and special assistants support the Commissioner in managing the state's fish and wildlife resources. The Commissioner's office also represents the state on the:

- Pacific States Marine Fisheries Commission
- Pacific Salmon Commission
- North Pacific Fisheries Management Council
- Exxon Valdez Oil Spill Trustee Council.

Department of Fish & Game



Funding and Position History

Fiscal Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Funds in Thousands	102,478.3	109,130.5	111,818.7	117,245.5	128,034.8	134,873.5	132,537.5	142,674.9	155,931.8	169,258.1
General Funds	34,121.1	34,316.6	32,859.1	30,347.0	30,907.3	30,102.6	27,087.6	28,211.1	33,721.8	39,032.9
Federal Receipts	31,272.1	32,693.2	33,939.2	35,207.7	43,220.2	47,850.6	52,294.6	56,971.2	61,116.6	63,432.6
Other Funds	37,085.1	42,120.7	45,020.4	51,690.8	53,907.3	56,920.3	53,155.3	57,492.6	61,093.4	66,792.6
Total Budgeted Positions	1,727	1,752	1,780	1,835	1,899	1,924	1,834	1,794	1,770	1,772
Permanent Full Time	779	805	820	835	878	904	873	850	864	861
Permanent Part Time	865	879	894	872	878	878	833	829	806	809
Non Permanent	83	68	66	128	143	142	128	115	100	102

FIRST 30 DAYS

Gulf of Alaska Groundfish Rationalization

The North Pacific Fishery Management Council (Council) will review an initial staff analysis of the Gulf of Alaska (GOA) groundfish rationalization program at a meeting scheduled for December 6-12, 2006. The Council traditionally avoids making major decisions affecting Alaskans when it meets elsewhere, so it will probably not take action on GOA groundfish rationalization at a meeting scheduled for February 7-13, 2007, in Portland. Some action is likely at the April meeting in Anchorage. The State of Alaska's representative on the Council will participate in these discussions and will have to make some preliminary votes on this issue at the December meeting.

The Council has offered efficiency, conservation and safety concerns as justification for GOA groundfish rationalization. From the State of Alaska's perspective, these problems have not yet progressed in the GOA groundfish fisheries to the levels documented prior to rationalization in the halibut, pollock and crab fisheries. However, the department has seen a trend toward short, fast-paced groundfish seasons for some species and several stakeholders have reported reduced economic returns in recent years. These trends have potential management ramifications, as well as undesirable economic effects on fishery-dependent communities.

The State of Alaska has supported rationalizing the GOA groundfish fisheries to increase fishery value and improve product utilization. Alaska has also consistently maintained that state and federal GOA groundfish management systems should be coordinated to the greatest extent possible, since many Alaskans participate in both fisheries and depend upon them as a vital component of their multi-species business operations. A full discussion of the goals developed by the State of Alaska for the GOA groundfish fisheries and documenting the lessons learned from previous fishery rationalization programs is contained in the document *"State of Alaska Goals for the Gulf of Alaska Groundfish Fisheries and Lessons Learned from Prior Rationalization Programs."*

Contact: McKie Campbell, Commissioner, Alaska Department of Fish and Game (465-4100)

Sport Charter Halibut Management

The North Pacific Fishery Management Council (NPFMC) is considering a fast track moratorium for the halibut sport charter fishery in International Pacific Halibut Commission (IPHC) Areas 2C and 3A. A decision to proceed will be made at the December 4th, 2006, NPFMC meeting in Anchorage. In addition, at this meeting, the Council will consider longer-term options for managing this fishery, including initial allocations, options for state delegations, limited entry and individualized quota systems. All these options require close coordination with the NPFMC, National Marine Fisheries Service (NMFS), and IPHC.

Contact: Doug Vincent-Lang, Special Projects Coordinator, Division of Sport Fish (267-2339)

Federal Subsistence Board Meeting Issues

1. Choose a Representative. The Federal Subsistence Board (FSB) meets in Anchorage on December 12th and 13, 2006. The State of Alaska, through a delegation to ADF&G, has a

non-voting seat on the FSB. ADF&G Deputy Commissioner Wayne Regelin has normally represented the State and the Department at FSB regulatory meetings and work sessions, with back-up from department staff. Wayne is retiring and a new representative will need to be chosen.

2. Rural/Non-Rural Status. At its December meeting, the Board will action on final rules related to its decennial review of rural determinations. Although the FSB initially determined which Alaska communities were rural when the Federal Subsistence Management Program began in 1990, federal regulations require that rural/non-rural status be reviewed every 10 years, beginning with the availability of the 2000 census data. An initial staff review, completed in July 2005, recommended that the rural/non-rural status of most Alaska communities should remain unchanged for the proposed rule, but proposed changes for several areas of the state including Kodiak and the Ketchikan area. The ADF&G submitted written comments during the public comment period of this proposed rule. Once the Board takes final action, the Department must decide whether to appeal any of the decisions.

3. January Fisheries Meeting. The FSB will have its annual meeting from January 9-11, 2007, to evaluate federal subsistence fishery proposals and institute new regulations for 2007. ADF&G will be submitting formal written comments on the proposals prior to the meeting and should send a high-level policy person from the Commissioner's Office to represent the State of Alaska at this meeting. Once the FSB takes final action, the Department (in consultation with the Department of Law) must decide whether or not to appeal any of the decisions through submission of a Request for Reconsideration.

Contact: Sarah Gilbertson, Subsistence & Federal Issues Coordinator, Division of Sport Fish (267-2138)

Forestall Application of Federal Extraterritorial Jurisdiction Over a Southeast Alaska Commercial Salmon Fishery

Federal regulations under Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) reserve the right for the Secretary of the Interior to exert jurisdiction over an activity that occurs off of federal lands if the activity interferes with providing a priority for subsistence under the federal law. The Southeast Federal Regional Advisory Council (RAC), which reports to the Federal Subsistence Board, is considering petitioning for extraterritorial jurisdiction on the commercial salmon purse seine fishery in Chatham Strait. The U.S. Forest Service, the responsible federal agency under ANILCA in Southeast Alaska, has offered to help the RAC develop the petition and has done a technical analysis of the seine fishery's effects on salmon stocks and subsistence fisheries that is inaccurate. The department and the Forest Service will produce a joint report on the status of the salmon stocks and fisheries by December 15. The department and U.S.F.S. will meet with members of the RAC in early January to review the report. The RAC will meet in February.

Contact: David Bedford, Deputy Commissioner (465-4115)

Marine Stewardship Council Re-certification of Commercial Salmon Fisheries

Alaska's commercial salmon fisheries were certified in September, 2000, as "well-managed and sustainable" by the Marine Stewardship Council (MSC). That initial certification expired in October 2005. ADF&G began actively pursuing re-certification before that date, but

because of delays from the third-party certification firm (Scientific Certification Systems, SCS), re-certification has not yet been approved. The expiration date of the current certification has instead been extended to December 15, 2006.

While MSC certification may have had a positive effect on the marketing of Alaska salmon, ADF&G and the salmon industry have several concerns with the re-certification process. The re-certification is being applied to sixteen individual certification units (rather than to the entire Alaska salmon fishery) and the MSC performance indicators and scoring guideposts have changed from those used in the original certification. Thus, it is possible that some portions of Alaska's salmon fisheries may not attain certification under the new rules being applied. A decision may have to be made very soon either to withdraw Alaska's salmon program from the MSC certification program or to accept that some individual Alaskan salmon fisheries will not be certified. The state's position, and the harvesting and processing sectors' recommendations, to date have been that all of the Alaska salmon fishery must attain re-certification, or else Alaska should withdraw from the MSC process, until the MSC can more appropriately recognize that our ongoing management program already assures the sustainability of Alaska's salmon fishery.

In addition, the MSC is considering the development of a program for the certification of farmed fish. This will potentially create confusion in the marketplace and dilute any benefits that may have been otherwise accrued from MSC certification of Alaska's wild, natural salmon products.

Contact: Denby Lloyd, Director, Division of Commercial Fisheries (465-4210)

Represent Alaskan Interests in Renegotiation of Pacific Salmon Treaty

Renegotiation of fishery regimes under the Pacific Salmon Treaty between the United States and Canada has begun. The Treaty governs salmon fisheries from Northern Oregon to Cape Suckling, Alaska. Representatives of the U.S. federal government, the states of Washington, Oregon and Alaska, and Pacific Northwest treaty Indian tribes serve on the Pacific Salmon Commission which negotiates the terms of the treaty with Canada. A long-term agreement reached in 1999 will expire at the end of 2008. Initial positions for a U.S. national position on Chinook salmon fisheries will be discussed in the United States Section in October with national positions to be exchanged in January and February. Development of positions on other fisheries will begin in January 2007 and extend into 2008. The negotiations are likely to be protracted because the interests of the U.S. participants are in many regards incompatible, and representatives from the Northwest and Canada are likely to seek restriction on Alaskan fisheries. Furthermore, some salmon stocks harvested by fisheries governed by the treaty are listed under the Endangered Species Act (ESA), and although the treaty has significantly reduced harvests of these stocks, the Chairman of the President's Council on Environmental Quality has announced the intention of further restricting harvests under the Pacific Salmon Treaty.

The Southeast Alaska sport and commercial fisheries harvest a small number of Chinook salmon from stocks originating in the Pacific Northwest which are listed under the Endangered Species Act. At present the Alaskan fisheries can proceed because they are covered under the ESA by a Section 7 incidental take permit issued for the Pacific Salmon Treaty. It will be necessary to coordinate with the Department of Law on progress in the negotiations and on implementation of the ESA recovery process in the Northwest to ensure that the treaty as renegotiated continues to support a section 7 permit for the Alaskan fisheries.

Contact: David Bedford, Deputy Commissioner (465-4115)

Pacific Coastal Salmon Recovery Fund

ADF&G manages the PCSRF on behalf of the State, and funding for a number of proposed projects will need approval from the Commissioner's Office in December and beyond. Tracking and supporting PCSRF Congressional appropriation efforts by the D.C. Governor's Office staff in the Commerce/Justice/State budget will likely be timely in December and/or early January. Alaska's share of this appropriation now totals over \$145 million and is important to salmon sustainability in Alaska, as well as supporting Alaska's efforts to comply with Pacific Salmon Treaty obligations.

Contact: Sue Aspelund, Special Assistant (465-6139)

Predator Management Policy

Predator control programs that have been implemented under the Intensive Management Law need to be sustained over multiple years in order to have a chance of succeeding. Additionally, the research programs being conducted to evaluate conditions before, during, and after such programs need to continue. Predator reductions face strong opposition and legal challenges, but are based in sound science, help increase allowable moose and caribou harvests and are strongly supported by hunters seeking better hunting conditions. In view of the timing of winter aerial wolf control programs, some important decisions need to be made immediately regarding legal, biological and policy issues for predator management and other active management programs.

Contact: Matt Robus, Director, Division of Wildlife Conservation (465-4191)

Boards' Request for Improved Fish and Wildlife Enforcement

As a result of complaints about a perceived decrease in fish and wildlife enforcement throughout the state, the Board of Game and the Board of Fisheries signed a joint resolution in March, 2006. The resolution requested the Governor and the Legislature to provide adequate funds to the troopers and reasonable oversight over fish and wildlife enforcement performance to ensure that fish and wildlife resources are being adequately protected. The resolution also asked the Alaska Bureau of Wildlife Enforcement to remove duties from enforcement personnel, to the extent possible, that do not pertain to the enforcement of fish and game regulations.

In July, 2006, the Board of Game sent letters to the Governor and the legislative leadership requesting that a task force conduct a review of fish and wildlife enforcement in Alaska since the enforcement personnel were moved from ADF&G to the Department of Public Safety in 1972. The letter asked for legislative hearings to evaluate the system, and to consider moving the enforcement program back to Fish and Game. In August, the Governor established a task force, several meetings were held, and recommendations were adopted.

The Board of Game will continue its efforts with the new Governor and legislature to improve fish and wildlife enforcement in Alaska.

Contact: Al Cain, ADF&G Enforcement (267-2157)

Salary and Human Resources Management Issues

Compensation for ADF&G staff is well below that paid by federal agencies or the private sector. As a result the agency has suffered a significant loss of experienced staff to other organizations, and is having increasing difficulty attracting qualified candidates for vacant positions due to noncompetitive salary and benefits.

In addition, response to new funding initiatives has been compromised by delays in personnel actions necessary to rebuild staffing levels for several important research and management programs. Slow action on hiring or reclassification can negate the agency's ability to conduct studies at the optimum time of year. ADF&G has had to assign high priorities to select individual positions in order to get more rapid action, but it appears that the capacity of the centralized HR office is not adequate to deal with the number of personnel actions required to quickly and efficiently utilize funding increases to establish and conduct field studies.

Contact: Tom Lawson, Director of Administrative Services (465-5999)

Prepare Requests for Federal Funding

The department relies on federal funding to support a number of programs that are necessary to maintain fisheries and marine resources and that also fulfill provisions of federal statute or international treaty. These programs received about \$20 million in federal fiscal year 2006 to fund programs such as Bering Sea crab research and management, Pacific Salmon Treaty and Yukon River Agreement implementation and marine mammal research. The requests are prepared by the department and submitted to OMB by early January for review. The completed requests are delivered to the Alaska Congressional delegation by March 1.

Contact: David Bedford, Deputy Commissioner (465-4115)

30 to 90 Days

Avian Influenza

Since August, 2005, ADF&G has partnered with federal biological agencies to develop and implement a program for the early detection of Highly Pathogenic Avian Influenza in Alaska, as a component of a national early detection system. The department has also worked in conjunction with the Department of Health & Human Services, the Department of Environmental Conservation, and the Department of Veterans and Military Affairs to bring factual information on avian flu and pandemic preparedness to Alaskan towns and villages, and to organize to be ready should a positive detection of HPAI occur. Although no positive detections have resulted from this summer's sampling program (to date), the potential for the disease to arrive in Alaska via wild birds still exists and it is expected that federally-funded sampling efforts will continue in 2007. The new administration will have to carry on the coordination and planning functions for HPAI issues that have been put in place over the previous year and a half.

Contact: Matt Robus, Director, Division of Wildlife Conservation (465-4191)

Geoduck Aquatic Farm Industry Recommendations

The State of Alaska and aquatic farming interests have been working on the development of a regulatory framework for the farming of shellfish species native to Alaska. Geoduck clams and littleneck clams have been the species of greatest interest. This has been a long and difficult process and has included litigation. Some issues still remain contentious.

The department plans to provide a tentative regulation package for public review this winter that will attempt to resolve remaining issues of contention within the current constitutional and statutory framework for dealing with common property wild stock resources. Additional mediation work with the industry and the Southeast Alaska Regional Dive Fishery Association (SARDFA) will focus on determining designated areas and future funding mechanisms to pay for the wild stock biomass surveys.

Contact: Patti Nelson, Deputy Director, Division of Commercial Fisheries (465-6105)

Limited Entry for Sport Fish Guide Industry

The Division of Sport Fish has formed an advisory group of sport fishing guides from across Alaska to discuss the need for a limited entry program for the Alaska sport fishing guide industry. Preliminary discussions have suggested a general level of supports exists. Work is now proceeding towards identifying legislative options with affected users.

Contact: Kelly Hepler, Director, Division of Sport Fish (267-2195)

Tongass Land Management Plan Adjustment

ADF&G staff and staff from the Governor's office have participated in the Forest Service's efforts to make adjustments to the Tongass Land Management Plan. Reviews of Old

Growth Reserves and legacy tree reviews have constituted a part of that effort, as has a review of the TLMP Conservation Strategy. This effort is expected to extend for the foreseeable future.

Contact: Doug Larsen, Region I Regional Supervisor, Division of Wildlife Conservation (465-4266)

Federal Subsistence Board Meeting on Wildlife and Kenai Peninsula Proposals in May 2007

The Federal Subsistence Board will hold its annual meeting from May 8-10, 2007, to evaluate federal subsistence wildlife proposals and institute new regulations for 2007. Also at this meeting, the Board will consider proposals to change federal subsistence hunting, trapping and fishing regulations on the Kenai Peninsula, including seasons, harvest limits, methods of harvest, and determinations of customary and traditional use. The Department will submit formal written comments on the proposals prior to the meeting and should send a high-level policy person from the Commissioner's Office to represent the State of Alaska at this meeting. Once the Board takes final action, the Department (in consultation with the Department of Law) must decide whether or not to appeal any of the decisions through submission of a Request for Reconsideration.

Contact: Sarah Gilbertson, Subsistence & Federal Issues Coordinator, Division of Sport Fish (267-2138)

Work on State/Federal Protocols and Agreements Related to Subsistence

The State of Alaska, through the Alaska Department of Fish and Game, is a signatory to an Interim Memorandum of Agreement (IMOA) with the federal agencies represented on the Federal Subsistence Board for "Coordinated Fisheries and Wildlife Management for Subsistence Uses on Federal Public Lands in Alaska." The Alaska Board of Game recently pulled out of the IMOA and is interested in renegotiating portions of the IMOA. The Department must decide whether it is also interested in pursuing any changes to the IMOA. The IMOA enables the development of agreements (protocols) to coordinate specific aspects of federal and state management of subsistence regulation of fish and wildlife harvest. In recent years, the Department set as its highest priority negotiation of a Subsistence Use Amounts Protocol with the federal agencies represented on the Federal Subsistence Board. Earlier this year, negotiations on that protocol fell apart. However, both sides have indicated a willingness to revisit the issue, and if possible, to restart negotiations on the issue.

Contact: Sarah Gilbertson, Subsistence & Federal Issues Coordinator, Division of Sport Fish (267-2138)

Prioritize Marine Mammals Research in Cooperation with Other Researchers

The department, federal agencies, universities, nongovernmental organizations and Alaska Native organizations engage in research or management activities for marine mammals. Marine mammals are regulated under federal law. Some populations are listed under either the Endangered Species Act or the Marine Mammals Protection Act, both of which can result in restriction of human activities that affect the listed populations. Federal funding for research and management of marine mammals is static and may decline. The department is working with the

other organizations engaged in marine mammals work to prioritize research and management activities.

Contact: David Bedford, Deputy Commissioner (465-4115)

Long-Term (90+ Days)

Joint Board of Fisheries and Game to Meet October 2007

In addition to the regular meeting activity of the Alaska Board of Fisheries and Alaska Board of Game, the boards acting jointly (Joint Board) scheduled a meeting for October 2007 to review and consider improvements for the local fish and game advisory committee system. A call for proposals was issued in September 2006 and the public review period of proposals will begin in January 2007. The Joint Board also scheduled consideration of the state's "nonsubsistence" areas beginning with an initial review in October 2007 and concluding with final action in 2008.

Contact: Jim Marcotte, ADF&G Boards Support (465-6095)

The Carlson Case

An Alaska Supreme Court decision in Carlson v. State of Alaska, CFEC, could be issued at anytime. In the worst case outcome the state's liability could reach \$30-50 million. In 1984, a class action lawsuit (Donald H. Carlson, et al v. State of Alaska, CFEC) was filed challenging the higher annual commercial fishing permit renewal and crew license fees charged to non-residents. The Superior Court initially ruled the differential was allowable. The plaintiffs appealed to the Alaska Supreme Court. During the last 20 years the case has been to the Alaska Supreme Court three times and to the U.S. Supreme Court once. The case is currently before the Alaska Supreme Court for a fourth time and a decision could be issued soon.

In 1984, the challenged fee differential between residents and non-residents was 1:3 and the highest of the five resident fee classes was \$250 (a cap set by the legislature on permit fees). Non-residents could be charged a maximum of \$750 per permit. In the 2002 licensing year (in response to an Alaska Supreme Court decision), the Alaska Legislature changed the ratio to a fee differential calculated by the Office of Management and Budget based on state costs in support of commercial fisheries to which non-residents do not contribute. This differential is recalculated every three years by OMB. For the 2007 license year, non-residents will be charged a one-time differential of \$105. Crew member licenses issued by ADF&G are also subject to the differential.

In the worst case outcome, the state's liability could reach \$30 million to \$50 million, depending on repayment of back fees, interest allowed, and attorney fees. If the state is not successful, the Commercial Fisheries Entry Commission (CFEC) will likely require additional agency financial resources to prepare and administer a payback program as well as the amount of the payback, which will require appropriation by the legislature.

CFEC is represented by Assistant Attorney General Lance Nelson from the Department of Law in Anchorage.

Contact: Peter Froehlich, Commercial Fisheries Entry Co-Commissioner (790-6936)

IRS Seizure and Forced Sale of Alaska Limited Entry Permits

For the first time since the federal 1998 IRS Reform Act, the IRS is threatening the Entry Commission with the seizure and forced sale of an Alaska Limited Entry Permit. This spring, an Alaska IRS agent threatened to seize and force the sale of a Limited Entry Permit held by an

Alaskan. Chairman Frank Homan and Commissioner Twomley spoke with the IRS agent in an attempt to persuade him that seizing a Limited Entry Permit would not be in anyone's interest and that the IRS had other practical means (for example, seizing earnings from the permit) to enforce tax obligations.

This represents the first such IRS threat to reach the Commission since passage of the federal 1998 IRS Reform Act.

Contact: Bruce Twomley, Commercial Fisheries Entry Co-Commissioner (790-6944)

Water/Boating Safety, Diving Safety, Firearms Safety, and Bear Safety

Large numbers of ADF&G staff, particularly field staff from the Division of Commercial Fisheries, work on boats, at weir sites, fish wheels, counting towers and sonar sites where water safety is a concern. ADF&G also has a number of employees using scuba and other dive technology to carry out their duties. Many field camps are located in bear country and some knowledge of bear behavior is important to avoid bear/human conflicts. In the cases where conflict between bears and staff cannot be avoided, staff are armed with firearms to provide for their defense.

While ADF&G provides some training in safety associated with these activities, Department management believes efforts should be intensified. This is needed to increase the safety of staff and to address any potential liability the state might face because of inadequate safety training.

Contact: Geron Bruce, Deputy Director, Division of Commercial Fisheries (465-6151)

Upper Cook Inlet Salmon Management

During its October 2006 work session, the Alaska Board of Fisheries agreed to establish a working group of board members and ADF&G staff to examine the Upper Cook Inlet management plans. The tasks for this working group are to review the current plans and to identify conflicts and confusions within and among the plans that are hindering management of these important salmon stocks. At the end of the working group process, ADF&G will prepare a proposal for the board to consider during its 2007/2008 meeting cycle, when Cook Inlet salmon issues are scheduled to be considered.

Contact: Patti Nelson, Deputy Director, Division of Commercial Fisheries (465-6105); and Rob Bentz, Deputy Director, Division of Sport Fish (465-6187)

Fish Habitat Permits and Forest Practices Authorities

Executive Order 107 transferred fish habitat permitting and forest practices authorities from ADF&G to the Department of Natural Resources (DNR). The Office of Habitat Management and Permitting with DNR is now responsible for issuing Fishway Permits and Fish Habitat Permits under AS 41.14.840 and AS 41.14.870, and maintains certain responsibilities under the Forest Resources and Practices Act (AS 41.17) that were previously contained in AS 16 under the authority of ADF&G. Subsequently, DNR and ADF&G entered into a Memorandum of Understanding (MOU) to outline the roles and responsibilities of each agency with respect to continued protection of fish and wildlife and their habitats during the review of land and water use activities. The MOU restricts ADF&G comment authority for permits and

actions including and in addition to fish habitat permitting and forest practices. Some within and external to the agency believe that ADF&G should have a more independent voice on impacts due to land and water development activities on fish and wildlife and their uses. This may prompt a review of various MOUs and Executive Orders associated with habitat functions.
Contact: Kelly Hepler, Director, Division of Sport Fish (267-2195)

Bear Management Issues

Streams containing salmon attract anglers and bears alike. Bear/Human conflicts at locations like Russian River, Chilkoot River, and in urban areas require resolution to provide for public safety as well as conservation of the respective bear populations. Whether the fishing area is remote and receives low or dispersed angler effort or is easily accessible with high and concentrated angler effort, negative encounters with bears can and do occur. Increasingly, these encounters have led to discussions between the Department and land management agencies (U.S. Fish and Wildlife Service, U.S. Forest Service and ADNR) to develop strategies to lessen angler-bear interactions. These strategies range from educational strategies to land closures to fishing restrictions, each of which is controversial. ADF&G managers need policy support for implementing actions to keep people safe and reduce defense of life and property bear kills. In addition, the department will be working at Board of Game meetings in November and March to prevent the opening of areas near bear viewing sites at Pack Creek (Admiralty Island) and McNeil River to the taking of bears.

Contact: Kelly Hepler, Director, Division of Sport Fish (267-2195); Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192)

Wood Bison Restoration

ADF&G continues to work towards reintroduction of wood bison, a native species no longer found within the United States. The Division of Wildlife Conservation continues to conduct a public process to evaluate support for the project and is seeking to resolve issues regarding Endangered Species Act provisions, ban on importation, etc.

Contact: David James, Region III Regional Supervisor, Division of Wildlife Conservation (459-7222)

Alaska Board of Game Findings and Regulations on Unit 13 Moose and Caribou (Nelchina Herd) and Tier II Hunts

The new administration will have to respond to any turmoil related to changes in the Game Management Unit (GMU) 13 Tier II subsistence hunts for moose and caribou (Nelchina herd). The Board of Game has been seeking ways to revise the Nelchina caribou hunt to better provide for customary and traditional uses. At present, regulations mandate that 100% of the allowable harvestable surplus go toward the subsistence hunt; and there is no way to allocate animals for other uses. Consequently, there is a great motivation for all categories of hunters to try to participate in the subsistence hunt and associated permit process. This results in practices by some hunters not typical of traditional use patterns. At its special meeting, the BOG attempted to limit the subsistence allocation to a finite number, based on traditional use patterns, to allow an allocation of any excess harvestable surplus to nonsubsistence hunts. To date, the

GMU 13 Tier II caribou hunt has generated a large majority of the complaints and controversy about the state subsistence permit process. Any changes, however well-intentioned, are likely to generate a new round of public debate. The incoming administration should be prepared to respond to Nelchina-related issues spanning from an increase in questions from the public all the way to potential lawsuits by hunter constituencies who feel deprived by the BOG's decisions. Within ADF&G, the Division of Subsistence, the Division of Wildlife Conservation, and the Boards Support Section will be focal points for questions and controversy on this subject and will be heavily involved in preparations for the upcoming Southcentral Region BOG meeting in March 2007.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192); Elizabeth Andrews, Director, Subsistence Division (465-4146)

Regulation of the Transporter Industry

Conflicts between local and nonlocal Alaskan hunters are aggravated by the practice of some commercial transporters, who are not legally prevented from putting too many nonlocal hunters into areas already heavily used by other hunters. This not only detracts from the clients' experience, but creates and worsens competition and friction among different user groups. The Board of Game is not equipped with tools that directly address this type of problem, and the new Big Game Commercial Services Board has limited ability to control transporters. In order to successfully administer hunting equitably among a wide array of users, regulation of transporters is necessary.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192)

Impacts of Development on Wildlife in Northwestern Alaska, North Slope

Petroleum and mining development in northern and western Alaska are important for the state's economy but hold the potential for effects to wildlife resources important on local, regional, and continental scales. It is important that the Division of Wildlife Conservation regain capability for research and monitoring wildlife populations in these regions in order to help guide development. The Department is working to coordinate information needs and research projects on the North Slope with numerous federal agencies through the North Slope Science Initiative (NSSI). The goal is to ensure that development is not delayed or prohibited because of a lack of information necessary for permits to be issued and to reduce operating costs by working together. The Commissioners of ADF&G and ADNR represent the State as members of the NSSI oversight group.

Contact: Kim Titus, Deputy Director, Division of Wildlife Conservation (465-4192)

Terminating the Exxon Valdez Oil Spill Trustee Council

The Exxon Valdez Oil Spill Trustee Council was created to administer the \$900 million provided by Exxon to settle state and federal claims arising from the 1989 Exxon Valdez oil spill. The Council includes representatives of both state and federal agencies. Of the initial \$900 million, about \$146 million remains uncommitted and available for restoration projects. In addition, the state and federal governments have filed a claim for another \$92 million under a "reopener" provision of the settlement agreement.

As the state approaches 18 years after the spill, the vast majority of the resources injured by the spill have recovered or are nearly recovered. Viable projects to restore any lingering injuries are elusive. The state and federal governments are faced with fundamental questions of the most efficacious uses of remaining settlement moneys and whether there is a continuing purpose and need for the Trustee Council.

Contact: McKie Campbell, Commissioner (465-4100); Leslie Pearson, DEC Prevention and Emergency Response Program (269-7543)

FEDERAL LEGISLATION:

Proposed Change to North Pacific Halibut Act

The state is exploring an option that would allow it (and other west coast states) to directly manage halibut sport charter fisheries within existing allocation guidelines established by the NPFMC and the biological guidelines established by the International Pacific Halibut Commission (IPHC). This option would require an amendment to the Halibut Act. This approach is generally supported by National Marine Fisheries Service (NMFS), IPHC, ADFG and many user groups. As a result, the state is trying to include this in the Magnuson-Stevens reauthorization or other appropriate legislative vehicle.

Contact: Doug Vincent-Lang, Special Projects Coordinator, Division of Sport Fish (267-2339)

Magnuson-Stevens Act Reauthorization

ADF&G has served as the lead state agency on MSA reauthorization, working through the state Ocean Policy Cabinet on issues of multi-agency concern. MSA reauthorization has been active in both the House and Senate this session. The State has commented on succeeding versions of the legislation and developed positions and draft statutory language for both House and Senate versions. The State's focus has been on providing authority for decision-making at the local level, i.e., the Regional Fishery Management Councils. Codification of a clear separation between resource assessment and allocation has also been a priority.

Contact: Sue Aspelund, Special Assistant (465-6139)

Monitor Marine Aquaculture Legislation

Congress is considering legislation which would authorize aquaculture in waters of the Exclusive Economic Zone. Aquaculture poses significant risks for living marine resources and could disrupt the markets on which the Alaska seafood industry depends. In conjunction with the Governor's Washington, D.C., office, the department should monitor developments and be poised to help shape the legislation.

Contact: Sue Aspelund, Special Assistant (465-6139)

Application of ESA and Boldt Decision to Southeast Alaska Fisheries

The fishery provisions of the Pacific Salmon Treaty adopted in 1999 which address harvest in sport and commercial fisheries of salmon that migrate between the United States and Canada will be renegotiated in 2007 and 2008. It will be necessary to pursue extension of statutory provisions adopted with the 1999 treaty agreement that deal with application of the Endangered Species Act (ESA) to Alaskan salmon fisheries, stay of litigation in federal court that seeks to compel harvest sharing between Northwest treaty Indian tribes and Alaska and federal appropriations necessary to implement the treaty and address salmon conservation in the Pacific Northwest.

Contact: David Bedford, Deputy Commissioner (465-4115)

Endangered Species Act

Reauthorization of the Endangered Species Act will likely be considered by Congress in 2007. This issue is of great importance to Alaska because of efforts to use ESA to limit development in Western states. The State must work to ensure meaningful reform occurs during the reauthorization process. Alaska has a detailed policy statement on ESA and specific amendments that should be incorporated into reauthorization language.

Contact: Wayne Regelin, Deputy Commissioner (465-6138)

Marine Mammal Protection Act

While minor amendments have been made to the MMPA in the last four years, major changes are not anticipated until the next Congress. The State's main interest is in clarifying key terms within the Act so as to better understand the potential impacts on Alaska's fisheries and marine mammals. ADF&G has served as the lead state agency on MMPA issues.

Contact: Wayne Regelin, Deputy Commissioner (465-6138)

STATE LEGISLATION:

Repeal Sunset Date for Alaska Weathervane Scallop, Bering Sea Hair Crab Fisheries

Legislation is needed to repeal the sunset provisions which will eliminate limited entry for the Alaska weathervane scallop and Bering Sea hair crab fisheries (AS 16.43.450-520) on December 30, 2008.

If these fisheries return to open access, the fisheries may have to be closed or remain closed to protect the resource. Without new legislation, the state will not have the ability to limit the number of vessels entering these fisheries.

The Alaska weathervane scallop fishery in state waters was in danger of being closed before the vessel-based limitation statutes were passed in 2002. Currently the scallop fishery is limited in both federal and state waters. The entire fishery is managed by the state through an agreement with the federal government. The fishery occurs in both state waters and the federal Exclusive Economic Zone (EEZ). This is an active fishery with estimated gross earnings in 2005 of about \$4.1 million a year.

The Bering Sea hair crab fishery is such a fragile fishery that it was closed in 2001 and has not re-opened. The stock is in the process of rebuilding and needs the protection of limitation when it does re-open. Without limitation on the number of participants, the fishery will likely have to remain closed. The average gross value of this fishery between 1991 and 1999 was \$2.6 million a year.

Contact: Frank Homan, Co-Commissioner of the CFEC (790-6942)

Allowing Board of Fisheries to Allocate Within a Fishery

ADF&G has asked the Department of Law (Steven Daugherty) to draft a bill that would allow the Board of Fisheries to continue to allocate fisheries resources among permit holders within a single fishery, to the extent the Board is doing that now, making sure that the Board's authority to allocate within a fishery has adequate sideboards.

Contact: Patti Nelson, Deputy Director, Commercial Fisheries Division (465-6105)

Share Marine Sport Charter Logbook Data with NMFS, NOAA

The Department cannot share logbook information with the NPFMC or NOAA. This is resulting in increased costs and enforcement difficulties. To correct this, the Department plans to propose state legislation that would allow it to share confidential charter logbook information with the NPFMC and NOAA. Shared information would remain confidential. This would require a modification to AS 16.05.815.

Contact: Doug Vincent-Lang, Special Projects Coordinator, Division of Sport Fish (267-2339)

Board of Game Membership Terms

The Board of Game feels that legislation is needed to align the dates of the Board of Game membership terms with those of the Board of Fisheries terms. The terms for the Board of

Game members expire on March 1st while BOF terms begin July 1st. The March 1st deadline is disruptive to the Board of Game cycle because the transition occurs less than two weeks prior to the big BOG regional meetings (Southcentral and Interior every other year). Aligning these dates would be beneficial for the board process.

Contact: Kristy Tibbles, Executive Director, Alaska Board of Game (465-6098)

Positions Held by the Commissioner (or his designee)

Alaska Department of Fish and Game

The Commissioner of Fish and Game, or a person designated to represent him and the agency, serves on these bodies:

The North Pacific Fishery Management Council. The Commissioner or his designee (currently, Commissioner Campbell fills this seat)

The Pacific Fishery Management Council. The Commissioner or his designee (currently, Special Assistant Gordy Williams fills this seat)

The Pacific States Marine Fisheries Commission. The Commissioner or his designee (currently, Special Assistant Sue Aspelund fills this seat)

The University of Alaska-Fairbanks School of Fisheries and Ocean Sciences (SFOS) Advisory Council. The Commissioner or his designee

The Alaska Board of Fisheries. The Commissioner is the ex officio secretary, though not a member of the Board (the duties of the secretary are carried out by the Board's Executive Director, Jim Marcotte, an ADF&G employee)

The Alaska Board of Game. The Commissioner is the ex officio secretary, though not a member of the Board (the duties of the secretary are carried out by the Board's Executive Director, Kristy Tibbles, an ADF&G employee)

The Federal Subsistence Board. The Commissioner or his designee has a non-voting seat (currently, Deputy Commissioner Wayne Regelin attends most of these meetings)

The Association of Fish and Wildlife Agencies. The Commissioner or his designee

The Western Association of Fish and Wildlife Agencies. The Commissioner or his designee (currently, Special Projects Coordinator Doug Vincent-Lang attends)

The Alaska Migratory Bird Comanagement Council. The Commissioner or his designee (currently, Wildlife Conservation Division Director Matt Robus fills this seat)

The Pacific Flyway Council. The Commissioner or his designee (currently, Wildlife Conservation Division Director Matt Robus fills this seat)

The North Slope Science Initiative Board of Directors. The Commissioner or his designee (currently, Deputy Commissioner Wayne Regelin fills this seat)

SCOMM

147:3

Douglas Island Pink and Chum, Inc.

2697 Channel Dr. • Juneau, Alaska 99801

Eric Prestegard

Executive Director

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FACSIMILE COVER SHEET

This transmission consists of 3 pages including cover page.

Fax To: ALASKA STATE HOUSE OF REPRESENTATIVES

Attn: _____ FAX No.: _____

From: COOK INLET AQUACULTURE ASSOCIATION

Remarks: THIS IS BEING FAXED FOR YOUR INFORMATION.

Time: _____ Date: 3/2/07

SALMON ENHANCEMENT TODAY MEANS BETTER SALMON FISHING TOMORROW



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COOK INLET AQUACULTURE ASSOCIATION

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February 28, 2007

The Honorable Paul Seaton, Chair
House Fisheries Committee
State Capitol, Room 102
Juneau, AK 99801-1182

Re: CIAA's February 16, 2007, Presentation to the House Fisheries Committee

Dear Representative Seaton,

Thank you for the opportunity to present the Cook Inlet Aquaculture Association's (CIAA) Susitna River drainage sockeye studies to the House Fisheries Committee. I sincerely hope the information we presented assists you and the members of the House Fisheries Committee to better understand this important project.

During the presentation there were a series of questions regarding the funding of this project. The following is a brief explanation of the funding source and the allocation of the funds among various activities.

- CIAA is working cooperatively with the Alaska Department of Fish and Game (ADF&G).
- ADF&G has secured the funding necessary for their portion of the project.
- The total estimated cost of CIAA's portion of this 3-year project is \$750,000.
- In 2006, CIAA requested a \$500,000 appropriation from the State, a two-to-one match to our commitment of \$250,000, to complete the Susitna River drainage studies. CIAA's commitment includes \$210,000 from a federal earmark grant and \$40,000 of CIAA funds.
- CIAA received a \$200,000 appropriation from the State in June of 2006.
- To meet the two-to-one match originally requested and allow the Association to complete the studies as planned, on February 7, 2007, we submitted a request to Governor Palin for a \$300,000 appropriation.
- The funds will be allocated to various project activities as follows.

Total	\$	746,953	Percent of Total
100 Salaries	\$	181,076	24%
200 Travel	\$	92,400	12%
300 Contracts	\$	349,388	47%
400 Supplies	\$	67,164	9%
500 Equipment	\$	56,925	8%

SALMON ENHANCEMENT TODAY MEANS BETTER SALMON FISHING TOMORROW

- The relatively large percentage of funds allocated to contracts is due to the remote location of the study lakes and the need to use air charters to support the studies.
- To staff the project CIAA has hired a biologist dedicated to the project and is working with voluntary interns from several colleges throughout the United States. The interns are reimbursed for their travel costs while assisting in the studies and completing requirements for their degree. The relatively small percentage for labor and high percentage for travel is the result of the internship program.

CIAA strives to maximize the value of Cook Inlet's salmon resource. These studies are necessary to evaluate the Susitna River drainage sockeye population. We are committed to working with the ADF&G to collect the information as quickly as possible. We need your support to secure the funds required to complete these studies.

Sincerely,



Gary Fandrei, Executive Director

Xcopy: Alaska State Senate
Alaska House of Representatives
Denby Lloyd, Commissioner, Department of Fish and Game

Faxed: 3/1/07



January 23, 2007

Representative Paul Seaton, Chairman
House Fisheries Committee
State Capital Rm. 105
Juneau, AK 99801-1182

Re: Summary of House Fisheries Committee Testimony 1-22-07

Dear Representative Seaton:

Thank you for the opportunity to provide information to the House Fisheries Committee regarding the Prince William Sound Aquaculture Corporation's (PWSAC) salmon enhancement program. We appreciate your taking an interest in educating the other members about the mechanics of "ocean ranching", as Mr. Esquiro called it, as well as the financial impacts of the work we do on our coastal communities and the common property resources. Below is a summary our hatchery production and the economic impacts I spoke of during my testimony.

PWSAC Annual Production Summary

400 million pink salmon fry
148 million chum salmon fry
32 million sockeye salmon fry/smolt
1 million coho salmon smolt

Economic Impact Summary

Commercial Harvest

- Between 1990 and 2004, commercial fishermen harvested 723 million pounds of PWSAC salmon with a total ex-vessel value of \$189 million.
- From 1990 to 2004, commercial fishermen contributed \$10 million in enhancement taxes in support of PWSAC. The \$189 million ex-vessel value of PWSAC salmon harvested during the same time period returned fishermen more than \$18 for every \$1 of tax paid.

Seafood Processing

- Between 1990 and 2004 the total first wholesale value of commercial and cost recovery harvest of PWSAC salmon was more than \$736 million with an annual average value of \$49 million.

PRINCE WILLIAM SOUND AQUACULTURE CORPORATION

Corporate Office • P. O. Box 1110, Cordova, AK 99574

Office: 907/424-7511 • Fax: 907/424-7514

Website: www.pwsac.com Email: pwsac@ak.net

2006 Commercial Harvest

- Pink Salmon, the PWSAC hatchery contribution to the commercial harvest was 5.1 million fish. This represents 43% of the total Prince William Sound (PWS) commercial harvest. With the addition of the Solomon Gulch Hatchery operated by Valdez Fisheries Development Association, the total hatchery contribution to the commercial harvest was 10.0 million fish or 83% of the PWS commercial harvest.
- Chum Salmon, the PWSAC hatchery contribution to the commercial harvest was 1.2 million fish or 88% of the commercial harvest.
- Sockeye Salmon, the PWSAC hatchery contribution to the commercial harvest was approximately 832,000 fish or 38% of the PWS and Copper River commercial harvest. The hatchery contribution solely within PWS was approximately 669,000 fish or 74% of the commercial harvest.

Regarding your questions on the status of our discussions with the Department of Fish and Game, we will plan to keep you updated as we work to dispel the misunderstandings which led to the information recently reported in the statewide newspapers. We at PWSAC are hopeful that with a sincere attempt from ourselves and the Department, all of the outstanding issues can be adequately addressed and any perceived problems resolved.

Please don't hesitate to contact either myself or our representative in Juneau, Kate Tesar, if you need any further information. The team at PWSAC looks forward to working with you and your committee during the next two years.

Sincerely,



David Reggiani
General Manager

Sec. 43.76.015. Election to approve or terminate salmon enhancement tax.

(a) A qualified regional association may conduct an election under this section after the commissioner of commerce, community, and economic development approves

(1) the notice to be published by the qualified regional association;

(2) the ballot to be used in the election; and

(3) the registration and voting procedure for the approval or termination of the salmon enhancement tax.

(b) The salmon enhancement tax is levied under AS 43.76.001 - 43.76.013 in a region on the effective date stated on the ballot if

(1) it is approved by a majority vote of the eligible interim-use permit and entry permit holders voting in an election held under this section in the region; and

(2) the election results are certified by the commissioner of commerce, community, and economic development.

(c) In conducting an election under this section, a qualified regional association shall adopt the following procedures:

(1) the qualified regional association for the region shall hold at least one public meeting not less than 30 days before the date on which ballots must be postmarked to be counted in the election to explain the reason for the proposed salmon enhancement tax and to explain the registration and voting procedure to be used in the election; the qualified regional association shall provide notice of the meeting by

(A) mailing the notice to each eligible interim-use permit and entry permit holder;

(B) posting the notice in at least three public places in the region; and

(C) publishing the notice in at least one newspaper of general circulation in the region at least once a week for two consecutive weeks before the meeting;

(2) the qualified regional association shall mail two ballots to each eligible interim-use permit and entry permit holder; the first ballot shall be mailed not more than 45 days before the dates ballots must be postmarked to be counted in the election; the second ballot shall be mailed not less than 15 days before the date ballots must be postmarked to be counted in the election; the qualified regional association shall adopt procedures to ensure that only one ballot from each eligible interim-use permit and entry permit holder is counted in the election;

(3) the ballot must

(A) indicate whether the election relates to a salmon enhancement tax under AS 43.76.001, 43.76.002, 43.76.003, 43.76.004, 43.76.005, 43.76.006, 43.76.007, 43.76.008, 43.76.009, 43.76.010, 43.76.011, 43.76.012, or 43.76.013;

(B) ask the question whether the salmon enhancement tax shall be levied;

(C) indicate the boundaries of the region in which the salmon enhancement tax will be levied;

(D) provide an effective date for the levy of the salmon enhancement tax; and

(E) indicate the date on which returned ballots must be postmarked in order to be counted;

(4) the ballots shall be returned by mail and shall be counted by the commissioner of commerce, community, and economic development or by a person approved by the commissioner of commerce, community, and economic development.

(d) The commissioner of commerce, community, and economic development shall certify the results of an election under this section if the commissioner determines that the requirements of (a) and (c) of this section have been satisfied.

(e) Except as provided in AS 43.76.020 (b)(2), an election to terminate a salmon enhancement tax shall be conducted under the same procedures established under (a), (c) and (d) of this section for an election to approve a salmon enhancement tax.

(f) In this section, "eligible interim-use permit and entry permit holder" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or an entry permit which authorizes the individual to fish commercially in an administrative area established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, which is included, in whole or in part, in the region in which the election is held.

Sec. 43.76.020. Termination of salmon enhancement tax.

(a) The salmon enhancement tax levied under AS 43.76.001 - 43.76.013 may be terminated by the commissioner of revenue upon majority vote at an election held under AS 43.76.015 in the region in which the salmon enhancement tax is levied.

(b) A salmon enhancement tax shall be terminated by the commissioner of revenue under (a) of this section following an election in a region if

(1) a petition is presented to the commissioner of commerce, community, and economic development requesting termination of the salmon enhancement tax which is

signed by at least 25 percent of the number of persons who voted under AS 43.76.015 in the election approving the salmon enhancement tax in the region;

(2) the commissioner of commerce, community, and economic development determines that there are no outstanding loans to the qualified regional association under AS 16.10.510 that are secured by the tax;

(3) an election is held in accordance with AS 43.76.015; the ballot must ask the question whether the salmon enhancement tax for the region shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the salmon enhancement tax and a "no" vote is for termination of the salmon enhancement tax;

(4) a majority of the eligible interim-use permit and entry permit holders who vote in the election cast a ballot for the termination of the salmon enhancement tax; and

(5) the qualified regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce, community, and economic development that a valid petition under (1) of this subsection has been received.

Sec. 43.76.025. Collection of tax and disposition of proceeds.

(a) Except as otherwise provided under (d) of this section, a buyer who acquires fishery resources that are subject to a salmon enhancement tax imposed under AS 43.76.001 - 43.76.013 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

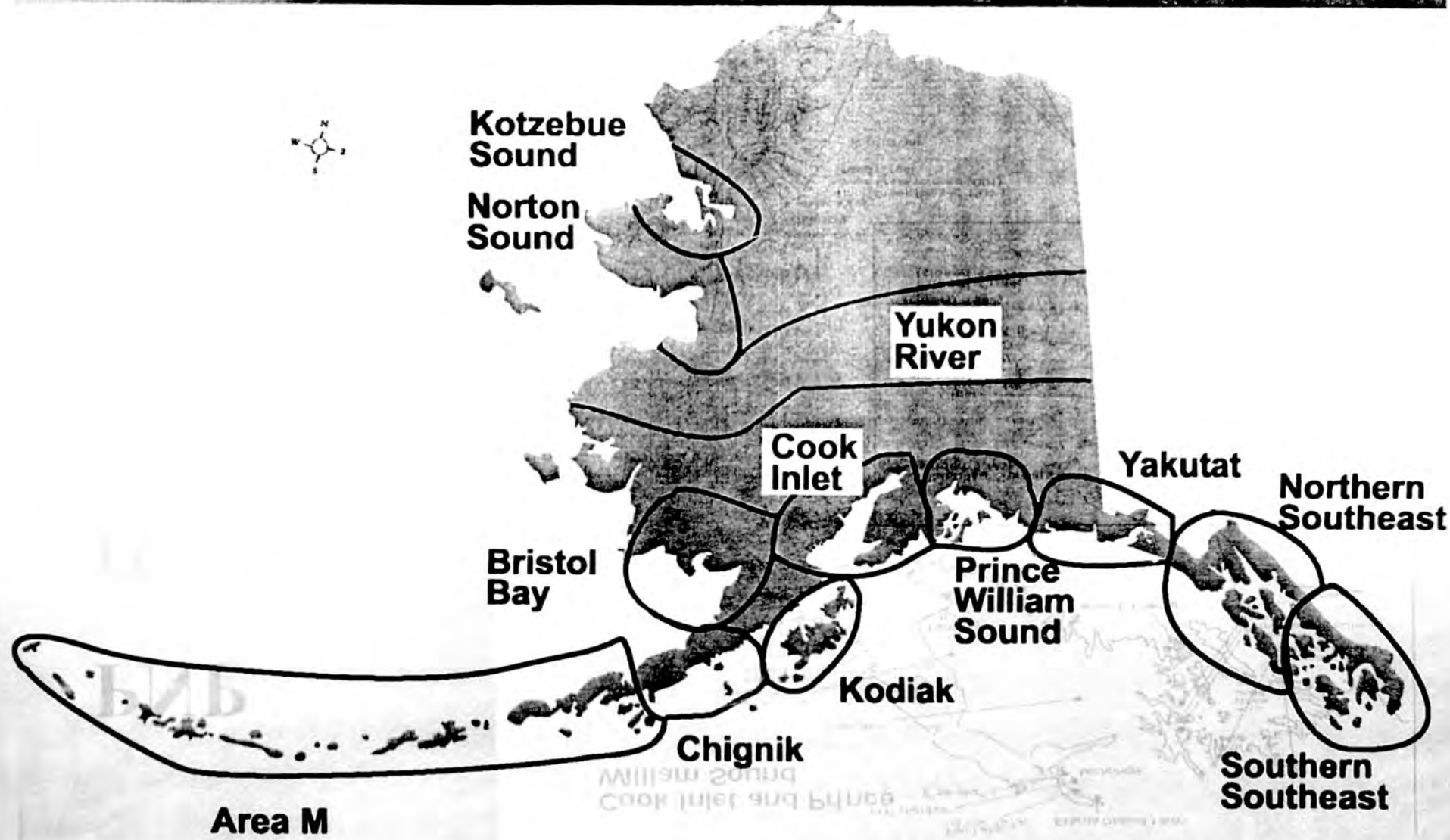
(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.290, of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.001 - 43.76.028 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce, Community, and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ.

(d) A direct marketing fisheries business licensed under AS 43.75.020(c) or a commercial fisherman who transfers possession of salmon to a buyer who is not a fisheries business licensed under AS 43.75 is liable for the payment of a salmon enhancement tax imposed by AS 43.76.001, 43.76.002, 43.76.003, 43.76.004, 43.76.005, 43.76.006, 43.76.007, 43.76.008, 43.76.009, 43.76.010, 43.76.011, 43.76.012, or 43.76.013 if, at the time possession of the salmon is transferred to a buyer, the salmon enhancement tax payable on the salmon has not been collected. If a direct marketing fisheries business or commercial fisherman is liable for payment of the salmon enhancement tax under this subsection, the direct marketing fisheries business or commercial fisherman shall comply with the requirements of (b) of this section to maintain records and to report the liability for payment of the tax. Notwithstanding (a) of this section, a person subject to this subsection shall remit the total salmon enhancement tax payable during the calendar year to the Department of Revenue before April 1 after close of the calendar year.

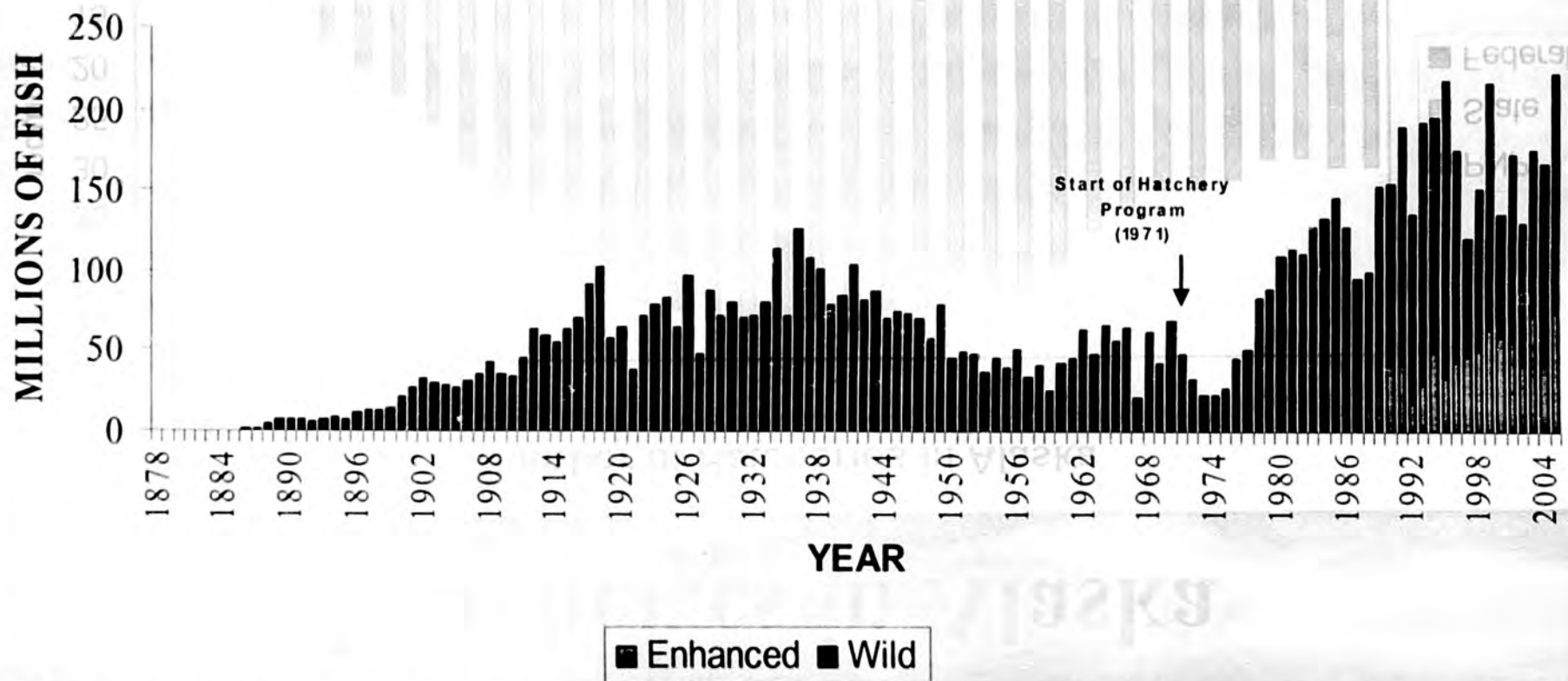
Locations of Hatcheries within Alaska

Sampling Regions



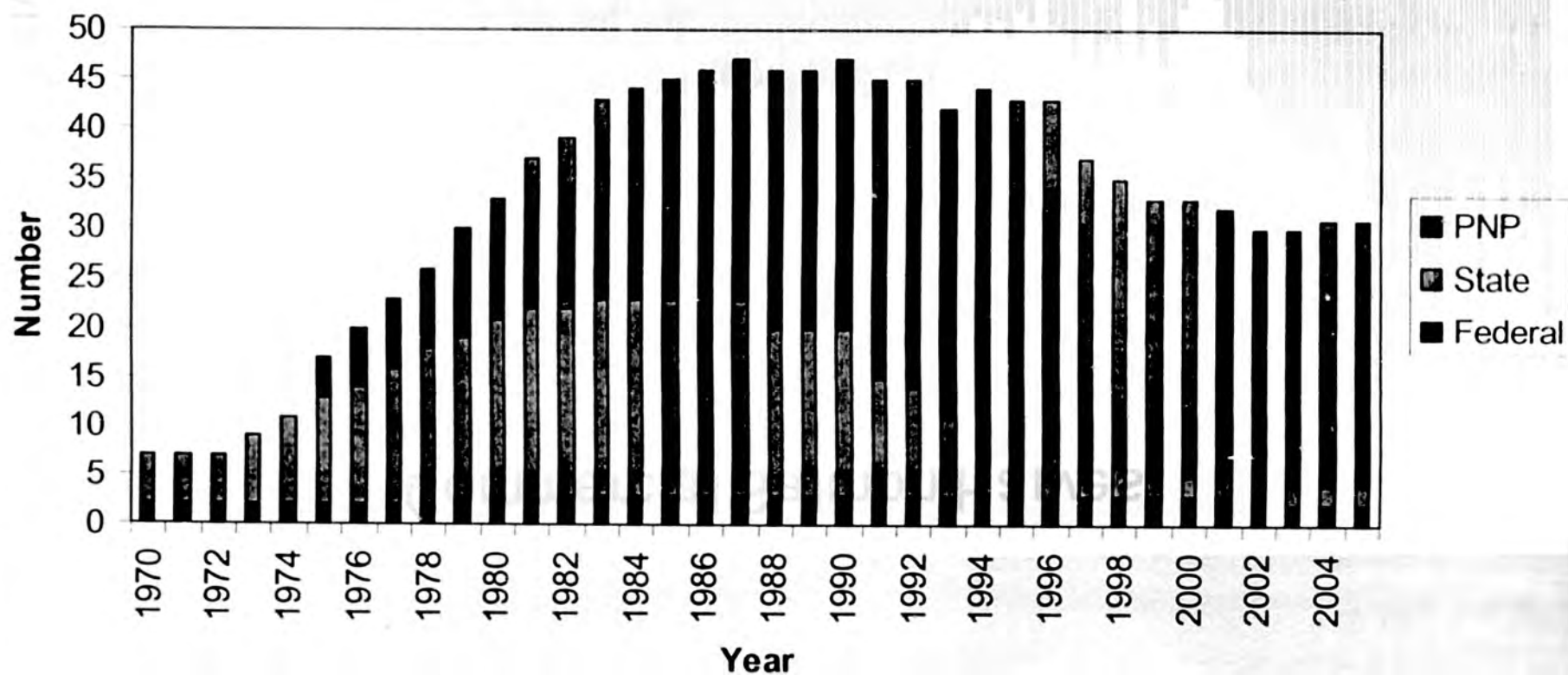
Start of the Hatchery Program in Alaska

Commercial Salmon Harvest



Hatcheries in Alaska

Number of Hatcheries in Alaska



Millions of Eggs|Fish

2,500
2,000
1,500
1,000
500
0

1975

1977

1979

1981

1983

1985

1987

1989

1991

1993

1995

1997

1999

2001

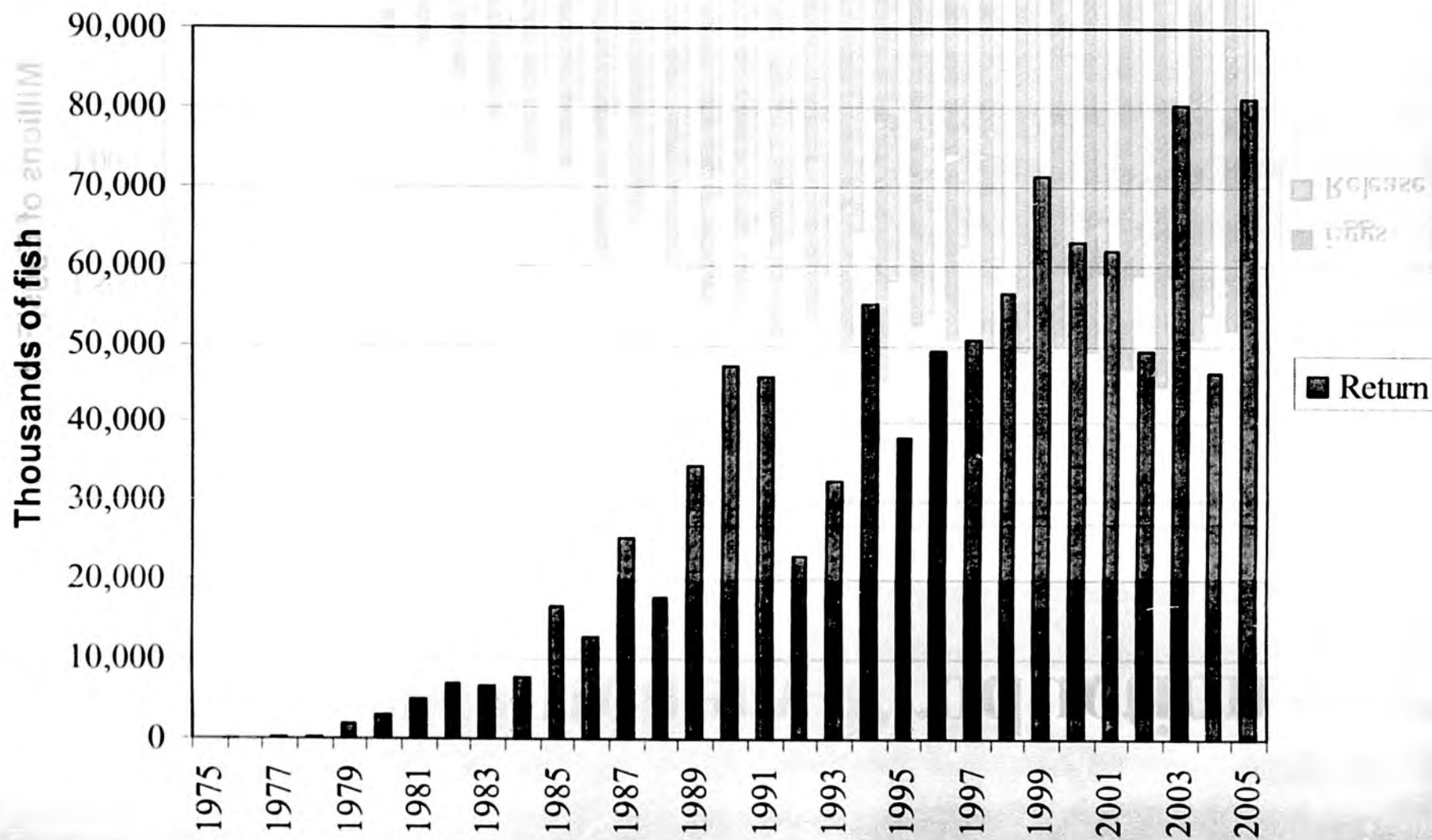
2003

2005

■ Eggs
■ Release

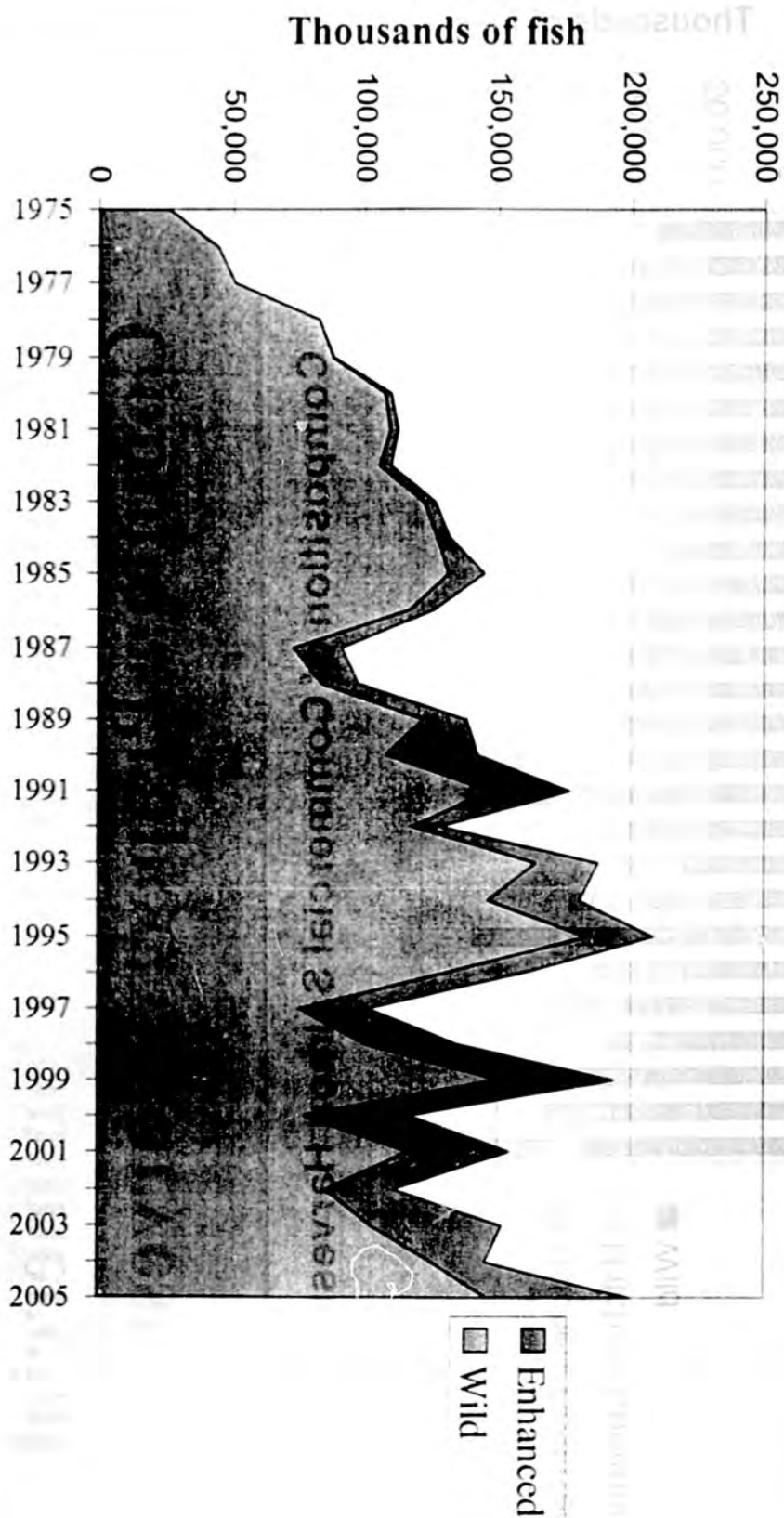
Alaska Halibut Catch and Release

Total Returns



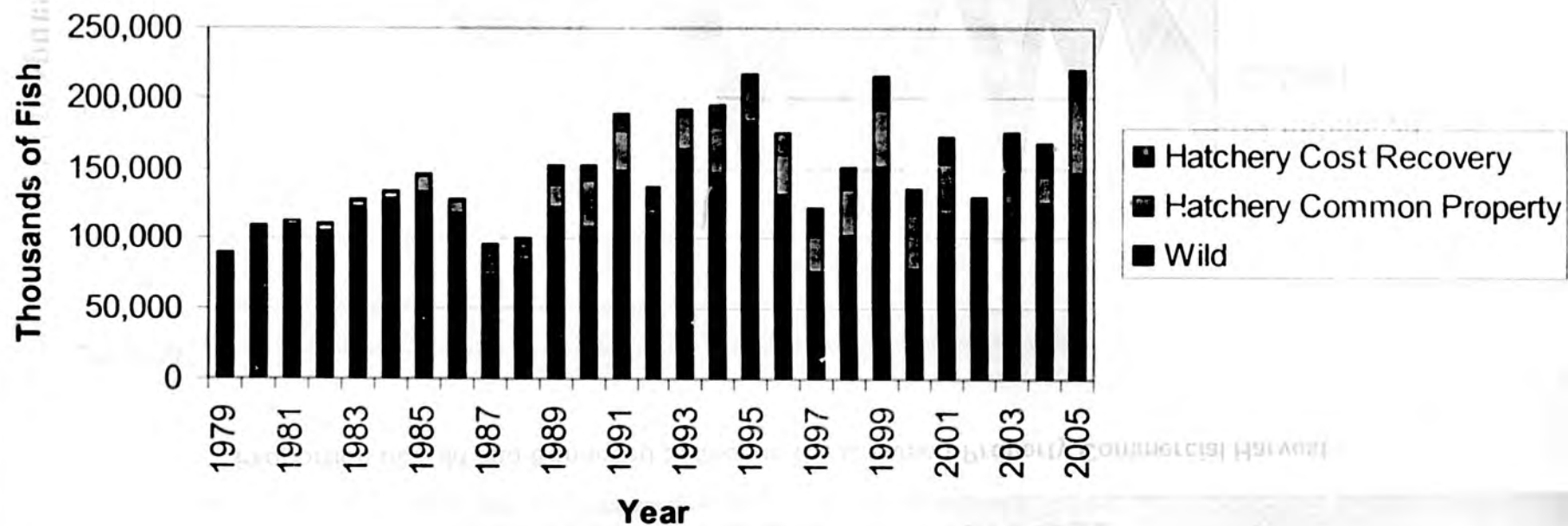
Enhanced Salmon

Proportion of Wild and Enhanced Salmon in the Common-Property Commercial Harves†



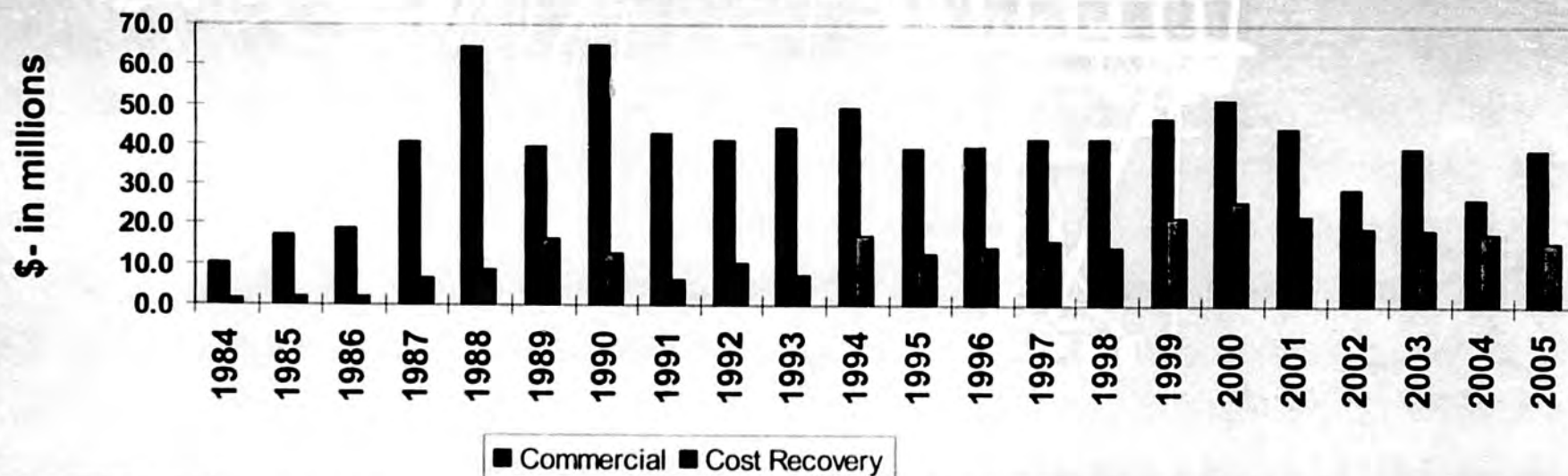
Contributions to Commercial Common Property Harvest

Composition of Commercial Salmon Harvest



Value of Alaska's Fisheries

Value of Enhancement-Generated Commercial Common Property and Cost Recovery Harvest





Douglas Island Pink and Chum, Inc

Private Non-Profit Hatchery Corporation

Juneau, Alaska

