

SCOMM

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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

HOUSE SPECIAL COMMITTEE ON FISHERIES

Interim Report

September 15, 1983

The following is a weekly break down of the activities of the House Special Committee on Fisheries since the end of the 1983 regular session.

- June 27- July 15; Nels Anderson of Co-Man Services in Dillingham worked for the Committee while Mel Monsen was on vacation. For a report on his activities please see Appendix I.
- July 18-22; Staff began preparing for the North Pacific Fishery Management Council Meeting which was to be held in Homer week of July 24th. This included talking with Fish and Game biologists about the herring fishery and their upcoming report to the Council, meeting with the Bering Sea Fishermen's Association and Pribilof representatives about the problems with the halibut fishery in their areas and reading all the literature related to the meeting. Committee staff also met with John Doyle of the Marine Advisory Program to discuss the Fishery Industrial Technology Center (University of Alaska) and the status of its operating and capital budgets for the fiscal year. It should also be noted that much time was spent during this week setting up the Anchorage office.
- July 25- 29 Committee staff attended the North Pacific Fishery Management Council meeting in Homer. The North Pacific Fishery Management Council heard reports by the Alaska Dept. of Fish and Game on Bering Sea herring harvests and status of the individual stocks and received a report on the possible over-harvest of herring in a Bering Sea High Seas trawl fishery. The Council listened to lengthy testimony

concerning the poor season the Pribilof and Nelson Island fishermen had because of a poorly written and abused regulation of the International Pacific Halibut Commission. The result was that the executive director of the Commission and Council member Bob McVey would poll the Commissioners of the IPHC and see if a new quota could be allocated because of the extenuating circumstances. The Council also raised the pollock optimum yield for the Gulf of Alaska and replaced Council members Clem Tillion and Joe Demmert with Sara Hempill and John Winther (as a result of expired terms). While at the meeting staff had a chance to meet with several representatives of the fishing industry about legislative concerns for the upcoming session. Among the biggest concerns were a stable funding system for the Alaska Seafood Marketing System and a resolution to the U.S./Canada salmon treaty problem. The meeting ended on July 28th. Upon returning to Anchorage, staff met with Richard Wilson on seafood marketing and discussed the possibility of a market newsletter. Staff discussed the veto of the Fishery Industrial Technology Center design funding with Dr. Lee, executive director of the FITC.

August 1-5

Staff reviewed the raw fish tax law in preparation for working on Rep. Zharoff's legislation on a tax credit system for shore based processors. Staff met with George Kudrin and George Dirks of Atka and their consultant Richard Wilson and talked about their plans for fisheries development on Atka and also attended their meeting with the Governor. They hope to be able to develop some small boat commercial fisheries around their island and also invited the Committee to come to Atka and meet their fishermen and view their situation first hand. Staff checked on the status of the fish loan officer for Dillingham which was funded during the session. Paul Arnoldt of Commerce indicated there should be a loan officer by October if everything went right.

August 8-12

Staff began to work on the first Committee trip to the Aleutian/Peninsula/Pribilof area. Staff checked into a request about the legality of using spotter planes during the Bristol Bay salmon fisheries. Research indicated that there is no prohibition currently and the best way to get a change if one was needed is through a proposal to the Alaska Board of Fisheries. Discussions were begun with Ed Hein, of legal service, about the current problems with the fish processor tax credit

legislation.

August 15-19 Contacted Rick Lauber, of Pacific Seafood Processors Association, about several legislative items concerning processors. Talked with Dick Reynolds about the status of the wholesale price average study and it seems to be moving right along. Checked with the NMFS and ADFG about claims that the Taiwanese had intercepted a substantial number of Alaskan salmon in their squid fleets, they are looking into it and there should be something done soon. Checked on the status of the Russell Creek hatchery in preparation for the Comm. trip in Sept.

August 22-26 Got some state fish loan applications for Elliot Pederson. Discussed the status of the shore fish lease program with DNR and came away realizing that the state's current program does little if anything to protect setnetters in season and it needs to be either trashed or completely redesigned to be worth the time, effort, and expense. Also, continued preparations for the Sept. Committee trip.

August 29-
September 2 Met with John Doyle to discuss the status of the Cordova marine advisory agent, the FITC salmon quality program, and the travel budget of the MAP. Discussed district fisheries with Lynne Hale who is working under a contract with the Aleutians East CRSA. Attended the BBCMP public hearing in Anchorage. Began to put together information packets for the Comm. on the upcoming trip. Had a crisis on the Portugeuse cod permit, Rick Lauber called and indicated that the Trident facility was not going to be rebuilt if the Gov. didn't take a stronger position in support of shore based domestic processors. After calls were made and the situation discussed the Gov. still approved the permit, but attached a letter indicating that this would not be approved again unless more effort was expended in helping domestic production. Brought up the UFA fisheries compendium to the Speaker again and will most probably be able to get it before the legislative council for funding, notified Cass Parsons of the current situation by memo. Copied the Gov. Fisheries Task Force report for Norman Statem. Checked with Ed Hein of legal services about the problems that the Bristol Bay fishermen were having with ships anchoring in prime drift areas, he is looking into it but hasn't contacted the office yet.

Sept. 6-9 Made reservations at hotels for committee in Unalaska, Cold Bay, Sand Point, and St. Paul.

Requested from the Governor's office a copy of his MOU on permits. Talked to Debra Greenberg about a work plan for her in Juneau, set her up with enough stuff to last for quite some time (please see attached memo for a report of her activities). Went to the NPFMC's work group meeting on the halibut moratorium and limited entry. Wrote memo to committee members describing the trip schedule and what steps remained to be completed. Wrote press release for the upcoming committee trip. Ordered the forms the Dept. of Revenue was using as the result of HB 381 to collect the wholesale price information from processors on canned salmon (they have been received). Contacted Peninsula Airlines to set up charters for the Committee. Contacted fish processors in Unalaska to set up tours of their facilities when in town.

Sept. 12-16 Made final preparations for trip which would begin on Sat. the 17th, including picking up cassettes and batteries for recorder, directories of state officials, and walrus pins. Wrote a letter to CRA in support of a proposal to fund a EMS boat for the Pribilofs. This EMS vessel would support the villagers who have just recently started a small boat halibut fishery off the islands.

Note: Attachments also include some of the materials produced for Fisheries Committee members for the Aleutian/Peninsula/Pribilof trip.

Appendix I



CO—MAN SERVICES

BOX 234
DILLINGHAM, ALASKA 99576

July 18, 1983

Representative Adelheid Herrmann
Box 63
Naknek, Alaska 99633

Dear Representative Herrmann,

Attached please find the hours worked, activity report and charter bill, letters to Fish and Game and Public Safety, press releases, telephone log, Kay's letter, Tesoro letter and ARECA letter, Salmon catch, escapement summary as of 7-17-83 and your packet of instructions.

The contents of these attachments completes my work assigned per our contract. Thank you for giving me an opportunity to serve the State once again.

Very Sincerely,



Nels A. Anderson Jr.
Co-Man Services

HOURS WORKED ON SPECIAL FISHERIES CONTRACT

<u>DATE</u>	<u>HOURS</u>
July 1, 1983	8
July 2, 1983	4
July 3, 1983	6
July 4, 1983	5
July 5, 1983	4
July 6, 1983	5
July 7, 1983	5
July 8, 1983	5
July 9, 1983	6
July 10, 1983	3
July 11, 1983	5
July 12, 1983	4
July 13, 1983	1
July 14, 1983	5
July 15, 1983	8
July 16, 1983	6
July 17, 1983	5
July 18, 1983	<u>5</u>

Total Hours 90

90 x \$40.00 hr = \$3600.00
1 Charter = 256.00
Total amount due \$3856.00

Respectfully submitted 7-18-83
Nels A. Ardenes Jr.

To: Rep. Adelheid Herrmann
Fm: Co-Man Services

Subject: Report on Activities 6-30-83 to 7-17-83

6-30-83

William Johnson

Began work on William Johnson's permit. I tried to contact him in Nelson Lagoon, but was not successful. I contacted Bruce Baltar of Alaska Legal Services who stated he was going in to Anchorage to get a court order to allow William Johnson to get a permit for this season and work out the details for a permanent solution after the season.

Bruce Baltar said he would call me as soon as action was taken. I called the Governor's office to appraise them of the situation so that we could get their help if we needed it. I also called Limited Entry and asked them to be prepared to expedite assistance on William Johnson's behalf.

A.G.'s office said they would cooperate and not oppose an injunction on William Johnson's behalf.

Fish and Game Appointments

I got a call from Carol Derfner of the Governor's office to see if there were any problems with appointing Doc Nicholson to the Fish Board until January of 1984 when Val Angasan would be reappointed. Ms. Derfner also stated that they were going to appoint Jesse Foster from Quinhagak to the Fish Board. Rep. Herrmann stated that she was pleased with the Doc Nicholson/Val Angasan arrangement.

7-1-83

Began the day checking on when Fish and Game was going to open the Nushagak. Mike Nelson stated that the Wood River looked fair, but that he was worried about 3-ocean fish. He was also concerned about the low showings in the Nushagak and Nuyakuk Rivers. The bad news was that the fish off Ekuk, Clarks and Combine Flats were not moving into the river. They were going as far as Nushagak and then moving back out. The good news was that the Kings were really healthy and were moving upstream in strong numbers at the sonar counting site below Portage Creek. He stated also that the Naknek/Kvichak Rivers looked good with Egegik doing very well. (Kvichak was the star performer!) Togiak was not as strong as he would like, but it was showing some light returns.

Mike Nelson stated that an opening looked remote for the July 1 and July 2.

Complaint about Plane Landings on Ekuk Beach

Dorothy Larson called to complain about Mike Moran's planes landing on the Ekuk beach amongst set net sites and beach traffic. I relayed the complaint to Jerry Dunn of FAA and he said that he would follow up with a call to Flight Standards in Anchorage. I also contacted Trooper Reith who stated that he would alert F & G Protection and they could monitor the situation. (Made follow-up call to Dorothy Larson 7/2/83)

Page 2 - Rep. Herrmann

7-1-83 cont.

William Johnson's Permit

Bruce Twomley, new Limited Entry Commissioner Chairman, called to confirm that William Johnson's permit would be issued. Bruce Baltar of Legal Services got the injunction and all William Johnson had to do was to pick up his emergency transfer permit at Cold Bay. At this writing all should be well for Mr. Johnson.

Ekuk Plane Complaint Follow-Up

Jerry Dunn called back and said that he had heard nothing from Flight Standards. He said he would make another call to make sure that they get the message. I was also told that there were other complaints regarding the Ball Brothers. All complaints are being investigated by FAA at this time.

Dr. Steve Langdon

I contacted Kay Larson of BBNA to tell her that your office would be willing to put Dr. Langdon on as an advisor so that he helps BBNA gather the information that BBNA needs. I asked Kay Larson to have Dr. Langdon contact me to let him know that you had no objection to getting Dr. Langdon on as an advisor.

Kay Larson stated that Joe Clark had complained about processors anchored in a drift area off of Ekuk. At this writing the processors have moved and may stay out of the area.

Trooper Reith

Trooper Reith called back and said that his office will keep monitoring the situation.

7-2-83

Tempers are rising because the Nushagak is still closed. I called Mike Nelson to find out the latest on escapement and possible opening for Nushagak. He felt that it would be risky to open up the Nushagak without a better showing inshore.

I also wanted to satisfy my curiosity about fish report rumors so I chartered Southwest Airways. I flew 1.6 hours up the Nushagak along the west and east channels and observed kings and very few reds. I then flew downriver past Nushagak, Combine Flats, Clarks and Ekuk. I observed jumpers along Combine and outside of Clarks. (Attached please find a Fish and Game report issued by Mike Nelson from Dillingham.)

7-3-83

Nushagak opened at 6:00 a.m. today for 12 hours. Fish began showing inshore. 2:00 p.m. - The Nushagak section was extended for 15 hours to 9:00 a.m. 7-4-83. The Nushagak River opening was extended for another 24 hours to 7-5-83 at 9:00 a.m.

12 NOON SATURDAY, JULY 2

THIS IS THE ALASKA DEPARTMENT OF FISH AND GAME WITH A GENERAL ANNOUNCEMENT CONCERNING THE STATUS OF THE NUSHAGAK FISHERY.

CONTINUED TEST BOAT COVERAGE IN THE DISTRICT SHOWS A GRADUAL BUILDUP OF FISH WITHIN THE DISTRICT, BUT NO SIGN OF STRONG FISH MOVEMENT ABOVE THE FISHERY AS OF THIS MORNING. AERIAL SURVEYS FLOWN EARLY TODAY CONFIRM THAT WOOD RIVER HAS NO STRENGTH, ESPECIALLY IN THE LOWER RIVER. SUBSISTENCE NETS AT KANAKANAK, SKINNERS, SNAG POINT AND IN WOOD RIVER SHOW NO STRENGTH ON THIS MORNING'S TIDE, ALL INDICATING NO STRENGTH ABOVE THE FISHERY.

TEST BOAT COVERAGE FROM LAST NIGHT TO THIS MORNING HAS SHOWN THAT THE FISH HAVE REACHED CLARKS POINT IN STRENGTH. TEST CATCHES IN THE COMBINE ARE LOWER, BUT INDICATIVE THAT SOME FISH ARE BEGINNING TO MOVE.

OUR CONCERN AT THIS TIME IS THE POSSIBILITY OF A WEAKER THAN FORECAST RUN OF 5 YEAR OLD FISH. THE NUSHAGAK FORECAST IS COMPOSED OF ABOUT 45% 5 YR. OLD FISH. THE NUYAKUK RIVER SYSTEM FORECAST ARE MOSTLY 5 YEAR FISH (80%), AND SONAR ESCAPEMENT AT PORTAGE CREEK HAS REACHED ONLY 55,000 BY THIS MORNING, 17% OF ESCAPEMENT REQUIREMENTS. THE WOOD RIVER ESCAPEMENT IS 205,000, 20% OF THE GOAL.

OUR INTENTIONS ARE TO SEND THE TEST BOAT BACK OUT THIS EVENING AND WORK THE UPPER NUSHAGAK RIVER AREA AND THE COMBINE. ONCE INRIVER ESCAPEMENT IS CONFIRMED, FISHING TIME WILL FOLLOW. WE MAY ANNOUNCE WITH VERY LITTLE ADVANCE NOTICE.

(1.25 million)

WE HAVE NOW ACCOUNTED FOR ONLY 22% OF THE NUSHAGAK FORECAST OF 5.8 MILLION, HOWEVER, IF THE 5 YEAR RUN STRENGTH IS REDUCED, WE MAY BE LOOKING AT A NUSHAGAK RUN IN THE RANGE OF 3.5 TO 4.5 MILLION FISH. IF RUN STRENGTH IS REDUCED IT'S EVEN MORE IMPORTANT TO SEE A SOLID INDICATION OF ESCAPEMENT BEFORE FISHING TIME IS ALLOWED.

WE'LL UPDATE THE SITUATION AT 9 PM TONIGHT.

IF INDICATORS OF RUN STRENGTH INSHORE IMPROVE, ANNOUNCEMENT FOR FISHING TIME IS IMMINENT.

SOUTHWEST AIRWAYS, INC.

BOX 8, DILLINGHAM, ALASKA 99576

PHONE: 842-5464

~~TRIP TICKET - CHARGE - RECEIPT - POA~~

Date 07/02/83

From DLG

To LOCAL RIVERS

Freight 1 PAX

Total Paid Charged 256.00

Pilot's Signature Ready

Name Nels A. Anderson, Jr.

Address Box 234

DLG AK
Special Committee on Fisheries

Signature Nels A. Anderson, Jr.

08920

7-4-83

Continued to monitor the fishing situation in the Bristol Bay fishery. Naknek reports show that the run there is falling off. It could lead to a Naknek closure to allow for more escapement. The Kvichak escapement goals are almost guaranteed at this writing which means that the West side will probably remain open indefinitely.

The Nushagak/Wood River looks good with more fish moving up river. There is a good possibility that there will be another extension at 6:00 p.m. today.

Began to work on press releases for KDLG and Bay Times. They will be delivered tomorrow 7-5-83.

7 5 83

Willie Hensley called on July 1 and said that Governor Sheffield wanted to talk with me about the Tesoro and Chevron royalty oil contracts. I called the Governor on July 1 who wasn't in but he later returned my call

We discussed the need for competition for Chevron in Western Alaska so that oil prices would be more in line with actual cost of producing and delivering refined oil products to coastal and interior communities in Western Alaska.

The Governor stated that he wants the contracts approved and asked for my support. I told him that support for the contracts would not be forthcoming until it could be shown that approval would bring the cost of fuel down for Western Alaska. The Governor asked what the specifics were that would convince us that Tesoro would work toward expanding their marketing to Western Alaska. I stated that we needed some thing in writing that would get a commitment on negotiating with villages, regional corporations or individuals for building bulk fuel storage tanks, develop a construction schedule and set a delivery schedule for refined fuel products to Western Alaska. I told the Governor that he could help us by making these points to Tesoro so that they would know what they had to do. I told the Governor that I was going to be speaking to Wade Rodgers, Marketing Sales Manager for Tesoro, on Tuesday, July 5, to see what their latest plans or intentions were regarding expanding their markets to Western Alaska.

On the morning of July 5, I called Wade Rodgers and asked what Tesoro was doing about expanding their refined fuel products to Western Alaska. He gave me a brief rundown about working with ARECA (Dave Hutchin's outfit) in setting up a buying cooperative and work on arranging transportation to several Western areas (Naknek is included, I think). I told Mr. Rodgers exactly what I told the Governor regarding support for the Tesoro contract. Rodgers suggested that he call Dennis Jurens, President of Tesoro, to let him know what is needed to get our attention on the Tesoro royalty oil contract.

Dennis Juren called and we spoke candidly about the contract. I told him what I had related to the Governor. Mr. Jurens stated that he would send to me as soon as practicable what Tesoro was willing to do about getting some action on moving their marketing of oil products to Western Alaska. At about 2:00 p.m. Mr. Rodgers called and said the letter from Mr. Jurens was being telecopied to Anchorage. Rodgers stated that he would hand carry the letter to Dillingham on July 6.

FISHING IN BRISTOL BAY

Fishermen in all sections of Bristol Bay are doing very well with the exception of the Naknek River. Some closure time for the Naknek River is in effect to allow more escapement before it is reopened.

7-6-83

ROYALTY CONTRACTS

Received a phone call from Wade Rodgers of Tesoro who stated that he would be coming to Dillingham late tonight. I expect to see him and discuss the letter from Mr. Jurens. The letter is addressed to you. I plan to make copies of that letter available to Senator Sackett, Ferguson and Mulcahy, Representatives Adams, Fuller, Hurlbert, Zharoff and Vaska unless you want others to have it.

I called Frank Ferguson today and gave him an update on the royalty contract situation. He cautioned me to be careful because if Chevron finds out that Kotzebue is planning to buy fuel from someone else, Chevron would raise its fuel prices dramatically. Frank also said that there was some kind of a Tesoro/Doyon problem too. I have to call John Sackett to find out what that is all about. (I haven't talked to the Governor yet) (Wade Rodgers is coming in this evening for a meeting in the morning.)

FISHING

Fishing news is good except for the Naknek River which was closed for a short period to allow for more escapement. The Kvichak and Naknek Rivers will be closed for 14 hours to allow for more fish into their respective systems.

7-6-83 2 p.m.

Called Senator Sackett and he stated that he was unwilling to consider the Tesoro or Chevron royalty contracts until Charter Oil paid back what they owe the state.

ROYALTY CONTRACTS. Lennie Boston, from the Governor's office, stated that the Governor was anxious to hear about how the Tesoro letter from Dennis Juren was received. I said I'd call on Friday the 8th of July.

7-7-83

Met with Wade Rodgers, Tesoro Alaska's Sales Manager, and he delivered Dennis Juren's letter. I went to Legislative Information for copies and I had Massa Pat mail copies to Senators Mulcahy, Sackett Ferguson and Representatives Herrmann (original), Hurlbert, Fuller, Adams Zharoff and Vaska.

Wade Rodgers also met with Lance Nunn, Judy Nelson, and Jack Flynn on possible sites for bulk fuel storage facilities and possible distributorship for Tesoro products if they decide to come here. Rodgers stated that Tesoro really needs the royalty oil contracts and that they would appreciate any help you could give. The letter from Mr. Juren is clear on what they intend to do.

When I spoke to Frank and John, they were not that excited about a special session. They were both concerned about what Charter Oil owes the state and afraid that Chevron would raise prices if Chevron found out that we were trying to get another supplier out in the West.

WASTE FISH DUMPING

I received a call on VHF66 from the Anna Marie and Haaken Thor regarding fish viscera and fish parts being caught in nets off Clarks

and Ekuk. I called DEC in Anchorage and spoke to Bill Lameroux who stated that there were 2 or 3 people out here checking on processors. I also spoke to Office Joe Campbell who stated that they were investigating the fish spill and thought it may have come from the Queen Slough. He is working with the DEC investigators and should be on top of the situation at this writing.

Officer Campbell of F & G Protection also stated that all but one of the vessels, Western Pioneer, had moved from the drift area of of Ekuk. Officer Campbell stated that he would contact the Western Pioneer again on Friday and ask them to move. If his efforts aren't successful, I'll contact the owner, W.P. Limited of Seattle (206)324-3474 to see if I can get some action.

TESORO 7-7-83 (7:30 p.m.)

Wade Rodgers asked if it would be possible to get the Bush delegation together for a meeting anytime soon. I stated that it would be impossible since the Bush members are all over the country at this time.

7-8-83

Called Governor's office but he was not able to take any calls. Peggy said he'll call back regarding the Tesoro situation.

4:00 p.m. - Officer Joe Campbell, F & G Protection called on VHF66 to let me know that the Western Pioneer had vacated the premises off of the Ekuk drift area.

7-9-83

There are still complaints about fish waste being caught in fishermen's nets off of Ekuk. There is also much concern over the processors that are setting up their operations in drift areas off of Clarks and Ekuk. There is a need to conduct a meeting of all parties prior to the next season to address that issue plus, planes landing on setnet beaches, planes and helicopters fly too low over populated areas, more enforcement below the lower line and dumping of fish wastes.

Fred Mulkeit came up to the house to discuss a problem he is having with Limited Entry. He has doctor's orders not to fish for the remainder of the season and is having problems getting an emergency transfer. I told him I would call Limited Entry first thing Monday morning to see what I could do. Fred also mentioned picking fish waste up in his nets.

7-10-83

Spoke to Mark Hiratsuka who stated that something has to be done about processors anchoring in the drift areas down at Ekuk.

7-11-83

Spoke to Commissioner Rick Listowski of the Commercial Fisheries Entry Commission for Fred Mulkeit's emergency transfer of his Limited Entry permit to his son Clifford. Commissioner Listowski stated that Mr. Mulkeit's denial could get an expedited review by Mr. Frank Glass. Mr. Glass is a hearing officer for the Limited Entry Commission at 465-4081 in Juneau. I was advised to have Fred Mulkeit call Mr. Glass as soon as possible to get the expedited review process in motion for possible resolution in a few days.

I called Fred Mulkeit and give him this information. I will continue to monitor to see if there is anything else I can do.

7-12-83

Commissioner Listowski called regarding Fred Mulkeits request for emergency transfer. Was denied because he used the same reason for an emergency transfer two years in a row. In 1982, he was advised by a doctor that he get out of fishing because of his heart condition.

Called Bob King to ask him to make sure that he uses all of the press releases that were prepared for their use. He stated that he would use them at a later time.

Travelled to Anchorage for a ASMI Board meeting per your approval. I left Dillingham that morning on July 12, 1983.

7-13-83

I called Dillingham and spent time reviewing the Fred Mulkeit case with little hope of getting the transfer that he wanted. I also attended the ASMI meeting and asked G. S. Baker, a Fishery Task Force member, to send me a copy of their recommendations.

7-14-83

Returned to Dillingham at 11:20 a.m. and checked all messages to see what had to be attended to. Fred Mulkeit's transfer to his son cannot be done per a new regulation that prohibits the use of the same reason for an emergency transfer two years in a row to prevent back-door leasing arrangements. I am not sure what to recommend to Fred at this point.

(I am still waiting for Beth to send the Fishery Task Force recommendations.)

7-15-83

Called Commissioner Rich Listowski, Limited Entry Commission, to ask him if there was anything else we could do to help Fred Mulkeit. He stated that it was to late for this season. I asked him to send a copy of Fred's file plus the Commission decision to you in Naknek.

I've been trying to contact the Bush Legislators to get their views on the Tesoro and Chevron situation as they relate to a special session. I am inclined to favor the Tesoro contract as soon as possible.

The Governor is anxious to do something but is afraid to without getting encouragement from the Bush. Tesoro is calling every day to find out if I have had a chance to talk to any of you.

7-16-83

I found out that the Great Alaskan may be the processor that is dumping the fish waste into the Nushagak. I plan to get ahold of Officer Joe Campbell to let him know about this new information.

Tesoro, Wade Rodgers, called again to see if I had heard from any of the Bush Caucus members in response to the July 6, 1983 letter from Dennis Juren, President of Tesoro. I found out that the Governor has not yet decided what he is going to do. I would advise you to call the Governor and tell him to do what he thinks best under the circumstances.

7-17-83

I am standing by for any issues that may develop. Fishing has slowed up quite a bit with most fishermen transferring from one river to another in search of more fish.

(I still don't have a copy of the Fishery Task Force Recommendations)

7-18-83

I am sending you my report plus the record of my telephone calls, receipt for my charter flight, press releases, letters sent and the packet of instructions you sent me on June 30, 1983. I hope that you are satisfied with what I have done.

I plan to send a copy of all this material to you and copy Beth and Mel.

OBSERVATIONS

Based on the concerns of fishermen I observed the following: Fishermen were concerned about enforcement of regulations covering being below the line, mesh size, dumping of waste into the rivers, planes flying too low, helicopters flying too low, processors anchoring in the fishing channels and planes landing on beaches where setnetters were fishing.

RECOMMENDATIONS

1. I recommend that you make sure that the appropriate agencies such as the Fish & Game Protection, DEC, Coast Guard and FAA are all prepared for next years season.

2. I recommend that your office lead a meeting to iron out all of the problems that occur during the fishing season. I would suggest such a meeting to be held in Naknek and Dillingham a week or two before the red season actually starts. It should be clear that all fishermen are expected to attend and participate.

Respectfully submitted
7-18-83
Nick A. Anderson

Changed to 465-4924

LONG DISTANCE TELEPHONE CALL REGISTER L.O-MAN SERVICES

DATE	NUMBER, CITY OR PERSON CALLED		PERSON CALLED	TYPE OF CALL		TIME PLACED	TIME STARTED	TIME FINISHED	ELAPSED TIME (MIN SE)	CHARGES	DATE PAID	MISC INFORMATION
				Station to Station	Person to Person							
6/30	465	3500	Governor's Office									
6/30	465	4942	Rep. Hennemann's Office									
6/30	989	2229	William Johnson - Nelson Logan									Re: Limited Entry Permit
6/30	586	1732	Both Robinson - Rep Hennemann's Staff									
6/30	246	4445	Rep Hennemann									
"	"	"	"									
"	"	"	"									
6/30	586	-3456	John Williams - Limited Entry Commission									
7/1	989	2229	William Johnson - Nelson Logan									
7/1	586	-3456	Bruce Twombly - Limited Entry Commission									
7/1	465	-3789	Rep Fuller's Office - Linda - Re: Contract									
7/2	602/432	-3622	San Mulcahy - Bisby, Arizona									
7/5	465	-3500	Governor's Office									
7/6	442	-3156	Frank Ferguson - Valje									
7/6	465	3766	Sen. Sarchie's Office									
7/8	465	4432	Sen. Sarchie - Albany									
7/11	586	-3456	Limited Entry Commission - Dick Jostowski									
7/15	465	-4923	Sen. Ferguson									
7/15	586	-3456	Limited Entry Commission									

L.O-MAN SERVICES

Rep. Adelheid Herrmann
Box 63
Naknek, Ak 99633

Commissioner Robert Sundberg
Dept. of Public Safety
Pouch N
Juneau, Alaska 99811

Dear Commissioner Sundberg:

Representative Herrmann would like the names and titles of all of your employees that are located in District 26. The list should include your troopers and fish and game protection offices by location.

Please mail the list to:

Representative Adelheid Herrmann
Box 63
Naknek, Alaska 99633

Very sincerely,

Nels A. Anderson, Jr.
Special Assistant on
Fisheries for
Rep. Adelheid Herrmann

Rep. Adelheid Herrmann
Box 63
Naknek, AK 99633

Commissioner Don Collingsworth
Dept. of Fish and Game
Box 3-2000
Juneau, Alaska 99802

Dear Commissioner Collingsworth:

Representative Adelheid Herrmann would like your office to send her the names and titles of all your employees located in District 26. The list should include where each employee is located as well

Please mail the list to: Rep

Representative Adelheid Herrmann
Box 63
Naknek, Alaska 99633

Thank you very much.

Very sincerely,

Nels A. Anderson, Jr.
Special Assistant on
Fisheries for
Rep. Adelheid Herrmann

PRESS RELEASE - July 5, 1983

Rep. Adelheid Herrmann, D-Naknek, states that she is not in favor of a special session to address the Tesoro and Chevron Royalty Oil Contracts. The royalty contracts were not approved before the legislative session adjourned on June 27, 1983. Rep. Herrmann states that she objects to the length of the 11 year contracts and pointed out that the approval of the contracts will not bring diesel and gas prices down in Western Alaska. "Until it can be shown that communities north of Dutch Harbor will realize a decrease in oil prices, there is no reason to support approval of the royalty oil contracts. Furthermore, diesel fuel and gasoline prices have risen in the past six months. This places a heavy burden on my district which already has a high cost of living. I cannot understand why we are experiencing higher costs for fuel while other parts of Alaska are going down," she said. Rep. Herrmann concluded by asking her constituents to urge the Governor not to call for a special session unless the approval of the royalty contracts will guarantee lower fuel prices in Western Alaska.

Rep. Herrmann's Office
District 26 Representative

PRESS RELEASE - July 5, 1983

Rep. Adelheid Herrmann, D-Naknek, has written to Colonel Henderson, Director of the Division of Wildlife Protection asking him not to take any enforcement action against fishermen who have nets with incorrect mesh size that were purchased from manufacturers. She stated that it isn't the fisherman's fault that incorrect mesh size is being sold as "Bristol Bay Gear." Rep. Herrmann stated that she expects that Colonel Henderson will not take any action until the matter can be investigated more thoroughly. "However, if Public Safety finds that fishermen altered their gear intentionally those incidents would be treated differently," she stated. Rep. Herrmann concluded by saying that if any fishermen ran into gear mesh size problems they should contact Nels Anderson, Jr. at 843-2366 or on VHF 66. Anderson is working for Rep. Herrmann as a special assistance on fisheries until July 17, 1983 until Melvin Monsen special assistant on the Special Committee on Fisheries returns to his office. Anderson will take fishing related complaints in District 26 by phone or VHF for solutions and follow through.

Rep. Herrmann's Office
District 26 Representative

PRESS RELEASE - July 5, 1983

Rep. Adelheid Herrmann, D-Naknek, stated today that her office is concerned about helicopters flying too low over populated areas, planes landing among setnetters on Ekuk beach, boats below the lower marker and processors anchoring in the drift areas off of Ekuk. Rep. Herrmann has notified the appropriate agencies that regulate airspace and enforce fishing violations for action. FAA has been contacted regarding the helicopter and airplane complaints. Public Protection has been asked to keep a close eye on the lower marker to make sure that fishermen below the line are picked up. Finally, the Coast Guard has been contacted to resolve the complaint of fish processors anchoring in traditional drift areas. The Commander of the Coast Guard, Commander Harvey Knuth, suggested that he would work on setting up a committee of all interested parties to resolve the issue before the 1984 fishing season starts. "Everyone is aware of the problem and I hope that fishermen, processors, Fish and Game, the Coast Guard, AIFMA, WACMA and barge operators will participate and get this problem ironed out," Rep. Herrmann said. She concluded by saying that these problems will get continued attention throughout this fishing season.

Rep. Herrmann's Office
District 26 Representative

PRESS RELEASE - JULY 5, 1983

Rep. Adelheid Herrmann, D-Naknek, announces that the Governor is receptive to making sure that a commercial fisherman is appointed to the Board of Fisheries. Although there is a strong effort to place two sport fishermen on the board, the Governor realizes that District 26 is a major salmon producer in Alaska and needs representation on the Board of Fish.

Rep. Herrmann states that if confirmation hearings had been held before the joint session was called that all of the Board of Fish members, including Val Angasan from District 26, would have been confirmed.

"Few people want to vote yes for people they haven't had a chance to talk to during the confirmation hearing process," Herrmann says.

Rep. Herrmann encourages fishermen to contact the Governor's office to let him know their choice for Board of Fish appointments.

Rep. Herrmann's Office
District 26 Representative

PRESS RELEASE - July 11, 1983

Rep. Adelheid Herrmann, D-Naknek, stated that her office is concerned about continued complaints about fish waste being caught in fishermen's nets. Several calls have been made regarding fish viscera being caught by a growing number of fishermen off of Clarks and Ekuk. Herrmann's office contacted the Department of Environmental Conservation to bring this problem to their attention. Mr. Bill Lameroux of DEC stated that there were DEC employees in the area who were checking out grinders at all the processing stations. Officer Joe Campbell of Fish and Game Protection was contacted and found that his office was investigating the fish waste dumping situation as well. Herrmann concluded by saying that she will continue to pursue a final solution to the fish waste dumping problem.

Rep. Herrmann's Office
District 26 Representative

PRESS RELEASE - July 11, 1983

Rep. Adelheid Herrmann, D-Naknek, stated that her office is concerned about continued complaints about fish waste being caught in fishermen's nets. Several calls have been made regarding fish viscera being caught by a growing number of fishermen off of Clarks and Ekuk. Herrmann's office contacted the Department of Environmental Conservation to bring this problem to their attention. Mr. Bill Lameroux of DEC stated that there were DEC employees in the area who were checking out grinders at all the processing stations. Officer Joe Campbell of Fish and Game Protection was contacted and found that his office was investigating the fish waste dumping situation as well. Herrmann concluded by saying that she will continue to pursue a final solution to the fish waste dumping problem.

Rep. Herrmann's Office
District 26 Representative

BRISTOL BAY NATIVE ASSOCIATION

P. O. BOX 189

DILLINGHAM, ALASKA 99576

PHONE (907) 842 5257 — 842 5258

June 22, 1983

7-1-83

Representative Adelheid Herrmann
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Herrmann,

Last fall you inquired if Bristol Bay Native Association had any information on the number and specifics of Bristol Bay residents who presently are faced with foreclosure on State Commercial Fishing Loans due to nonpayment.

Through the recently created Bristol Bay Development Foundation, we have hired Dr. Steve Langdon of the University of Alaska, Anchorage to study this problem for us concurrently with a household and fishing income survey he is doing in Bristol Bay for the Department of Community and Regional Affairs. Dr. Langdon worked for Nels Anderson during the 1979-80 legislative session when Nels was Chairman of a Joint House-Senate committee reviewing limited entry. At that time Dr. Langdon was able to review all State commercial fishing loans files as Nels' employee.

Would it be possible either for you to designate Dr. Langdon as your agent or put him in employee status (for \$1) in order for him to obtain the information we need? We would also like him to review CFAB cases as well if that is possible since it is a quasi-public institution. Please let me know as soon as possible what you find out so we can make alternative arrangements if necessary.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION

Larson
(Mrs.) Jay E. Larson
Executive Director

KEL/mn



Tesoro Alaska Petroleum Company

July 12, 1983

Mr. Nels Anderson, Jr.
Box 234
Dillingham, Alaska 99576

Dear Nels:

It certainly was a pleasure visiting with you and Mrs. Anderson last Thursday. I can't thank you enough for picking me up and showing me around Dillingham.

Nels, at this time we are considering three possible sites for future bulk plant storage. They are:

- 1) 4.2 acres at Windmill Hill
- 2) Chuggiung Limited property
- 3) Rod Cherrier Dock property

To date, three separate parties have expressed an interest in becoming our Dillingham Distributor and they are:

- 1) Lance Nunn & Ralph Sorenson (Moody Oil Company)
- 2) Chuggiung Limited
- 3) Rod and Jay Cherrier

As you know, before any final decisions can be made, a great deal of work must be accomplished. I refer you back to our Mr. Dennis Juren's letter to Representative Herrmann, dated July 6, 1983. If we are to meet the various time schedules for our refinery expansion, it is imperative that work be resumed as quickly as possible.

Accordingly, I too, respectively request your support for our expansion project and ask that you inform Governor Sheffield within the next few days.

Yours very truly,

Wade Rodgers
Sales Manager

WR/lk

cc: Dennis Juren
J. S. Burns



ALASKA RURAL ELECTRIC COOPERATIVE
ASSOCIATION, INC.

237 E. FIREWEED LANE • SUITE 301
ANCHORAGE, ALASKA 99503 • (907) 276-3235

MEMORANDUM

to: ARECA Dieselers, Associates
from: Bill Blessington *Bill B* —

RE: Fuel Co-op

Just to update all of you on the Chevron fuel price situation, there have been some shifts in the wind. In Nome, they raised prices but Chevron's sales folks have been visiting co-ops at Unalakleet, Dillingham and Naknek with indications that they have suddenly become sensitive to our very real threat of competition.

However, there appears to be little likelihood of their backing prices down to the level where our own activities would no longer result in savings.

Our organizational plans for a fuel purchasing cooperative can follow existing organizational plans used by Western Fuels Association, a coal purchasing and shipping cooperative that currently provides fuel to utilities in 22 states and the Commonwealth of Puerto Rico. As a not-for-profit cooperative, this organization is governed by an elected board of directors and all excess "profits" are returned to the participating members each year, based on the size of their individual purchases. The co-op began operations by obtaining fuel supply contracts from various coal mines and contracting for unit train shipment to members. Since 1979, they have branched out into actual mine ownership, prospecting and development as well as purchase of rolling stock for deliveries.

The situation here is somewhat less complicated. A fuel purchasing co-op can begin by coordinating bid procedures for various members and arranging barge shipments by common carrier. Since both areas are highly competitive, we would anticipate that bidding would result in the most cost effective means of supplying fuel as opposed to long term leases or purchase of barges. We can also negotiate long term delivery contracts from various locations and peg the posted price with the price of North Slope crude, West Coast posted prices or other indicators. Such contracts would

protect us in times of shortage and give us a base upon which to make cost projections in advance of the shipping season since we could peg the price to a given date as well.

We may ask for the use of member facilities as mini-bulk plants to serve as temporary storage for small fuel shipments into outlying villages if this proves more cost effective than using very large barges and establishing a milk run between delivery points. A Seattle barge company has expressed an interest in this system and we may be able to involve others at different locations. Compensation for such tank use would accrue directly to the co-op involved, probably in the form of rebates or lower transportation costs from the barge company involved.

We'll keep you informed as we progress.

Thank you for your interest and support. We may be able to cut a good deal on lube oil as well as fuel and will include this in our future planning.

We will have a formal proposal for your consideration at the next manager's meeting.

ALASKA DEPARTMENT OF FISH AND GAME
 DIVISION OF COMMERCIAL FISHERIES
 BRISTOL BAY

- Daily Sockeye Salmon Run Summary, in Thousands -

Effective through 7-18-83

District	Catch		Escapement		Total Run	
	Daily	Accum	Daily	Accum	Daily	Accum
NAKNEK-KVICHAK						
Kvichak			40	3,481		
Naknek			21	870		
Totals	75	20,444	61	4,351	136	24,795
EGEGIK	30	6,488	7	151	37	7,239
UGASHIK	40	3,033	10	854	50	3,887
NUSHAGAK						
Wood			3	1,354		
Igushik			4	166		
Nuyakuk			-	318		
Totals	55	4,963	7	1,838	62	6,801
TOGIK	28	366	3	114	31	480
TOTAL BAY	228	35,294	88	7,908	316	43,202

COMMENTS: CPUE

NUS - 200 fish / del
 TOG - 300 fish / del
 N/K - 600 fish / del

EG 300 / del
 UG 600 fish / del

Attachments

PUBLIC SERVICE ANNOUNCEMENT

FROM: House Special Committee on Fisheries
Representative Adelheid Herrmann
1024 West Sixth Avenue
Anchorage, Alaska 99501

CONTACT: Mel Monsen, 276-8994

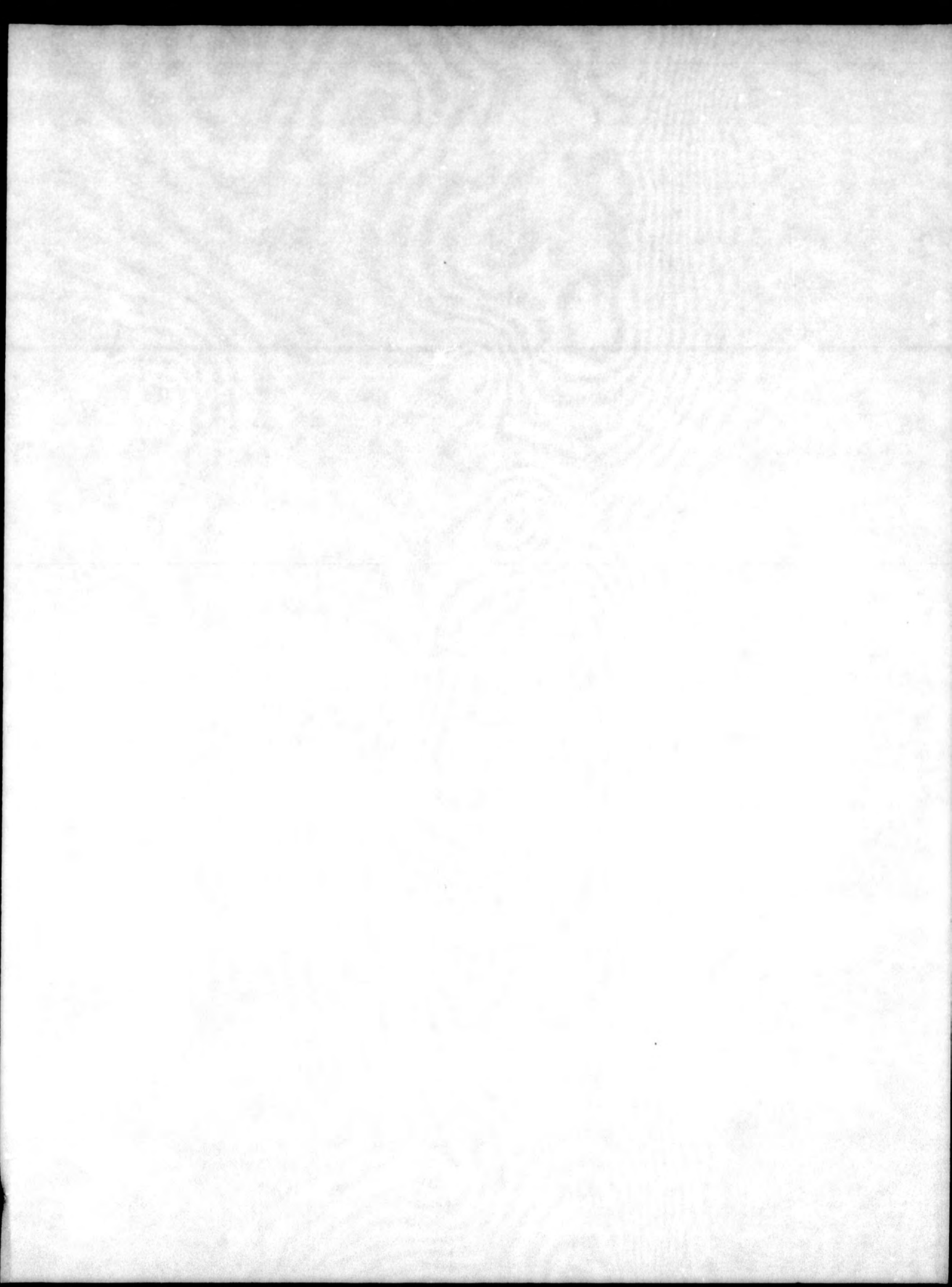
RUN: September 12, 1983

KILL: September 20, 1983

The House Special Committee on Fisheries will be traveling in portions of District 26 beginning September 17th. The Committee, chaired by Representative Adelheid Herrmann, will be in Dutch Harbor/Unalaska from the afternoon of the 17th through the morning of the 20th, Atka on the 20th, Sand Point on the 21st, Cold Bay on the 22nd, and St. Paul on the 23rd and 24th. The Committee plans on having informational hearings with fishermen and touring local fisheries infrastructure including harbors and processing facilities during their trip. In Cold Bay the primary concern of the Committee will be the Russell Creek hatchery.

Members of the Committee who are expected to go on the trip include; Representative Ben Grussendorf of Sitka, Representative Peter Goll of Haines, Representative Jack McBride of Ketchikan, and Representative Adelheid Herrmann of Naknek. Representative Herrmann plans on being available to discuss local concerns when not obligated by Fishery Committee activities.

END



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 GRUSENDORF
PETER GOLL
JACK MCBRIDE
FRED ZHAROFF

MEMORANDUM

To: House Special Committee on Fisheries
From: Representative Adelheid Herrmann, Chairman
Date: September 7, 1983
Subject: Aleutian/Peninsula/Pribilof Trip

The scheduling for the trip to the Aleutians, Peninsula, and St. Paul is firming up so I thought I would bring everyone up to date on our plans. At this time we have commitments to go from Rep. Grussendorf and myself, Rep. Goll has indicated he is currently planning to go, Rep. Zharoif will be letting me know by September 9th whether or not he will be able to attend, Rep. Bussell and Rep. Fuller have previous engagements, and Rep. McBride has not been contacted yet because he is out of state.

The current schedule is as follows:

<u>Leave</u>	<u>Date</u>	<u>Time</u>	<u>Arrive</u>	<u>Date</u>	<u>Time</u>
Anchorage	Sept. 17	9:40am	Dutch Harbor	Sept. 17	1:30pm
Dutch Harbor	Sept. 20	am	Atka	Sept. 20	am
Atka	Sept. 20	pm	Sand Point	Sept. 20	pm
Sand Point	Sept. 21	pm	Cold Bay	Sept. 21	pm
Cold Bay	Sept. 22	noon	St. Paul	Sept. 22	pm
St. Paul	Sept. 24	3:40pm	Anchorage	Sept. 24	5:55pm

For those of you beginning your travels outside of Anchorage tickets should be waiting for you at your local airport. Please check a couple days in advance and let Mel (276-8994 wk and 345-5077 hm) know if there is a problem.

September 8, 1983

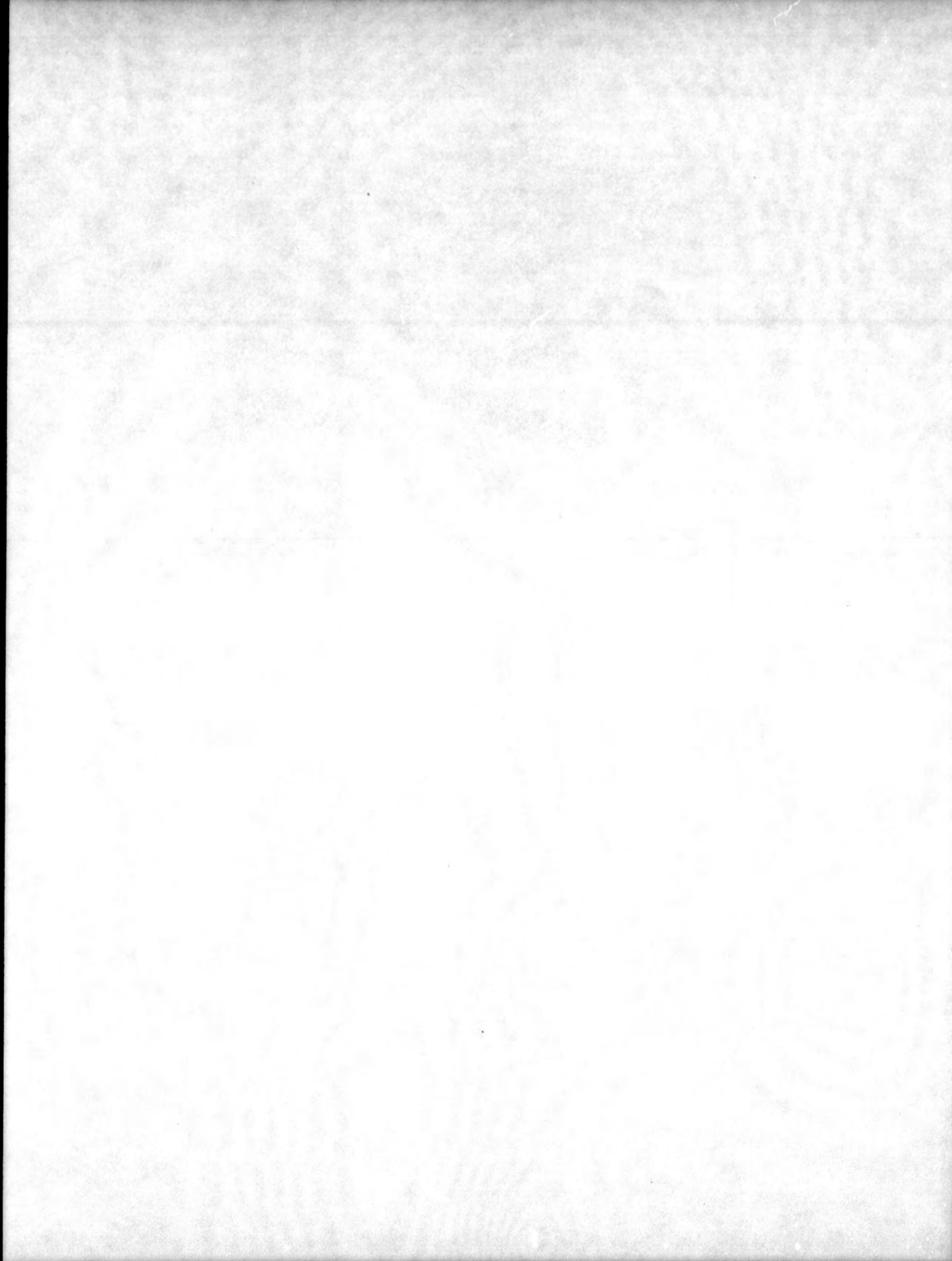
Page Two

In most cases you will be able to leave home on the 16th and return on the 24th.

Per diem for legislators was terminated with the pay raise, but you still can be reimbursed for actual hotel costs plus \$31.00 a day for meals. Forms for reimbursement will be available during the trip; if you wish to receive an advance please contact Karla Ellis in accounting (465-3852).

We have arranged for rooms at all locations and have set up local contacts for tours of local facilities, processing facilities, and informational hearings with fishermen. In Cold Bay the regional director of FRED will be giving us an over view of the Russell Creek hatchery, hopefully I will be able to provide you with more information on this facility before our departure. I have enclosed background information on as many of the locations as was available.

If you have any questions or suggestions please contact Mel.



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 Lorensen, 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 Kramer, 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 reaeration, 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)	10,209,628
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)	11,461,817
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
------------------------	---------

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.



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 GRUSENDORF
PETER GOLL
JACK MCBHIDE
FRED ZHAROFF

September 16, 1983

To: Representative Adelheid Herrmann
& Mel Monsen

From: Deborah L. Greenberg

Re: State Policies and Activities Concerning Bottomfish

The following report is in response to your request that I provide you and the Fisheries Committee members with some background information on bottomfish fisheries for your trip to Dutch Harbor. At your suggestion, I contacted officials from the Governor's Office, the Department of Commerce, and the Department of Fish and Game about their policies and activities concerning bottomfish development. I also included information from other sources, and can easily provide you with more.

STATE POLICIES AND ACTIVITIES RELATED TO GROUND FISH

Currently neither the Governor's Office, the Department of Commerce, or the Department of Fish and Game has any significant written policies directing the development of Alaska's bottomfish resource. Most groundfish regulations are developed by the North Pacific Fisheries Management Council (NPFMC), and apply to the Fisheries Conservation Zone.

Office of the Governor

The Office of the Governor has no official policy concerning the development of Alaska's groundfish resource. However, in a recent letter explaining his decision to approve two Portuguese joint venture permits for salt cod, the Governor expresses that "the goal of the State is to move to a shore-based operation as quickly as possible." Others have felt that the Governor's handling of these permits is inconsistent with a commitment to developing a shore-based operation expeditiously. (See the letter to Mr. Dickson, Attachment A).

The Fisheries Policy Task Force has recently made several recommendations to the Governor regarding the bottomfish fisheries and when the summaries of these recommendations are completed I will forward them to you.