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Alaska State Legislature
House of Representatives

Special Committee on Fisheries

Pouch V
Juneau, Alaska 99811
(907) 465-4924

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HOUSE SPECIAL COMMITTEE ON FISHERIES

Interim Report

November 15, 1983

The following is a weekly break down of the activities of the House Special Committee on Fisheries for the time period beginning September 17, 1983 and ending November 15, 1983.

- Sept. 17-24 The Special Committee on Fisheries was on a trip to Unalaska, Atka, Adak, Cold Bay, St. George, and St. Paul. This trip is described in Appendix I.
- Sept. 26-30 Staff talked with Norm Statem about the procedure to get a Bristol Bay proposal before the Board of Fisheries for the February meeting. Staff also talked to Chuck Meachem of the Alaska Department of Fish and Game about the possibility of abolishing the mesh size restriction in Bristol Bay and what the biological implications would be. Staff attended the North Pacific Fishery Management Council meeting and got up to date on herring problems, halibut problems, and crab disappearance. Contacts were made with the Coast Guard about the Western Pioneer and its freight activities in Cold Bay. Found out why Western Pioneer had been restricted to only fishing cargo and wrote a letter requesting confirmation of the telephone conversation which was copied to the Cold Bay city council and mayor. Staff went to ADF&G and picked up a report which will enable an analysis the impact of removing the mesh size restriction in Bristol Bay. Reports were prepared on the Committee's travel and sent to Karla in accounting so there would be no mix ups over TRs and such. A meeting was held with Norm Statem and Mitch Kink

of the Alaska Independent Fishermen's Marketing Association which covered their concerns in Bristol Bay; fish and garbage waste disposal, mesh size restrictions, and spotter plane use.

Oct. 3-7

Staff attended the Alaska Power Authority meeting on the Newhalen Diversion project, which covered the methods for minimizing the impacts on salmon for the hydroelectric project. Staff looked into the effects of mesh size of gillnets on selectivity for males or females in sockeye salmon to help AIFMA in their preparation for the Board of Fisheries meeting. A letter was sent to the Coast Guard asking what their plans are for Cold Bay. Rumors had been circulating that they were trying to get in a search and rescue helicopter base to aide the fishing industry.

Oct. 10-14

Staff talked with Ed Hein of legal services about the status of work on the Bristol Bay anchoring problem and the processor tax credit legislation. His research into anchoring problems has resulted in preliminary findings that it is under federal authority, apparently there is an AG's opinion on this that he has yet to get a copy of. The processor tax credit bill is still waiting for comment from the processors. Staff phoned the local fish biologist in Soldotna about the problems the Robert Haeg family expressed in their recent letter. The Haeg's had a valid claim about chum salmon and it appears that it has now been taken care of, but their claims about coho salmon are not as fully supported by the Dept. as coho run through the end of Sept. and the commercial effort ends in early Sept. The Dept. feels that commercial activities will not severely impact coho runs. Staff talked to Phil Tuteakoff about the plans to set up a private non-profit search and rescue service in Unalaska with surplus helicopters, as opposed to getting the Coast Guard in. This would take state funds to operate. Staff met with the Alaska Fisheries Development Foundation pollock project (Chris Riley). The project will supply surimi at no cost to firms interested in using it in test products, a sort of product or consumer driven development project. Staff went to the Alaska Dept. of Fish and Game and discussed the mesh size restrictions and the applicability of the available research data.

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Staff stopped by the North Pacific Fishery Management Council's office to learn the latest on halibut moratorium and limited entry actions.

- Oct. 17 - 21 A short report on the status of the halibut fishery in the North Pacific was prepared for the Committee (see Appendix II). This report covered the points of issue that are significant to the moratorium and limited entry issues that the committee and the legislature took up during the last legislative session. The material for the report was gathered from the NPFMC meetings in Homer and Anchorage, along with the halibut work-group meetings held in Anchorage. A letter commenting on the Bristol Bay Cooperative Management Plan was prepared and submitted to the Alaska Land Use Council. Also, staff attended the fisheries sections of a Marine Mammal Conference put on by the Marine Advisory Program at the Captain Cook Hotel. Staff monitored the status of the Board of Fisheries agenda changes and the status of the OMB audit of state fish loan programs.
- Oct. 24 - 28 Staff began to make contacts with Fisheries Committee members for the upcoming Southeast and Prince William Sound hatchery facilities tour. Talks began with Stan Moberly and Dave Daisy of Fisheries Rehabilitation, Enhancement and Development Division of the ADF&G about the planned committee trip. Staff attended the Coast Guard meeting in Naknek at which anchoring problems in the salmon fishery were discussed. Staff met with Lonnie Sullivan about the development of a search and rescue service in Unalaska run by their Dept. of Public Safety. Met with Rep. McBride to discuss the stops on the committee hatchery trip.
- Oct. 31 -
Nov. 4 Staff prepared a report on the Naknek Coast Guard meeting covering anchoring problems in the Naknek/Kvichak district of Bristol Bay (see appendix III). Staff attended a NPFMC meeting on Bering Sea herring. The meeting covered designing a research project on high seas herring sampling. Staff phoned the International Pacific Halibut Commission about their research plans for the Bering Sea area. They don't have anything planned which will address the local halibut fisheries as of now. Staff spent considerable time preparing for the Committee's hatchery facility tour.

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- Nov. 7 - 11 Staff met with Paul Grounholt of the Peninsula Marketing Association. Discussions covered the Russell Creek Hatchery, the Peninsula sockeye fishery, and the Peninsula chum fishery. Staff met with John Doyle of MAP and Brian Everett about spot shrimp in PWS and the research possibilities. A draft contract for Co-Man Services to do some fish research for the Committee was put together. A memo to Rep. Ramona Barnes asking for an amendment to the Committee budget to fit in the Co-Man contract was prepared after a review of surplus funds from previous Committee Activities. A packet of information for Co-Man on things the Committee needed covered was drafted. Staff prepared hatchery information for Rep. Herrmann for upcoming trip. Final preparations for the Committee trip were made.
- Nov. 14 - 15 Staff checked on the status of the Dillingham loan office with the Dept. of Commerce and Economic Development, contacted OMB for a copy of the loan program audit, and prepared the materials and cover letter for the Committee's contract with Co-Man Services. The Committee began its hatchery facilities tour through Prince William Sound and Southeast Alaska on the afternoon of the 14th and spent the 15th in Cordova meeting with representatives of the Prince William Sound Aquaculture Corporation and Fish and Game. The plan had been to fly to the three hatcheries in the Sound (Cannery Creek, San Juan, and Main Bay) but the weather precluded this and on the afternoon of the 15th the Committee flew to Juneau to continue the hatchery facilities tour. A full report of the tour will be contained in the Committee's final interim report.

APPENDIX I

Alaska State Legislature

House of Representatives

Special Committee on Fisheries

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MEMORANDUM

TO: House Special Committee on Fisheries
FROM: *Mel Mosen*, Professional Assistant
DATE: November 9, 1983
SUBJECT: Aleutian/Peninsula/Pribilof Committee Trip Report

This report covers the September 17-24th Committee trip which made stops in; Unalaska, Atka, Cold Bay, St. George, and St. Paul.

1. Public Hearing: Unalaska, City Council Chambers
September 18, 1983
1pm - 4pm

Members Present: Representative Adelheid Herrmann, Chairman
Representative Ben Grussendorf
Representative Jack McBride
Staff - Mel Mosen

Public Present: Michael Palmgren
Verne Robinson
Dave Pahnke
Benjamin Golodoff
Jurate Mazeika
Emil Berikoff
Frank Kelty
Glenn Boledovich
Dan Dunaway
Marilyn Rasmussen
John Lincoln
David Stanchfield
Michael Sokoloski
Suz Dengler
L. Mishefski
Jeff Harrison
Ronald Anderson
R. M. Tappi, Jr.
Don Malcolm
Ken Griffin
Paul Fuhs

Testimony:

Verne Robinson-

Covered the history of cod fishery in relation to the abundance of crab stocks. In 1941 there were lots of cod and very few

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crab, but when cod stocks went down crab stocks went up. Pressing need to harvest pollock and cod in order to continue fishing industry. The government should set up subsidies on these fish so that domestic fishermen can compete with subsidized foreign fleets which now have markets to themselves.

Also, concerned with local pink salmon fishery. The salmon fishery is managed too far away (Cold Bay) and violations are not caught. Several systems no longer support runs because they have been swept clear of fish by outside based seiners. Need to control foreign interception of our salmon. Has cruised up to seven miles of monofilament nets.

Frank Kelty-

Need more money for research into our fisheries, especially the new and developing ones. Need to know more about crab. Several regulations are giving shore-based processors problems. An example of this was the St. Mathew's crab opening which forced fishermen to deliver to floaters or to lose fishing time. Urged strong support of the Alaska Seafood Marketing Institute.

Jeff Harrison-

Need more crab surveys. The last crab survey at Adak was in 1976-77. Research and enforcement vessels are based in Kodiak but they need to be based in Unalaska to do the most good. Have to improve marketing of fish products.

Paul Fuhs-

The longshoremen jobs depend on the fisheries and because of that times are rough. Crab related jobs are down 75% but jobs have become available in oil industry. Some problems in crab fishery are too high of a dead loss and the seasonal flooding of markets. Need for more long term planning in fisheries. Escape panels in crab pots are not enforced and this may impact crab and other stocks.

Dave Stanchfield-

Crab can escape from pots without an escape panel. Whenever a lost pot is recovered you never see a fish or crab in one. Need for better communication between National Marine Fisheries Service and Alaska Dept. of Fish and Game on crab data. Catcher processors can easily get away with processing sub-legal size crab, this needs to be enforced. The joint ventures are incidentally catching a lot of crab, incidental catches need to be stopped. Regulations are making it hard to manage a vessel.

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A fisherman needs to know ahead of time so he can plan, last minute closures can bankrupt a fisherman who has just moved all his pots. Had problems with gear conflicts between crabbers and trawlers. Support ASMI. Need more enforcement as it is frustrating to see illegal vessels. Crab fishery is at the point where it is worthwhile to take a chance on being caught because the vessel will be lost to creditors anyway. Need more search and rescue capability, although it has come a long ways recently.

Emil Berikoff-

Need more money for crab research, especially surveys. Should research to determine if halibut and crab are also eating salmon smolt. The 200 mile limit has helped salmon. Local herring harvest needs more research. Salmon fishery at South Unimak is starting to have problems. We need more enforcement as it is hard to get people to turn violators in with the small towns in the area. Need greater penalties for violators. Had no pink salmon returns this year in Unalaska area. Need more observers on foreign vessels.

Don Malcolm-

Noted that floating processors which are not shore based are as bad as catcher/processors when it comes to using sub-legal males. A pot limit would be an improvement in some areas. Need better crab regulations to take out loopholes which are taken advantage of to increase harvests. Trawlers are taking a lot of halibut. Need more enforcement.

Ron Anderson-

Every processing facility, including floating, should bear the cost of a state observer. Need more enforcement. Coast Guard should be present in area because of the size and value of the fleet.

Glen Boledovich-

Joint ventures are not giving local people any benefits. Need some sort of subsidy in order to get into the bottom fish industry. Should cut out foreigners who cheat in the FCZ.

Summary Of Other Committee Activities While In Unalaska-

The Committee toured Unisea processing facilities. This included both the Vita and the Unisea which are shorebased floating processors.

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Neither of the facilities was operating, although the Vita was being converted to process cod.

Members also got a tour of the hatchery facility at the local high school and a explanation of the hatchery education program.

Paul Saunders, public works director for Unalaska, showed the committee all the services the city provided the processing industry including; water and power.

Committee members also met informally with many fishermen on the docks and in town.

The Committee also was treated to a tour of t'e recently discovered geothermal well site which the Alaska Power Authority has been working on. This site has the potential to provide power for the entire community of Unalaska.

2. Public Hearing: Atka, Carpenter Hall
September 20, 1983
4:00pm - 5:15pm

Members Present: Representative Adelheid Herrmann, Chairman
Representative Ben Grussendorf
Representative Jack McBride
Staff - Mel Monsen

Public Present: George Kudrin Vincent Golodoff
George Dirks Louis Nevzoroff
Larry Dirks, Jr. John Nevzoroff
Greg Golodoff Raymond Golodoff
Moses Dirks Lawrence Prokopeuff
Teresa Dirks Ralph Prokopeuff
Mike Snigaroff Alex Kudrin
Spiridon Zaachney Fitiana Zaachney
John Nevzoroff Sally Swetzof
Victor Golodoff Betsy Golodoff
Julie Dirks
Richard Wilson (fisheries consultant for the
Atxam Corporation)

Testimony:

Richard Wilson-

Had been looking into the fisheries development potential for Atka for four weeks.

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So far, the available small boat fisheries which have a potential for local success are cod, halibut, sablefish, squid, and pink salmon. Markets are available for all of these and the stumbling block is getting the product to the market from Atka. The airport is excellent, but the harbor needs to be developed with at least a break water and a dock. Some problems are the potential for limited entry in the halibut fishery and the current limited entry program in the salmon fisheries.

George Kudrin-

No local economic base, only subsistence. Commercial fisheries never have existed other than a cod saltery in the 1920's. The community has grown in the last few years because of the construction of the new school, housing, airport, firehall, carpenter hall, and the new phone and electricity systems. The only source of real employment is the fisheries. Would like to get started with commercial fisheries because the resource is there and we are fishermen.

Larry Dirks-

Big crabbers are out catching cod and making money while we sit here. Crab fleet and halibut fleet do the same thing; we would like to get involved. Would rather keep it to the village, concerned about a lot of fishermen coming in.

Richard Wilson-

Three major fish processors have expressed interest in Atka, mainly because they do not have access to the Adak Naval Base.

Larry Dirks-

Army Corp. has been studying Atka for a harbor facility and Atka is one of their top priorities for Alaska. We could look into shore support facilities for crabbers, but don not want all the stuff like bars and liquor that go with it.

Summary Of Other Committee Activities While In Atka-

The committee was able to view the water front, the small boat fleet of 12-18 footers, and the cold storage facilities while in Atka.

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3. Site Tour: Russell Creek Hatchery, Cold Bay
September 21, 1983
9am - 1pm

Members Present: Representative Adelheid Herrmann, Chairman
Representative Ben Grussendorf
Representative Jack McBride
Staff - Mel Monsen

The Committee took a tour of the Russell Creek Hatchery facilities including the grounds and the hatchery itself. Special areas of attention were the systems which have been limiting the productivity of the hatchery and which were the basis of the recently settled law suit.

The creek that supplies the hatchery water has presented some expensive to solve problems. First, the stream has a tendency to wander, this leaves the water intake system for the hatchery dry at certain times of the year. Second, the stream can undergo temperature changes of twenty degrees (F) in a matter of hours during special weather conditions, this causes a lack of oxygen in the water supply. Finally, the stream floods at levels which not only present a problem for the water intake system, the chum salmon's gills and the adult spawner collection but also jeopardizes the entire facility.

The State of Alaska recently won a \$2.5 million settlement because of these deficiencies. To solve these problems will take even more capital dollars, but until they are solved the hatchery not only cannot operate at design capacity but risks the loss of the small amount of chum production it currently has. The Department has several different scenarios under which the facility can be reconstructed to correct the current situation, I will cover only two here (the attached FRED report to the Fisheries Committee briefly covers all the different options).

The first plan (case two in attachment) I will cover is the \$7.5 million plan, this would require \$5 million in capital construction funds to go along with the \$2.5 million already received by the State of Alaska. In this plan are three major changes directed to correcting the stream problems at the facility. First, a sheet pile wall would be built between the facility and the stream and, at a lower height, across the stream to far a small diversion dam upstream from the hatchery. This wall would protect the existing buildings during periods of high water and also chanalize the stream so that a stable water supply is available. Second, a settling pond will be constructed. This pond would allow the hatchery to settle out the large particle load of the stream which occurs during floods.

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Finally, a new adult collection weir would be constructed. This would enable the hatchery crew to keep the weir clear of debris during periods of high water and would enable much more control in the handling of returning adults. This plan, along with all the others, also includes some funds for increasing the egg, fry, and adult capacities of the hatchery; these would bring the hatchery up to its designed capacity.

The above plan permanently corrects the design problems at the present facility. The next plan (case three in attachment) I will cover attempts an interim/temporary solution to the design problems and although not permanent will usually allow the facility to operate at capacity. The cost of this plan is \$2.5 million which would require no additional funds beyond the settlement amount. This plan includes in house construction of rock gabions which will control the flow of Russell Creek. The sheet pile wall, settling pond and new adult collection weir would not be built. This plan would be very labor intensive and would also result in a higher operating cost than the \$7.5 million plan. Under this less expensive plan it is expected that floods and other natural variations in stream flow would cause a loss of fish and/or eggs on a regular basis.

The hatchery building and facilities are all in excellent shape and cost about \$3.5 million in 1977 dollars. The facility appears to be capable of being very productive with cost/benefit ratios around 1.44:1 if adequate reconstruction (\$7.5 million) is under taken.

The Committee and FRED staff went over the options for the facility after the tour of the grounds. I will have a copy of all the reconstruction plans available for review in Juneau.

4. Site Tour: St. George

Members Present: Representative Adelheid Herrmann, Chairman
Representative Ben Grussendorf
Representative Jack McBride
Staff- Mel Monsen

The charter to St. Paul stopped off for an hour at St. George Island where Committee members had a chance to see the current dock and the future site of the state funded boat harbor. The Committee also was able to talk with some members of the community about this years halibut fishery. Local residents harvested some 90,000 lbs. of halibut and are preparing to approach regulatory bodies to increase the fishing time for the local fishery.

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5. Site Tour: St. Paul

Members Present: Representative Adelheid Herrmann, Chairman
Representative Ben Grussendorf
Representative Jack McBride
Staff- Mel Monsen

The Committee met with the Central Bering Sea Fishermen's Association, a group of local fishermen who have just begun to commercially exploit local fish stocks. Their harvest is primarily halibut at this time but they have plans to branch out into hair crab and anything else they can reach with their small vessels. Their biggest concerns were with the management of the halibut fishery by the International Pacific Halibut Commission, especially the lack of a long enough season for the small boats to make a profit.

The small boat fleet in St. Paul until recent years consisted of small aluminum skiffs, but now includes many larger vessels. The largest is a 32 foot aluminum halibut longliner which has a small raised cabin and is fairly expensive. There are also aluminum, fiberglass, and fiberglass covered plywood vessels in the mid-20 foot size class in the local fleet.

The fishermen of St. Paul, as with St. George, have teamed up with the Japanese to increase the probability of success in the new industry. With training and gear from the Japanese, local fishermen hope to be able to replace the former federal jobs with a commercial fishing industry.

The Committee also was able to view a film on the state funded breakwater which will soon be constructed. Unfortunately, the Committee was not able to view the operation of the boats because of weather conditions.

Summary Information for Special Committee on Fisheries

ISSUE: Russell Creek Hatchery Upgrade

The Russell Creek Hatchery, located near Cold Bay on the Alaska Peninsula, was designed to incubate 50 million chum salmon eggs, rear 39 million fingerlings, and return 750,000 adult salmon for harvest annually. The Alaska Peninsula seine and gillnet permit holders (403 permits) fishing in the vicinities of King Cove and False Pass are the benefactors of this hatchery production.

Design errors have limited Russell Creek Hatchery production to a program of brood-stock maintenance (14 million eggs). The question of responsibility for hatchery design was litigated, the State prevailed, and was awarded \$2.5 million. This sum of money is currently in a trust account.

In questioning the "availability" of the \$2.5 million, it was learned that HB 105:Sec. 7 (1983) provides for appropriations from the general fund to agencies for that amount of money received by the State in insurance claims on lost property. It is our understanding that we may apply for the \$2.5 million via a letter from Commissioner Collinsworth to Mr. Ronald Lorenson, Department of Law. Once received, these funds would not be expended until direction was agreed upon.

As part of the State's case in the court proceedings, the redesign of the hatchery was contracted for. The engineering design firm of Kraper, Chin and Mayo (KCM) developed the redesign and acted as the State's expert during the litigation.

A team of FRED Division engineers and fish culturists reviewed the preliminary design(s) and cost estimates developed by KCM. Several options were developed (enclosed) by KCM. These options range from nearly \$10 million to \$12.7 million. Case #1 offers the most control over the fish with as little risk as possible and lowest annual operating cost. At the other end of the spectrum is the case that would cost the least for capital construction, but would have the least control and, therefore, the highest operational costs.

The FRED review team was asked to develop an option that included only those items essential to raise fish. Items necessary to increase control and reduce risk were excluded. This option is presented as Case #2.

The FRED team was also asked to develop an option using only available monies, i.e., \$2.5 million. This option assumes less control over the fish, higher risk, and higher annual operational cost. This option is given as Case #3. Proceeding with this option will require authorization by DOTPF to allow the FRED Division to "force account" the repair work.

Case #4 tables the decision for one more year. This case has high operational cost and high risk for the small amount of fish produced.

Case #5 tables the decision until some future date, but costs 40% of the cost of Case #4 with no fish produced.

The benefits accrued to the State and the fishery users through hatchery upgrade are several, and can be supported as follows.

Present - Advantages/Investments

- a. A \$3.5 million ('77 money) basic plant with extremely good structures now exists on site.
- b. About 750,000 chum salmon will be produced annually.
- c. A brood stock has been developed (a \$2 million cost) which will allow us to take 100 million eggs in 1984.
- d. We now have several years of experience with the stream, so the site has been well studied.
- e. We have four houses, two on site (\$220,000) and two newly-remodeled in the town of Cold Bay for hatchery personnel.
- f. We have acquired two trailers to serve as bunkhouses for 12 people.
- g. The hatchery is located in an ideal management area, with no mixed-stock fishery.
- h. Canneries are located nearby, so a superior product may be produced.
- i. The local population is very supportive of the hatchery and are waiting expectantly for the returns.
- j. The original cost of \$3.5 million is quite low, and additional expenditures for completion of the hatchery (assume \$7-9 million) will bring the total cost only up to a level similar to other hatcheries of the same capacity in remote areas of the State.
- k. About 700,000 chum salmon will be produced annually.
- l. No fish from other rivers are mixed with the Russell Creek chums.
- m. Russell Creek chums may be a viable alternative if the south Peninsula salmon fleets are regulated away from the harvest of traveling fish destined for the Kuskokwim, Yukon, Kobuk, and Noatak Rivers.
- n. Legislative intent attached to the FY 84 operating budget provided for the continued operation of the Russell Creek Hatchery.
- o. Benefit-cost analyses indicated a favorable return on investment for this project. That return is primarily to the resource users and associated communities.

Notable Features of the Design

- a. It is the product of a cooperative effort between FRED personnel with on-site experience and the consultant.
- b. It is based upon and designed to correct observed, measured conditions.
- c. It is a simple, passive design; no complicated mechanics.
- d. It involves almost no increase in energy consumption.
- e. The construction is permanent and will require little maintenance.
- f. It allows multiple use of raceways.
- g. It allows the use of a less-than-ideal stream, which is important under Alaskan conditions.

Some Consequences of Not Upgrading the Russell Creek Hatchery

- a. Hatchery will not produce fishable numbers of chum salmon.
- b. Benefit-cost of hatchery operations is less than 1:1.
- c. Managerial, maintenance, and fiscal resources afforded the hatchery place a drain on more productive projects.
- d. The Alaska public has voted on four hatchery bond issues since 1974. Each proposal was passed in nearly every election district in the State. Closing or mothballing this facility carries with it some liability with the public's opinion.

RECOMMENDATIONS:

A partnership approach must be developed between the Administration and area legislators. If there is not mutual support for the program, then it would be the Department's recommendation to mothball the facility. Assuming mutual support for the reconstruction, Case #2 should be selected. Case #2 requires \$5 million in CIP funds. All cases assume that the \$2.5 million received from the litigation will be available.

Case #1: Kramer, Chin and Mayo Construction Plans.

a. 50 million green eggs, ✓ 40 million rearing, with no expansion capability to be built in. Items deleted are: second bank of raceways and associated piping, raceway reeration, settling pond reduced in size (settles only incubator water).

CIP cost (1983 dollars)	9,974,232
Adults returned/year	794,000
Benefit:Cost	Not calculated
Annual operational cost (1982 dollars)	550,000

b. 50 million green eggs, ✓ 40 million rearing, with piping necessary to allow expansion to 100 million. Items deleted are: second bank of rearing raceways, settling pond reduced in size.

CIP cost (1983 dollars)	10,209,623
Adults returned/year	794,000
Benefit:Cost	Not calculated
Annual operational cost (1982 dollars)	550,000

c. 100 million green egg capacity, ✓ 80 million rearing. Nothing deleted, but settling pond reduced in size.

CIP cost (1983 dollars)	11,461,917
Adults returned/year	1,588,000
Benefit:Cost	2.0:1
Annual operating cost (1982 dollars)	700,000

d. 100 million green egg capacity, ✓ 80 million rearing, with full-sized settling pond.

CIP cost (1983 dollars)	12,706,768
Adults Returned/Year	1,588,000
Benefit:Cost	Not calculated
Annual operating cost (1982 dollars)	700,000

Case #2: FRED revision of proposed KCM construction plans. The capacity will be 50 million green eggs with ~40 million rearing. Items included from the KCM plan will be essentially as designed (except for the settling pond). The reliability of this case will be the same as the other KCM proposals, however, only the absolutely essential items have been retained. Expansion piping has been included. Items to be deleted are: tempering pond, roadway, settling structure has been reduced in size, pump house modifications, second bank of raceways and associated piping, fry feeders, spawn house, shop/storage building, bear fence.

CIP cost (1983 dollars)	7,708,231
Adult Returns/Year	794,000
Benefit:Cost	1.44:1
Annual operational cost (1982 dollars)	600,000

Case #3: Use the \$2.5 million award for in-house construction to bring the hatchery to a 50-million level. This would be an option with higher operational costs and a possible decreased survival rate of eggs and fish. The latter has been assumed to be 25% loss of brood fish and 25% loss of eggs once every five years.

CIP cost (1983 dollars)	2,500,000
Adults returned/year	794,000
Benefit:cost (based on assumed losses)	1.3:1
Annual operating expenses	725,000

Case #4: Continue in brood stock development phase. The capacity is 14.0 million green eggs.

Annual operating costs	400,000
Adults returned/year	216,000
Benefit:Cost	Not Calculated
CIP Cost	None

Case #5: Mothball. If we ever want to run the facility again, it must be kept warm and protected, with a caretaker on site.

Annual operating costs	150,000
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Case #6: Close. After two years of non-hatchery use, the grounds and remaining buildings revert to King Cove Native Corporation. Approximately \$200,000 will be required to move hatchery material from Cold Bay to other hatcheries in the State.

APPENDIX II

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MEMORANDUM

TO: House Special Committee on Fisheries
FROM: Melvin Hansen, Professional Assistant
SUBJECT: Report on Halibut Fisheries
DATE: October 17, 1983

This report summarizes the recent history of the halibut moratorium and limited entry system that the Alaska State Legislature commented on with Senate Joint Resolution 7 (see attachment).

Background

The commercial halibut fishery has changed dramatically over the past decade and this change has brought about concern for the continuance of a viable future for the fishery. The Pacific halibut has been managed by the International Pacific Halibut Commission (IPHC) since 1923. The IPHC has expressed concern in recent years because of the decreasing season lengths which have resulted from a rapid increase in fishing effort. Two specific results of the increased effort that concerns the Commission are; taking the entire catch from one particular stock component that is available during the shortened seasons and the increased possibility of exceeding an area's quota before the fishery can be closed. Examples are the dramatic decrease in season length in Southeast Alaska from 73 days in 1977 to 5-1/2 days in 1982 and the 6.2 million pound 5 day harvest in area 2C this year which exceeded the quota by 2.8 million pounds.

Because of these dramatic changes managers and some fishermen have been searching for a method to save the fishery from the uncontrolled increase in effort. The IPHC, however, can only set seasons, quotas, fishing methods, and areas; not decide on who may participate in the fishery. The Northern Pacific Halibut Act of 1982 was passed into law to resolve this and it authorized the

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North Pacific Fishery Management Council (NPFMC) to develop regulations limiting participation in the U.S. halibut fishery.

SJR 7 was primarily in reaction to the activities of the NPFMC which had submitted a proposed moratorium for approval by the Administration in Washington, D.C. The Council had proposed the moratorium as a method to limit expansion of effort during the time they would be developing a limited entry system for the halibut fishery. They hoped this would limit the speculative new entries to the fishery; individuals just trying to obtain "points" for an eventual qualification system.

Update of Recent Actions

As you have probably heard, just before the session ended the Office of Management and Budget recommended to the National Oceanic and Atmospheric Administration (NOAA) that the moratorium not be implemented. Administrator of NOAA following this advice disapproved the moratorium on June 15. The reasons given for the rejection included three major problems:

1. The moratorium would not contribute to a resolution of the problems of excess participation and overcapitalization, and could even introduce further inefficiencies and inequities to the fishery (NOAA).
2. The need for a lengthy entry moratorium has not been shown and a moratorium would likely delay consideration of alternative measures to resolve the halibut problem in a fair, lasting, and economically efficient manner (OMB).
3. Political pressures.

Since the NPFMC got word that the moratorium was rejected they have been working on the halibut problem to see what options are left for their attempts to relieve the increasing pressure on the halibut fishery. At their the July meeting the Council decided that their Halibut Workgroup should meet and put together recommendations at the September meeting. The Council expanded their workgroup to better reflect interests in the industry and to include interests which are opposed to the moratorium in the process.

The Halibut Workgroup met on September 7 and 8 in Anchorage and after discussing their differences for an entire day put together the following objectives for the Council on the second day.

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1. Distribute the hook and line halibut fishery in time and space to ensure conservation of all components of the stock.
2. Preserve halibut as a hook and line fishery.
3. Retain the IPHC as the primary management authority.
4. Provide for high quality fresh and frozen fish to the consumer throughout the year.
5. Develop means of reducing the catch of incidentally caught, non target species by all gear types.

There was no consensus at the workgroup meeting on whether or not the moratorium should be revised and resubmitted to the administration and no discussion of the umbrella issue of limited entry in one form or another.

The NPFMC at their September meeting voted to accept the objectives as draft objectives and send them out for comments and amendments (these are due by November 4). The Council also directed the workgroup to draft a moratorium on new entry into the halibut fishery and to present this proposal to the Council at their meeting in Anchorage on December 7 and 8. The workgroup will meet in Anchorage on November 17 to try to put together a moratorium. The formation of a acceptable revised moratorium by the workgroup will be a difficult if not impossible task as the members attending the last meeting seemed to lean towards the no moratorium position.

From the tone of the NPFMC at their September meeting it seems they will be resubmitting a moratorium in one form or another and most probably before the 1984 halibut season. The IPHC has once again expressed concern about the large increase in effort and their inability to manage the fishery in a biologically sound manner with their current controls.

I plan on updating the Fisheries Committee on the Council's December actions just before the session. If you have any specific questions on the halibut fishery please contact me as I have files full of reports and am able to contact the NPFMC office here in Anchorage easily.

STATE OF ALASKA

THE LEGISLATURE

1983

Source

HCS CSSJR 7(Res)

Legislative
Resolve No.

5



Relating to the imposition of a halibut moratorium and the establishment of a shares system for halibut in Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the North Pacific Fishery Management Council has recommended imposition of a moratorium on Alaska's halibut fisheries and is considering recommending the establishment of a share-quota system for the allocation of the fishery resource; and

WHEREAS the proposed moratorium would exclude fishermen who did not participate from 1978 to 1982; and

WHEREAS many people in Alaska oppose imposition of a moratorium in any form, while many others in Alaska favor imposition of a moratorium as proposed or in another form; and

WHEREAS a share system could result in the concentration of ownership of the fishery resource in the hands of a few fishermen; and

WHEREAS a share system could encourage speculation and the making of exorbitant profits at the expense of Alaska fishermen; and

WHEREAS concentration of ownership in and speculation by nonresidents could result in a loss to Alaska fishing communities and to the state of a fishery resource valued at \$50,000,000 annually; and

WHEREAS a share system could tend to eliminate competition among halibut fishermen; and

WHEREAS existing management tools, such as harvest levels, size limits, gear restrictions, and area closures, are less

diastic alternatives to a share-quota system and have not been adequately considered by the management council; and

WHEREAS numerous Alaska communities, including Akutan, Cordova, Craig, Kenai, the Kenai Peninsula Borough, King Cove, Kodiak, the Kodiak Island Borough, Valdez, and Whittier, and organizations, including the Kodiak Area Native Association, the Kodiak Area Chamber of Commerce, the Alaska Druggers, and the United Fishermen's Marketing Association, have passed resolutions or otherwise expressed views in opposition to the share-quota system; and

WHEREAS the Legislature would oppose the use of state-operated facilities and other forms of cooperation in implementing a share-quota system; and

WHEREAS such testimony has been given regarding the negative impact of the high incidental catch of halibut;

BE IT RESOLVED by the Alaska State Legislature that the Secretary of Commerce and the administrator of the National Oceanic and Atmospheric Administration are respectfully requested to give serious consideration to the comments submitted by Alaska regarding the imposition of a moratorium on Alaska halibut fisheries; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Secretary of Commerce and the administrator of the National Oceanic and Atmospheric Administration to consider alternative halibut management techniques, such as shorter openings over a longer period of time, area rotation, and harvest limits as a means of accommodating substantial regional differences and addressing the problem of short seasons; and be it

FURTHER RESOLVED that the Secretary of Commerce and the administrator of the National Oceanic and Atmospheric Administration are respectfully requested to disapprove any share-quota system for halibut in Alaska that is recommended by the North Pacific Fishery Management Council; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Secretary of Commerce and the administrator of the National Oceanic and Atmospheric Administration to seek methods of reducing the incidental catch of halibut.

COPIES of this resolution shall be sent to the Honorable Malcolm Baldrige, Secretary of Commerce; Mr. John V. Byrne, Administrator, National Oceanic and Atmospheric Administration; Mr. Clem Tillon, Chairman, North Pacific Fishery Management Council; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

APPENDIX III

Alaska State Legislature
House of Representatives

Special Committee on Fisheries

Pouch V
Juneau, Alaska 99811
(907) 465-4924

CHAIRMAN
ADELHEID HERRMANN
VICE-CHAIRMAN
JACK FULLER
MEMBERS
CHARLIE BUSSELL
BEN GRUBENDORF
PETER GOLL
JACK MCBRIDE
FRED ZHAROFF

MEMORANDUM

TO: Representative Adelheid Herrmann
FROM: Melvin Jensen
DATE: September 31, 1983
SUBJECT: Naknek Coast Guard Anchoring Meeting Report

The meeting began at 9:00am on Thursday October 27. There were two individuals from the Coast Guard at the meeting a LTJG Green and Maguire. They opened the meeting by reading the attached preamble and then opening it up to comments.

The comments follow:

Coast Guard- we can formally set up a designated anchorage. This is a two year process. If set up vessels may only enter this area to anchor, fishing vessels may not pass through on the way to other fishing areas, they would have to go around. This also would not preclude vessels from anchoring elsewhere, it would only force anyone in the area to be at anchor. We could not enforce it effectively at this time with our low level of presence in the Bay. We feel it would be more productive to set up a voluntary anchoring area as in our current proposal.

Richard Johnson- the proposed solution you have is in the wrong place. It is too big of an area in a prime fishing grounds. It will cost us money. I would like to see every none fishing vessel below the line. Because of the concentration of processing vessels in the fishing area we often have to spend two hours clearing the guts and garbage out of our nets from a 15 minute drift. There is even green moss forming on the tide flats from all this processing, we have never had growth like this on the flats before. If you did have an area like on your map set-up the one you have is too far to the east and would take up most of the fishing area available in the Naknek section, this would be critical when the Kvichak section is closed.

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Ralph Angasan- I agree with Richard. We should keep the freighters out completely and move the area a little to the west so it is out of the Naknek section.

Don Bill- ADF&G supports moving the area to the west. Put the east side of the anchoring area on the west line of the Naknek section. Vessels not actively taking fish should be below the Johnston Hill line. Also, as a council man I would like to point out that delivery and processing of salmon outside of the Borough boundaries would not affect the tax collection as it is based on where the fish is caught.

Richard Johnson- Fishing boats always go to processors anyway it would be no problem if all none fishing vessels were below the line. We could drift down and deliver to them at low water.

Coast Guard- The pilots association told us that if we made vessels not actively taking fish stay below the line we would get more traffic going through the fishing areas. Would this be a problem?

Ralph Angasan- That pilot must have never been on the grounds. We already have that problem. It couldn't be any worse than now.

Coast Guard- If this is just recommended how well do you think it would be followed?

George Tibbetts- If its voluntary, limited to active processors and those taking fish, and it is moved west; it might just fly.

Ralph Angasan- Shorebased processors keep their tenders out of the fishing areas, I can't see why it would hurt anybody else.

Richard Johnson- All the drifts pull you into the ships because of the winds and currents. They need to be moved out of the fishing area.

John Knutsen- We have this same problem in all the districts of Bristol Bay. We need to set something up that will work for all of them.

Coast Guard- We are responding to complaints. We have had some for the Nushagak and will starting this process over there next year with similar meetings. We have had no other complaints up to now.

Steve Angasan- I support AIFMA's position. Keep vessels out if they are not taking fish.

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I have attached a copy of Richard Johnson's written comments which were also submitted to the Coast Guard. The meeting ended at 10:40am.

The Coast Guard will be working something up on this over the next couple months and it will be sent out to everyone who participated at the meetings and all processors. I have them by Anchorage address and phone number and they will keep me up to date on their progress.

PREAMBLE

271-5137
271-3520

I. INTRODUCTION - CAPT HAINES, COTP Western Alaska, Based at MSO Anchorage; LTJG CRONIN, PSS Branch Chief.

II. STATEMENT OF THE PROBLEM:

During June and July the Annual Salmon Fishery occurs in the Naknek/Kvichak District. Complaints have been made to the Coast Guard, and the State of Alaska by the Alaska Independent Fishermen's Marketing Association (AIFMA) and others regarding interference of drift fishermen by processing and cargo vessels anchored in the fishing grounds. There are many opinions to the extent of the problem and possible solutions which we will discuss today. Other problems encountered are refuse dumping, oil discharges, and lack of proper navigational lights or use of floodlights which blind vessel operators.

III. REASONS FOR COAST GUARD INVOLVEMENT:

The Coast Guard's responsibilities include insuring the safety of life and property at sea and the protection and safe use of ports and waterways that support commerce. Our knowledge of this fishery reveals the chance of significant marine casualties and possible interference of commerce.

It is not our intent to strictly regulate vessel movements or anchorages in this fishery. Rather, our purpose today is to serve as an intermediary between involved parties with differing points of view. Hopefully we can help the people who work this fishery come up with a mutually acceptable, self-enforced system of vessel anchorages. This meeting will provide an opportunity for direct communication between involved parties in an attempt to find a solution. The State of Alaska patrols the fishery yearly. We plan to accompany them to enforce refuse and oil discharge, and navigation regulations as well as observing the anchorage area.

IV. MEETING FORMAT:

A. We will outline the problems encountered in the Naknek/Kvichak Fishery, as explained to us by various involved groups and individuals.

B. We will then present a proposed solution to the problems as a starting point for your discussion.

C. Next, you will have an opportunity to voice your comments one at a time from the microphone in front.

D. Finally, we will then summarize the meeting.

V. PRESENTATION OF THE PROBLEM AND OPINIONS:

A. The basic problem is that processors and cargo vessels anchor on the fishing grounds and take up potential fishing space and present obstacles for the drift fishermen who run the risk of fouling gear in the larger vessels' anchor gear or colliding with them.

The processors actively receive fish during open periods and their presence on the grounds is important to prevent time consuming trips off the grounds for delivery by the fishermen. The processors are restricted in where they can anchor by draft and their storage capacity of product determines how often they must transfer product to cargo vessels. Cargo vessels will often anchor or tie up alongside processors to facilitate cargo transfer and minimize trips into and out of the congested fishing grounds.

It has been proposed by A.I.F.M.A. that all ships stay south of the Johnston Hill Boundary Line except for tenders actively engaged in taking fish or those receiving fish within 24 hours. Various processors, non-affiliated fishermen, pilots, Borough and State officials have voiced opposition to this plan. Briefly summarized this plan would substantially increase the time for fishing vessels to get to the processors, it would place a number of fishing vessels outside of the fishery which increases the possibility of illegal fishing, and the issue of taxation would be raised if the processors are required to be south of the Johnson Hill Line.

ADF&G, and others have felt that concentrating the anchored processors and cargo ships in a small, known area would allow fishermen to plan their drifts to avoid the ships and obstruct less of the fishing area.

In summary:

1. Processors and cargo ships get in the way of fishing vessels and take up fishing space.
2. Processors are desirable on the grounds for timely delivery by fishermen.
3. Cargo vessels are desirable on the grounds for the processors with limited storage capability and to reduce vessel traffic on the grounds by these large vessels.

IV. PROPOSAL:

Many people felt that the fishery has worked well for years as is. Others obviously see a need for change. The following is hopefully a first try at a workable compromise:

We propose that all processors and cargo vessels, or other vessels desiring to anchor on the fishing grounds, do so only in the area outlined below:

The anchorage is along the line dividing the Naknek Section from the Kvichak Section (this line runs from $58^{\circ}-38'-30''$ N LAT., $157^{\circ}-22'-14''$ W LONG. to the outer end of the Libbyville Dock). Anchored vessels will remain within 1/4 mile on either side of this line allowing for swing on the anchor. The area will be bordered on the southwest by LORAN line 9990-Y-32430 and on the northeast by LORAN line 9990-Y-32385 (see chart).

This proposal will provide a more defined area for anchored vessels within the fishing area, which will in turn assist the drift fishermen in determining where they will encounter anchored vessels. It also provides a clear channel into Naknek for vessels underway.

(1)

Box 71
Naknek, AK
99627

I AM Richard N. Johnson
I HAVE LIVED here AT NAKNEK
AREA for 48 years
AM Married + Raise my family, have
~~some~~ fishing for SALMON is MAIN part
of income. I HAVE fished for 34 years
for SALMON ALL TYPES AND ALL SEASONS
ALSO for Herring in TOGIK district.
This is Gillnetting AS A drift net -
drifter - I've drifted for 20 years.
Fishing got REAL poor AND had to look
for other income. Went to work for
ST. of ALASKA to help thru winter months
Before it was low price AND
poor catches which made poor seasons.
Now we have poor prices along
with TO MANY TENDERS + ESPECIALLY
big processors ships IN TWO of
THE BEST fish AREAS IN THE
NAKNEK KULCHAK. ~~is~~ THE TENDERS +
processors IN WHAT WE CALL THE
Y or SHIP CHANNEL ARE THE
BIGGEST problem TO ANYONE.
They have create A waste or
garbage problem IN THE drift AREAS
CALL TIDE RIPS where ALL TRASH
seems TO collect.

(2)

In the past before all these
processes we were able to drift trash from
now one is mind drift takes two hrs
to pick out fish guts and ~~other~~ ^{other} was
then this except flotsam which are
dead fish. They stink ^{all over} ~~all over~~
These processes - dump, ~~forward~~ ^{forward} boxes, six BA-
ing straps - plastic ~~bags~~ ^{bags} + ~~liquid~~ ^{liquid} sheet
also toilet wastes and all fishing
process parts such as hooks, guts +
slimes which are increasing tide ends
up on the shore flats from
Maknef point to Lower Cut Bank
Area. These flats go dry for
miles out in the bay on low
water and grows + green slime
which also gets on nets which
create a problem. Never was about 5 years ago

Besides this they are also
anchored ~~in~~ ⁱⁿ one of the
best fishing areas in the bay.

There is also another anchorage
being start outside of sands
at the Hatt Mien bay area. This
also creates drift problems
+ trash problems.

The biggest problem created by those anchored ships which are getting more in numbers every year is the catch they are keeping fisherman from getting.

barough is losing money on total catch per boat which could be greater because they got a 30% raw fish tax on boat total catch per season.

STATE of Alaska also leases on same type. A local protection was to work harder to ~~patrol~~ patrol limit lines because boats have to go other places to catch great amounts of fish.

Only the processors don't lease a thing.

A fisherman's leases more than any one. Boat crew make a decent night drift.

Processors + Tenders create a night time navigation problem also.

During close of Kluhak side. These processors + tenders tend to ~~be~~ concentrate greatest portion of

Open fishing area on the
Naknek side. You cannot drift
out going tide and miss
these anchorages. No way to
anchor vessels as to allow
free drifting because of tides
winds + currents.

Years ago I brought this
problem to Borough Assembly
as they can talk.

Also to the fish + game meetings
there to Paquin Village Council
and to the Naknek Village Council.
I ask them to please look
into this matter. AM REAL PLEASE
TO SEE IT GET THIS FAR

I believe that all governments
are to concerned about the processes
floating + shore. Making money on
the fish they are for the
fisherman + there are selfs.

Believe that they all have
part to share in this problem.

I will now give you
my ideas of what can be done
and each party's particular
role as is needed.

Send Borough To
Central Government
to change in the law

(5)

I Believe These processor + Tenders
Should be Move outside or South
of The South Limit Line, which
Lies on A Loran C Reading of 32400

The processor Vessels + Tenders went
Loose a thing on this because
Fisherman still have to sell their fresh
Fish products to them.

The fisherman should be here
This move because it will improve
their catch and also rid bay of
great amount of trash and also enlarge
Fishing Area.

Borough should take part as the
Local Government to increase safety
on their waters, insure cleaner
and unpolluted waters in their
Jurisdiction and mainly to collect more
tax on bigger catches fisherman will
be catching.

STATE OF ALASKA should help
on this situation also for the
same reasons as borough and because
of big, state money investments on

(6)

BOAT LEANS & Such - Isolation
FISHERMANS - CATCHES - EASIER INSTALLMENTS
- PAYMENTS ARE MADE,

FISH + GAME PROTECTION FOR SIMPLE
REASON OF ANY EASIER AREA TO
PATROL - TALKING ABOUT SOUTH LIMIT
LINE. BY PUTTING ALL TENDERS + PROCESSORS
BELOW SOUTH LINE STAGED YOU
HAVE YOUR PROTECTION - FISHING BOATS
CANNOT BREAK THE LINE. AND THEREFORE
SAVE STATE MONEY ON PROTECTION +
MONEY THEY ^{COULD} USE ELSEWHERE I'M
SURE

ALASKA COAST GUARD FOR SIMPLE
REASON OF NAVIGATION SAFETY AND
EQUAL OPPORTUNITIES FOR BOTH ~~SIDE~~
PARTYS INVOLVED,

PAULUK VILLAGE CORP & NAKUEK VILLAGE
COUNCIL TO HELP INSURE BETTER
PAY DAYS FOR THEIR NATIVE
FISHERMANS.

(17)

One More Thing. Years Ago
STATE OF ALASKA MADE A LAW
THAT Shore facilities had to
grind ALL fish guts, heads +
Remains before dumping. Sure
Helped in cleaning up the stinky
Shore Canneries Benches. This cost
Shore facilities much money.
Before that all floating
Processors should have to abide
by these same rules and should
be inspected for this ^{coming} summer
operation. Locals quit dumping garbage
over banks on beaches. We have a sanitary fill.

Hope also that processors &
Tenders can be moved for
1984 season.

Will help fisherman for
next two years good seasons and
also for bad seasons coming

Thank you for letting me
speak my piece
