

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
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37

Prices expected to offset harvest

Salmon season estimated at 139 million

By MIRE NEMETH
TIMES BUSINESS WRITER

Alaska fishermen probably will harvest fewer salmon this summer, but higher prices for sockeye, or red, salmon should ease the economic pressure that led to a strike in Bristol Bay last year, state officials said Thursday.

Alaska's total salmon harvest — including pink, sockeye, chum, silver and chinook — is forecast at 139 million fish this summer, down 27 percent from 190 million last year, said Herman Savikko, chief statistician for the Alaska Department of Fish and Game.

Savikko unveiled his agency's predictions at a breakfast meeting of the Resource Development Council in the Anchorage Petroleum Club.

He said prices for the sockeye harvest would come close to \$1 to \$1.25 per pound, up from 1991's 11-year low of 76 cents per pound. Processors' initial offers of 60 cents per pound so angered Bristol Bay fishermen, they chose to strike for two weeks at

the height of the 1991 season.

"I don't think we're going to have a sour season like the industry had last year, but it's not going to be a particularly sweet one," he said.

Alaska's salmon industry generated \$310 million in 1991, down 44 percent from \$560 million in 1990.

A four-year low in Japan's frozen salmon inventory has fueled optimism for higher prices, said Gunnar Knapp, an economist with the Anchorage-based Institute for Social and Economic Research. Knapp said the Japanese government's survey of its industry reported an inventory of 164 million pounds in February, down 18 percent from 187 million pounds last year.

"Generally, a favorable sign is that everybody is talking about higher prices," he said. "There isn't that sense of panic that there was last year. Things are more stable."

However, a poor Japanese economy that is shrinking financing opportunities in

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Harvest

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that country and an influx of Russian salmon could further erode prices.

Exact sockeye salmon prices often remain elusive until the opening of the Copper River red season May 15.

Prices evolve at various levels of the industry, said Terry Johnson, an analyst in Dillingham

with the University of Alaska Marine Advisory Program. Processors wait until they get an indication from buyers, who wait for importers in Tokyo to give them an idea, he said. And the importers wait to make their move until fishing begins, he said.

"It's a chain reaction," he said.

This year's overall Alaska sockeye harvest is projected to be 43.8 million fish, down 4 percent from 45.5 million salmon caught last year, Savikko said.

Pink salmon prices, about 12

cents per pound last year, are expected to remain low, perhaps between 15 and 18 cents per pound, but lower returns could help shore up the sagging market, he said. In 1992, 79 million pink salmon are expected to be harvested, down 39 percent from last year's catch of 129 million, he said.

Fish and Game's forecasted harvests for other salmon species showed less change.

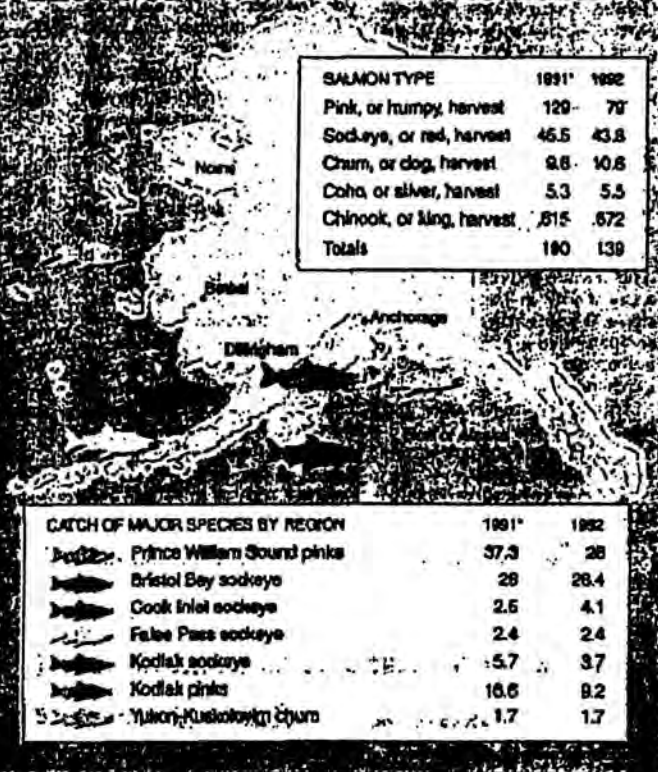
The 1992 chum forecast is 10.6 million salmon, up 10 percent

from 9.6 million salmon caught in 1991.

The 1992 coho, or silver, salmon forecast is 5.5 million, up 4 percent from 5.3 million caught in 1991. The 1992 chinook or king salmon forecast is 672,000, up 4 percent from 615,000 kings caught in 1991.

Savikko said new products could eventually help raise prices, but many market variables depend on farmed salmon production in Norway, Chile, Scotland and British Columbia.

Alaska salmon forecast for 1992



SOURCE: Alaska Department of Fish and Game

The Anchorage Times / LARRY LEXANDER

LEGISLATURE 1992

House leaders worry bills will be delayed by Senate inactivity

By JAY CROFT

TIMES CAPITAL BUREAU

JUNEAU — As the Senate continued its week of closed-door budget negotiations, House leaders said they are worried bills will be delayed to death by inactivity of Senate committees.

"If they're in caucus for all day, and when they're not, they're on the floor, how can the standing committees meet?" said Speaker Ben Grossendorf, D-Sitka.

Grossendorf and other representatives said low-priority bills that otherwise would pass both houses might get lost in the rush toward May 12 adjournment.

Movement has been slow all session, with few important bills going to the governor for signature.

Senate President Dick Eliason acknowledged the problem during a brief break from the Senate's private spending talks Wednesday.

"There's still legislation in committees that's got to be dealt with," said Eliason, R-Sitka.

Not all senators are worried about it, though. "Good," said Sen. Rick Uehling, R-Anchorage.

"We don't need a lot of new bills. We have budget reductions to take care of."



Rules committee chairmen in both chambers determine which bills make it to the floors for full votes.

Schedules for committees and floor votes in the House and Senate list measures from the other side, but many have not been acted on.

In the Senate, chairman Fred Zharoff, D-Kodiak, also blamed the delays on budget work.

The problem is throughout the committees but unintentional, he said, and few bills have made it all the way to either Rules panel.

"The clock is ticking, and we need to be aware of that," Zharoff said.

"I don't know that there is a problem. It seems like this is a normal process we go through every year."

He said he is moving three to five bills after each Senate session, three days a week.

But just one or two are House bills, said his counterpart, Rep. Johnny Ellis, D-Anchorage.

Ellis is trying to free only as many Senate bills as Zharoff moves that came from the House.

"My anxiety level's very high," Ellis said.

"All these other bills building up are increasing the chances we're going to be embarrassed by the chaotic feeding frenzy on the last night," he said. No specific bill has been targeted for stalling, but "it's just the whole general flow of things around here."

"There are a few little sticks coming down the log flume, but when the logjam breaks, inevitably people get hurt," he said.

Ellis said he planned to ask Eliason to move the Senate's operating budget proposal to the House by Saturday so representatives could have time to act on other bills. "I would like to break the logjam earlier because this is not a good way to do business."

About two months ago, Ellis said he tried to hurry along the "personal bills" important to lawmakers, but it apparently has not happened.

Delaying those to the end only compounds last-days pressure as lawmakers struggle with the budget and more important issues.

"It's just too much," Ellis said. "That's asking for trouble."

SALMON POPULATION STRUCTURE: KEY TO EFFICIENT MANAGEMENT

Dr. Anthony Gharrett

Pink salmon constitute the largest volume fishery in Alaska and are an important worldwide protein source. Historically, management of this fishery has taken place on a regional basis because it is logistically and economically difficult to accomplish on a finer scale. Recent salmon genetics research by School of Fisheries and Ocean Sciences researchers indicates, however, that management based on knowledge of genetic variation within and among local salmon stocks may be the key to maximizing productivity and management efficiency.

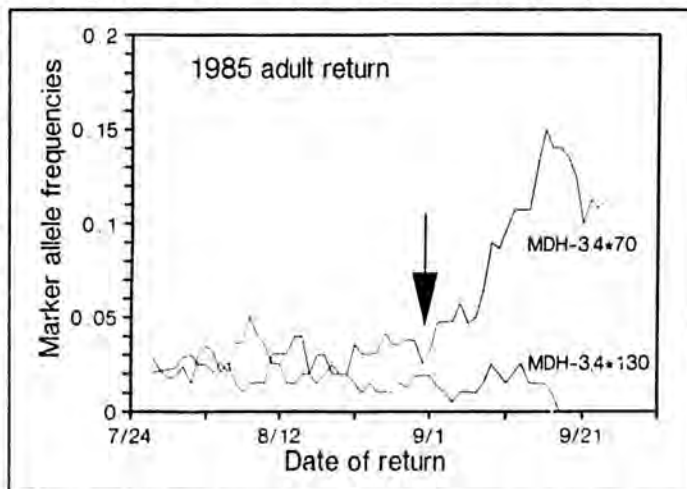
Because of large year-to-year fluctuations due to weather and predation, wild pink salmon stocks in Alaska have been augmented by hatchery-raised fish in an effort to stabilize major swings in population levels. One concern associated with salmon enhancement projects is the biological impact that hatchery fish may have on wild stocks. Biological problems may be ecological, including increased competition for limited resources, or genetic, including "swamping" of the genetic resources of wild stocks.

I have collaborated with Dr. William Smoker and others at the Juneau Center, School of Fisheries and Ocean Sciences to address some basic pink salmon biology questions and their implications for salmon enhancement and management activities. Our research has focused on genetic marking of salmon populations and on genetic components of life history traits (e.g., timing of migration) of pink salmon in Auke Creek, near Juneau. The site of a weir (fence that permits counting of migrating fish) and research hatchery operated by the National Marine Fisheries Service, Auke Creek represents an ideal pink salmon study location.

Pink salmon have a rigid two-year life cycle that segregates them into two populations that breed in alternate years ("even-" and "odd-year" stocks). Within each year, distinct "early" and "late" subpopulations were observed in Auke Creek, with early fish returning and spawning before September 1 and late fish returning to spawn after September 1. We suspected that these two subpopulations also are genetically distinct.

To test this theory, we genetically marked a subset of wild fish from the late upstream run in 1979 by spawning only late-run adults that possessed a certain allele (slightly different form of a gene) detectable by starch-gel electrophoresis, a process that separates alleles for the same gene based on their electrical charges. The frequency was monitored in subsequent spawning runs of adults and in seaward emigration runs of juvenile salmon. This work has revealed additional variation in timing within the subpopulations and indicates that genetic determination is important in the timing of returning adults and emigrating fry.

Run timing is clearly important to the survival of individuals and to the persistence of populations. If adults return too early or too late, streams often will not be suitable for spawning or for the development of embryos. If fry emigrate too early or too late, they will miss the seasonally important food essential to their early growth and survival. There is



Frequency of MDH-3,4 marker alleles during the 1985 adult return to Auke Creek. Approximately 10 fish were sampled daily. The arrow indicates the arrival of late-run (silver bright) pink salmon at the weir.

Genetic variation within a population enables it to adapt to a fluctuating environment



Dr. Anthony J. Gharrett.
(SFOS file photo)

Dr. Gharrett joined the faculty of the University of Alaska in 1976; he is currently a Professor of Fisheries at the Juneau Center, School of Fisheries and Ocean Sciences. He obtained his M.S. (1973) in Fisheries and Ph.D. (1975) in Genetics from Oregon State University.

His research interests focus on the distribution of genetic variability in several fish species, the maintenance of genetic variation in cultured populations, and the integration of qualitative and quantitative genetic variability estimates to promote more complete understanding of genetic/environment interactions in wild salmonids.

Future projects will build on the current pink salmon work and will include developing additional genetic markers using DNA techniques. Ongoing projects include examination of rates of straying of pink salmon from their natal streams, further study of genetic infrastructure of populations, and the rate of colonization in recently opened streams in Glacier Bay.

Related reports may be obtained from:

Publications Office
Institute of Marine Science
School of Fisheries and Ocean
Sciences
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Fairbanks, Alaska 99775-1090



Juneau Center, School of
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frequently only a small "window of opportunity" available for successful reproduction; variability within and among subpopulations allows them to make use of that window even though the window changes from year to year.

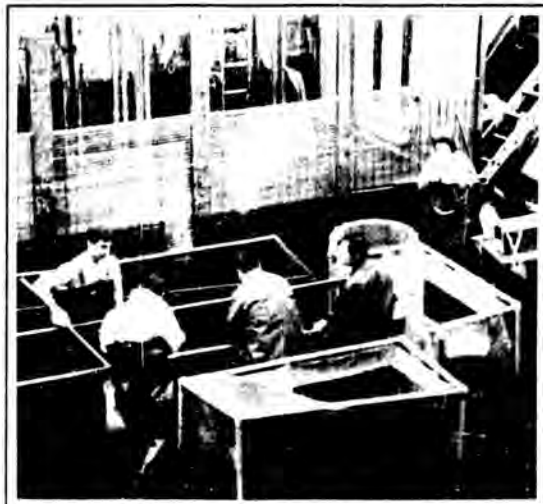
Most wild salmonid populations live in environments that vary over time, sometimes dramatically. Genetic variation within a population enables it to adapt to a fluctuating environment by ensuring that at least some individuals will have a phenotype (physical expression of the genetic makeup of the individual) that can survive environmental extremes. Similarly, maintenance of multiple, uniquely adapted local populations ensures that a population or even an entire species will be able to adapt to long-term environmental changes.

Our results confirm the wisdom of using native fish rather than transplants as a brood source for enhancement activities when possible. Selection pressures within specific environments have "pre-adapted" local fish to local conditions and enable them to function more efficiently, thereby maximizing production. Genetic diversity will be maintained, and knowledge of local variation in life history characteristics will allow managers to make more informed decisions regarding timing of egg collection and release of fry. The extent to which more localized or even stream-by-stream management can be accomplished is unclear, but it may prove more efficient as our understanding of salmon genetics increases.



Graduate students taking samples for genetic studies of Auke Creek pink salmon.
(Photo: A. Gharrett)

ACKNOWLEDGMENTS. Much of this research has been supported by the Alaska Sea Grant College Program and has been carried out in cooperation with the National Marine Fisheries Service Auke Bay Laboratory and the Alaska Territorial Sportsmen. The assistance of Moira Ingle, Institute of Marine Science Publications Office, with the preparation of this article is very much appreciated.



UAF students and staff grading pink salmon at spawning time above the Auke Creek weir.
(Juneau Center, SFOS file photo)

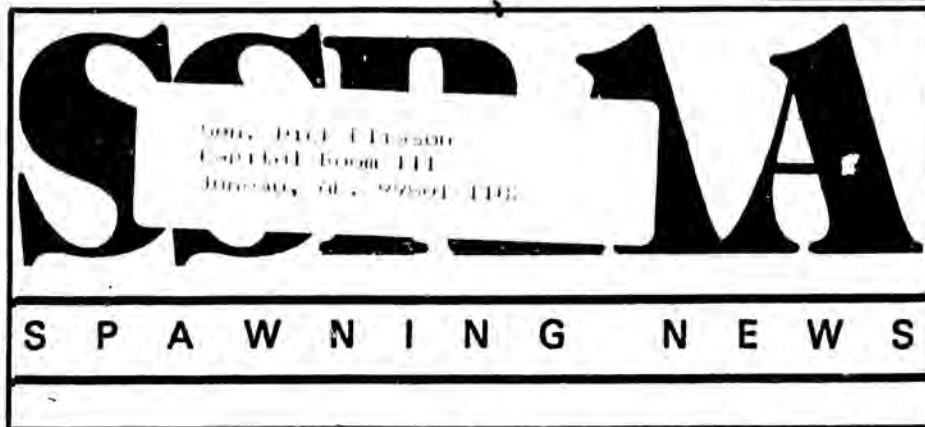
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Classified ad information, page 3

Cooperative enhancement projects,
page 4

Neets cost recovery contract, page 3

Financial white paper, page 8



Deferment attempts continue

The shortfall was foreseen

Unpredicted run failure in 1989 and low salmon prices last season combined to create the shortfall. SSRAA did pay more

When DOCED turned down SSRAA's request again this time, the association petitioned the department to adopt

DOCED is authorized to defer payment for a *minimum* of six and maximum of 10 years, and to charge *up to* 9.5 percent interest. However, they have consistently charged the maximum allowed interest rate and allowed the minimum deferment.

SSRAA requested that DOCED establish regulations and then await a decision on SSRAA's request for deferment until the regulations are in

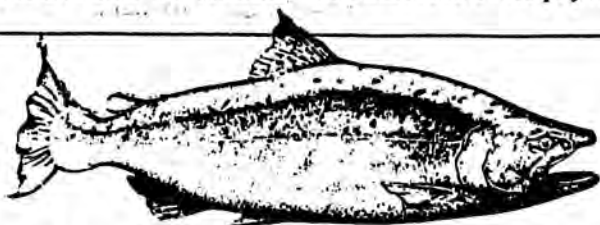
place.

DOCED went for one out of two, and agreed to establish regulations, but said that SSRAA's deferment request would not be postponed until the regulations were established.

Raffle tickets benefiting SSRAA will be on sale by mid-May through Chamber of Commerce outlets; sales are expected to net SSRAA \$50,000

Negotiations continue, but in the interim, SSRAA's board met in an emergency session on April 10 to direct management.

The motion passed unanimously by the board at that time neither accepted nor rejected the latest offer by DOCED, instead authorizing SSRAA's Executive Committee to resolve the situation with DOCED through negotiation
(Turn to Page 10)



Attention gillnetters

SSRAA is seeking bids from gillnetters for harvesting hatchery fish in Special harvest Areas for cost recovery. Fishing will occur in July 1992, for Carroll Inlet chinook, Shrimp Bay and George Inlet sockeye, and possibly for chinook and coho in Earl West Cove.

Bids must be received by 5 p.m. Friday, May 29, 1992.

For information, contact Don Amend at SSRAA, 2721 Tongass Ave., Ketchikan, Alaska 99901, telephone (907) 225-9605.

Strategic objectives set by board

At their annual planning meeting in November, SSRAA's Board of Directors developed a strategic plan for the association. They revised and adopted it formally in December.

Here, with some minor editing, are the strategic objectives developed over two days of meetings and discussions:

FINANCE

1. Return to each gear group a minimum of the cumulative 3 percent tax paid by each group since SSRAA's inception.

2. Eliminate SSRAA's operating deficits by operating in a fiscally responsible manner (i.e., produce positive cash flow and use safe and sound

financial management practices and procedures such as budget preparation, financial reporting, present value techniques, divestiture of uneconomic projects, build-up of reserves during good years.)

3. Present-value all new hatchery projects plus apply present-value economic feasibility analysis to selected exist-

ing projects (i.e., economic feasibility of Neets Bay cost recovery, chums, cohos, kings and sockeye.)

4. Explore all possible means for acquiring/using other people's money to fund SSRAA's operations (i.e., loan deferment, grants, federal funding [mitigation, Dingle-
(Turn to Page 2)

Strategic objectives set by board

(Continued from Page 1)

Johnson funds), loan forgiveness, state capital investment injection, donations, etc.)

5. Engage a financial consultant to assist general manager with the preparation of economic feasibility analysis, financial reports, operating and capital expenditure budgets.

PRODUCTION

1. Determine/review economic viability of production capabilities at each SSRAA production site (i.e., continuing production of chum at Neets Bay; assurance of broodstock supply; other species alternatives, etc.)

2. Guide production decision in accordance with the fol-

lowing parameters:

- Control growth through the investigation of economically viable opportunities.
 - Make best use of existing facilities.
 - No immediate expansion of existing facilities (i.e., through new acquisitions, external additions.)
3. Beaver Falls Project
- Continue evaluating this option but at a slower pace.
 - Defer final commitment until 1994.
 - Complete economic feasibility analysis.
 - Continue lake fry stocking program at

current level (providing funds are obtained from the state, grants or donations.)

- Solicit funding from state for lake fry stocking program at Beaver Falls.
- Encumber \$3-\$5 million in state funding.
- Explore loan deferment (terms, conditions) from the state with or without the Beaver Falls Project.
- Investigate fry plants in non-anadromous lakes for cost recovery purposes.

MARKETING

1. Evaluate cost/benefits of direct sales versus contract sales alternatives in order to move from a reactive to a

proactive position with regard to the sale of cost recovery fish.

2. Explore moving toward a profit-sharing marketing position versus a minimum-risk marketing position.

3. Explore joint venture cost-recovery marketing alternatives.

4. Be more aggressive in seeking interest in the cost recovery contracts.

BOARD OPERATIONS

1. Annually, schedule a one-day meeting to review prior year accomplishments (re: association performance and update/revise strategic objectives.)

2. Develop and implement a quarterly Key Performance Indicator reporting system (i.e., finance, production, marketing, personnel, legislation.)

Castle appointed to seine seat

At the Feb. 28 Board of Directors meeting, SSRAA President Tom Fisher appointed Dan Castle of Ketchikan to serve out the remaining year of Rick Lindblom's term.

Lindblom, a seine representative from Marysville, Wa. (F/V *Corva May*), resigned for per-

sonal reasons earlier that month.

Castle had been recommended by the Southeast Alaska Seiners to fill the vacancy, and had attended several meetings previously.

There was no objection to his appointment.

BOARD OF DIRECTORS

Seine representatives:

Bryan Benkman, Seattle, *Kona Rose*
Dan Castle, Ketchikan, *Stephanie Ann*
Dave Street, Seattle, *Foremost*
Brian Wartman, Seattle, *Ariel*

Gillnet representatives:

Ken Duckett, Ketchikan, *Shiloh*
Chris Guggenbickler, Wrangell, *Ray's Cane*

Louie Munch, Pt. Townsend, *Sisu*
Rich Andrew, Ketchikan, *Defiance*

Power troll representatives:

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Dave Pitcher, Ketchikan, *Nevada*
Robert Rooney, Wrangell, *Dorothy*

Hand troll representative:

Curtis Tucker, Ketchikan, *Havoc*

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Angelo Martin, Ketchikan

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SSRAA, FRED, USFS join forces

Co-op ventures enhance sockeye

The sockeye salmon rehabilitation and enhancement program in Southern Southeast began in 1979 with lake fertilization projects at Hugh Smith and McDonald Lakes — a cooperative program involved SSRAA, the US Forest Service and the state's Division of Fisheries Rehabilitation, Enhancement and Development (FRED).

In the 13 years since then, a variety of projects have developed through those joint efforts. Enhancement projects have primarily consisted of building fish passes to open anadromous access to suitable sockeye spawning and rearing habitats, according to Mike Haddix of the FRED Division in Ketchikan.

In addition, there were bio-enhancement programs, such as Bakewell/Badger, Virginia, Margaret, Big Dog Salmon and Old Frank's Lakes, where salmon fry were planted into newly-accessible habitats.

Then there were rehabilitation projects, designed to rebuild sockeye systems that have become depressed. Those projects include Hugh Smith, Salmon (Karta), Heckman and Patching Lakes.

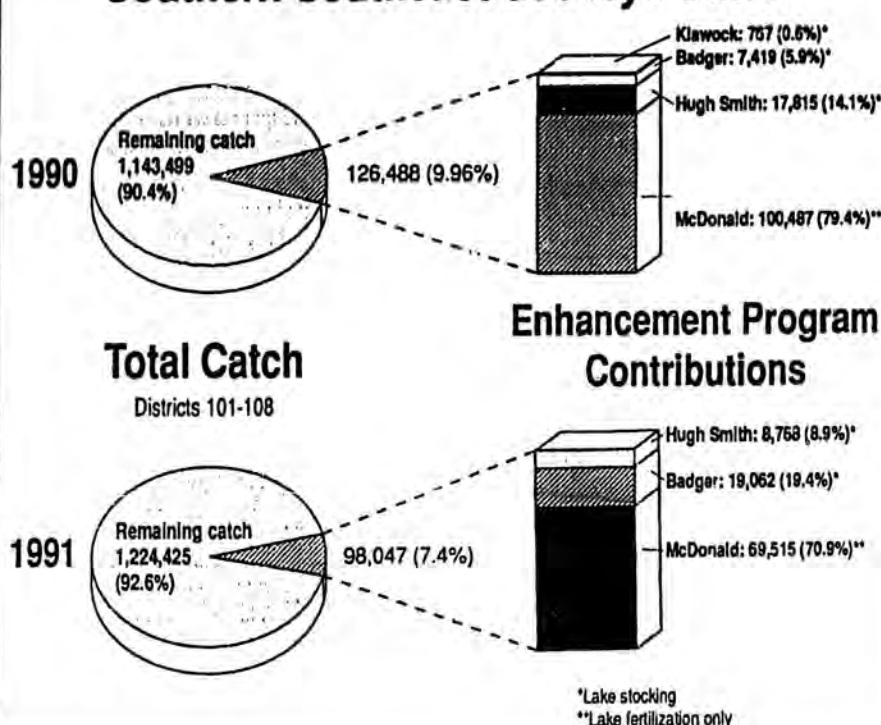
The state's Beaver Falls facility was developed in the mid-1980s to provide an incubation facility for those projects. The initial funding for Beaver Falls' construction came from several sources, including FRED, the Forest Service, and U.S./Canada Treaty mitigation funds.

The first eggs were taken and incubated in 1984, and sockeye fry plants totalling approximately 24 million have been made into seven different lakes since 1986. Those fry plants should translate into about 575,000 adult sockeye.

SSRAA, with grants from the state, currently operates the

(Turn to page 11)

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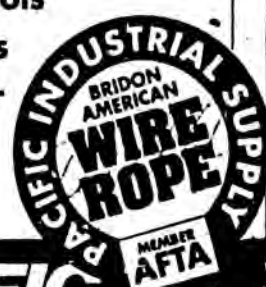
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14	15 12:00 am	16	17 TROLL ONLY	18	19 GILLNET	20
21	22 SEINE 6 am - 6 pm	23	24	25 GILLNET	26	27 SEINE 6 am - 6 pm
28 GILLNET	29 GILLNET	30 SEINE 6 am - 6 pm				

July 1992 — Earl West Cove						
SUN	MON	TUES	WED	THURS	FRI	SAT
			1 GILLNET	2	3 SEINE	4 GILLNET
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12 SEINE 6 am - 6 pm	13 GILLNET	14	15 SEINE 6 am - 6 pm	16 GILLNET	17	18 SEINE 6 am - 6 pm
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26 -NET	27 SEINE 6 am - 6 pm	28 GILLNET	29 SEINE 6 am - 6 pm	30 GILLNET	31 GILLNET	Aug. 1

August 1992		
SUN	MON	TUES
2 SEINE 6 am - 6 pm	3 GILLNET	4 GILLNET
9 GILLNET	10 GILLNET	11 SEINE 6 am - 6 pm
15 -NET	17 SEINE 6 am - 6 pm	18 GILLNET
23 SEINE 6 am - 6 pm	24 GILLNET	25 GILLNET
30 GILLNET	31 GILLNET	

1992 Special Harvest Ar

SSRAA is currently negotiating with the Department of Commerce and Economic Development for the deferment of loan payments. These management plans are based on those deferments being granted, which is by no means assured. If the deferments are not granted, additional program changes will have to be made that will include cost recovery in terminal areas and other adjustments in SSRAA's programs which are likely to change these harvest plans.

Thus, be aware that **NO SPECIAL HARVEST AREA ROTATIONS ARE GUARANTEED**; the calendars and information here will take effect only if the areas are declared open by emergency order through the ADF&G. Watch for announcements of any openings. If SHA openings are announced, rotations will follow the schedules printed here.

BROODSTOCK

Summer and fall chum broodstock (from up to 52,000 summer chum females and 32,000 fall chum, respectively) will be obtained from Neets Bay as the primary site and Nakat Inlet will be the secondary site. Coho broodstock (requiring 1,000 female coho) will be obtained from Whitman Lake, with Neets Bay as a secondary site. Neets Bay and Whitman Lake chinook broodstock (700 females) will come from Whitman Lake, with Little Port Walter as a back-up site. Sockeye broodstock (1,600 females) will be obtained from McDonald Lake and released at Shrimp Bay. Additional McDonald Lake stock will be used for releases at Virginia and Margaret Lakes. Salmon Lake stock will be used for releases in Salmon Lake. Hugh Smith stocks will be used for Hugh Smith Lake releases. No sockeye eggs will be taken if state funding is not adequate.

Broodstock collection at Neets Bay will be emphasized until at least 90 percent of the brood is obtained before cost recovery is conducted. If chum broodstock collection at Neets Bay falls more than 25 percent short of pre-determined weekly goals, the Nakat Inlet SHA will be closed to allow for broodstock collection there. The other back-up brood sources will be pursued only as needed and no special management considerations will be requested.

COST RECOVERY

Cost recovery in 1992 will be conducted at Neets Bay,

Carroll Inlet, Beaver Falls and Shrimp Bay. Cost recovery will start with chinook salmon in Neets Bay and Carroll Inlet about June 10. Only those fish in excess of broodstock needs will be sold.

SITE MANAGEMENT

CARROLL INLET

Will be managed only for cost recovery and to minimize escapement into the Carroll River.

Test fishing for the Terminal Area Troll Chinook Harvest Study will be allowed from June 10 through 30. A special effort will be made to harvest all chinook and this will include selected targeting with drift gillnet.

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1992 — Earl West Cove

SUN	MON	TUE	WED	THURS	FRI	SAT
4 NET 6 am - 6 pm	5 SEINE 6 am - 6 pm	6 GILLNET Noon - noon	7 GILLNET Noon - noon	8 SEINE 6 am - 6 pm		
11 SEINE 6 am - 6 pm	12 GILLNET Noon - noon	13 GILLNET Noon - noon	14 SEINE 6 am - 6 pm	15 GILLNET Noon - noon		
18 GILLNET Noon - noon	19 GILLNET Noon - noon	20 SEINE 6 am - 6 pm	21 GILLNET Noon - noon	22 GILLNET Noon - noon		
25 NET Noon - noon	26 SEINE 6 am - 6 pm	27 GILLNET Noon - noon	28 GILLNET Noon - noon	29 SEINE 6 am - 6 pm		

September 1992 — Earl West Cove

SUN	MON	TUE	WED	THURS	FRI	SAT
		1 SEINE 6 am - 6 pm	2 SEINE 6 am - 6 pm	3 GILLNET Noon - noon	4 GILLNET Noon - noon	5 GILLNET Noon - noon
6 GILLNET Noon - noon	7 SEINE 6 am - 6 pm	8 GILLNET Noon - noon	9 GILLNET Noon - noon	10 GILLNET Noon - noon	11 SEINE 6 am - 6 pm	12 SEINE 6 am - 6 pm
13 GILLNET Noon - noon	14 GILLNET Noon - noon	15 GILLNET Noon - noon	16 SEINE 6 am - 6 pm	17 SEINE 6 am - 6 pm	18 GILLNET Noon - noon	19 GILLNET Noon - noon
20 NET Noon - noon	21 GILLNET Noon - noon	22 SEINE 6 am - 6 pm	23 GILLNET Noon - noon	24 GILLNET Noon - noon	25 GILLNET Noon - noon	26 GILLNET Noon - noon
27 SEINE 6 am - 6 pm	28 GILLNET Noon - noon	29 GILLNET Noon - noon	30 GILLNET Noon - noon			

October 1992 — Earl West Cove

SUN	MON	TUE	WED	THURS	FRI	SAT
				1 SEINE 6 am - 6 pm	2 SEINE 6 am - 6 pm	3 SEINE 6 am - 6 pm
4 GILLNET Noon - noon	5 GILLNET Noon - noon	6 GILLNET Noon - noon	7 SEINE 6 am - 6 pm	8 SEINE 6 am - 6 pm	9 SEINE 6 am - 6 pm	10 SEINE 6 am - 6 pm
11 GILLNET Noon - noon	12 GILLNET Noon - noon	13 GILLNET Noon - noon	14 SEINE 6 am - 6 pm	15 SEINE 6 am - 6 pm	16 SEINE 6 am - 6 pm	17 SEINE 6 am - 6 pm
18 GILLNET Noon - noon	19 GILLNET Noon - noon	20 GILLNET Noon - noon	21 GILLNET Noon - noon	22 GILLNET Noon - noon	23 GILLNET Noon - noon	24 GILLNET Noon - noon
25 GILLNET Noon - noon	26 GILLNET Noon - noon	27 GILLNET Noon - noon	28 GILLNET Noon - noon	29 GILLNET Noon - noon	30 GILLNET Noon - noon	31 GILLNET Noon - noon

Area Management Plans

PLEASE NOTE:

NO SHA ROTATIONS ARE GUARANTEED.

The information here will take effect only if the areas are declared open by emergency order through the ADF&G. Watch for announcements of any openings. If openings are announced, fishing will follow the calendars printed here.

Nakat Inlet and Earl West Cove will be managed by the Alaska Department of Fish and Game, in consultation with SSRAA, by emergency order for seine and gillnet fishing. Trolling is allowed whenever an area is open to commercial fishing.

EARL WEST COVE

Tentative plans are to manage the Earl West Cove Special Harvest Area for a rotational fishery only.

Eastern Passage is open south of 56°24'50" north latitude and west of 132°6'21" west longitude, except for the following restrictions:

Madan Bay is closed east of a line from the latitude of the channel marker in the Narrows to the Eastern tip of Channel Island (56°21'48" north latitude, 132°9'24" west longitude) to the navigational light on the northern tip of Point Madan at 56°22'39" north latitude, 132°9'42" west longitude.

Time allocation and legal gear

HARVEST SEASON: May extend from June 15 through October 7.

TROLL: The Earl West Cove Special Harvest Area will open for hand and power trolling during the entire harvest period, beginning with a 108-hour troll-only fishery on June 15 before the net rotations begin. Only legal troll gear may be used.

NET FISHERIES: Each rotation for the drift gillnet and purse seine fleet will include a 2:1 gillnet:seine rotation. The fishing period is 24 hours:12 hours, with the first net opening being for gillnets. Drift gillnets may not exceed 200 fathoms in length.

Forecast run strength

Based on pre-season projections, the run at Earl West Cove is expected to include approximately 23,500 coho, 14,100 king and 61,100 summer chum.

NAKAT INLET

Will be managed primarily for a rotational fishery, but SHA may be closed if broodstock cannot be met at Neets Bay Area.

The Nakat Inlet Special Harvest Area encompasses (Please turn the page)

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Tentative '92 Special Harvest Area plans

July 1992 — Nakat Inlet						
SUN.	MON.	TUES.	WED.	THURS.	FRI.	SAT.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
				GILLNET Noon — Noon		
19	20	21	22	23	24	25
SEINE 6 am — 6 pm		GILLNET Noon — Noon			SEINE 6 am — 6 pm	
26	27	28	29	30	31	Aug. 1
GILLNET Noon — Noon			SEINE 6 am — 6 pm		GILLNET Noon — Noon	

PLEASE NOTE: NO SHA ROTATIONS ARE GUARANTEED. The information here will take effect only if the areas are declared open by emergency order through the ADF&G. Watch for announcements of any openings.

August 1992 — Nakat Inlet						
SUN.	MON.	TUES.	WED.	THURS.	FRI.	SAT.
2	3	4	5	6	7	8
	SEINE 6 am — 6 pm		GILLNET Noon — Noon			SEINE 6 am — 6 pm
9	10	11	12	13	14	15
	GILLNET Noon — Noon			SEINE 6 am — 6 pm		GILLNET Noon — Noon
16	17	18	19	20	21	22
NET Noon — Noon		SEINE 6 am — 6 pm		GILLNET Noon — Noon		
23	24	25	26	27	28	29
SEINE 6 am — 6 pm		GILLNET Noon — Noon			SEINE 6 am — 6 pm	
30	31					
GILLNET Noon — Noon						

September 1992 — Nakat Inlet						
SUN.	MON.	TUES.	WED.	THURS.	FRI.	SAT.
		1	2	3	4	5
			SEINE 6 am — 6 pm		GILLNET Noon — Noon	
6	7	8	9	10	11	12
	SEINE 6 am — 6 pm		GILLNET Noon — Noon			SEINE 6 am — 6 pm
13	14	15	16	17	18	19
	GILLNET Noon — Noon			SEINE 6 am — 6 pm		GILLNET Noon — Noon
20	21	22	23	24	25	26
NET Noon — Noon		SEINE 6 am — 6 pm		GILLNET Noon — Noon		
27	28	29	30			
SEINE 6 am — 6 pm		GILLNET Noon — Noon				

(Continued from previous page)

waters of Nakat Inlet between 54°50' north latitude, except for the 500-yard radius closures at the mouth of Nakat Inlet Creek (101-11-39).

Troll allocation and legal gear

HARVEST SEASON: May extend from July 16 through October 7.

TROLL: The Nakat Inlet SHA will be open for hand and power trolling whenever the waters are open to commercial fishing. Legal gear will be the same as that allowed in the adjacent district during the period.

NET FISHERIES: Each rotation for the drift gillnet and purse seine fleet will include a 2:1 gillnet:seine rotation. The fishing period is 24 hours: 12 hours, with the first opening being for gillnets. Legal gear for both net types will be that which is allowed in the adjacent district.

Forecast run strength

Pre-season projections for hatchery-produced salmon returning to the Nakat Inlet SHA include approximately 68,600 summer chum, 87,300 fall chum and 7,500 coho.

NEETS BAY

The Neets Bay Special Harvest Area will be managed for broodstock, cost recovery and then, if a surplus is declared, for a rotational fishery.

GEORGE INLET, SHRIMP BAY

Managed for cost recovery.

HERRING BAY

Managed for broodstock only.

October 1992 — Nakat Inlet						
SUN.	MON.	TUES.	WED.	THURS.	FRI.	SAT.
				1	2	3
					SEINE 6 am — 6 pm	
4	5	6	7	8	9	10
GILLNET Noon — Noon			SEINE 6 am — 6 pm			
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31



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SSRAA financial position paper

(Following is a slightly-edited version of a financial position paper SSRAA produced in conjunction with its petition to the Department of Commerce and Economic Development. For information on the status of SSRAA's petition, see article beginning on page 1. — Ed.)

In 1977, the Alaska legislature established the Fisheries Enhancement Loan Program under the Department of Commerce and Economic Development. This program allowed for capital and operational loans to private non-profit aquaculture organizations to initiate salmon enhancement projects. The commissioner may defer repayment of principal or accrual of interest during the initial period of the loan, and the initial period was defined as not less than six years or more than ten years from the date the loan was made. The policy of the program is to provide low interest loans and the interest rate for loans shall not exceed 9.5 percent.

SSRAA has obtained eleven loans totalling \$12,393,583 from 1979 through 1984. No loans have been obtained since 1984. All loans were issued for the minimum initial period of six years and the maximum interest rate of 9.5% was charged. Repayment of SSRAA's loans

started in 1986 and payment of all loans now totals \$1,376,617 annually. SSRAA has not defaulted any loan payments.

The legislative intent for the six-to-10 year deferment period was to allow several life cycles of salmon to occur before interest started accruing and payments being required. This would allow the organizations to reach full production and have sufficient fish to conduct cost recovery to pay the loans. The range of six to 10 years was established to encourage private non-profit organizations to develop programs for the more valuable species which have longer life cycles. For example, pink salmon have two-year life cycles and three life cycles could be obtained before the initial six year period was over. However, chum and sockeye have a predominate four year life cycles and only 1.5 cycles would be complete after six years, but 2.5 life cycles would be complete after ten years. SSRAA has never conducted pink salmon enhancement. All projects emphasize chum, coho, chinook, and sockeye salmon.

In order to reach full production within a six-year initial period, everything must go right. All capital improvements must be on schedule,

broodstocks developed, proforma ocean survival rates must be achieved, and prices must be near the forecast level.

However, as might be anticipated, everything has not gone right for SSRAA. The construction was completed on schedule, but the facilities did not operate as designed until 1991. Broodstocks needed for full production were not achieved until 1990. Although ocean survival rates exceeded our proforma rates during the early 1980s, ocean survival rates have been below average in recent years and substantially below in 1989. In addition, prices in 1991 dropped to pre-1980 levels. The combination of these events has put SSRAA on the financial edge.

When broodstocks did not develop as expected and when low survival rates occurred in 1989, SSRAA requested that the initial period be extended for most loans because poor returns were expected through 1993. This request was denied, but the loan committee allowed delaying payments for one year. However, the accrued interest was added to the principal

and amortized over the remaining term of the loan. This essentially increased our debt load.

After the poor prices of 1991, SSRAA's cost recovery was \$300,000 short of revenue need, and proceeds from the salmon enhancement tax was \$600,000 less than the average. SSRAA, again, requested that five loans be deferred to the maximum 10 years allowed by statutes and also requested that the interest rate be lowered to prevailing rates consistent with the policy of low interest loans.

Again, the loan committee denied our request and suggested a loan modification that would increase our loan debt, nearly deplete our cash reserves, and put SSRAA in an unsound financial position.

The legislative intent of the salmon enhancement program was to supplement the common property harvest of salmon and to allow fishermen to help pay for these activities. This took much of the burden of salmon enhancement off the state general funds. In recent years, the state has contracted

(Continued on next page)

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A white paper report on

(Continued from previous page) state salmon hatcheries to regional aquaculture associations. None of these hatcheries has been contracted to SSRAA, although SSRAA is operating the FRED Beaver Falls hatchery under a cooperative agreement. The hatcheries that have been contracted to other regional associations did not require any increase in debt, and in some cases, provided an immediate, substantial increase in cash flow. This is not available

to SSRAA.

SSRAA has been contributing significant numbers of fish to the common property fishery since 1984. Fishermen have paid \$16.6 million in enhancement tax since 1981, but have received \$28.9 million in increased benefits from SSRAA's production. For every dollar spent by SSRAA, \$1.56 has been returned to the fishermen and this is expected to increase to \$2.20 by 1996.

In 1991 commercial fisher-

men harvested 237,210 coho, 27,785 chinook salmon, and have averaged over 300,000 chum salmon annually. Nearly 70 percent of all salmon produced by SSRAA are caught by the common property fishery.

Sport fishermen have also benefited significantly from SSRAA's programs. In 1991 a

record harvest of chinook and coho salmon were caught by sport fishermen in the Ketchikan area. About 48 percent of all sport caught chinook were from SSRAA hatcheries and the Salmon Derby winner caught a 57.5 pound chinook which came from a SSRAA hatchery. Also, about 15,900 coho were

DOCED negotiations

(Continued from Page 1)
or litigation.

Litigation would come in the form of an appeal in Ketchikan Superior Court to DOCED's decision not to defer either SSRAA's payment or a decision on deferral.

SSRAA's board met in closed session with the association attorney at that April 10 meeting.

In the open portion of that meeting, the board also voted on several possible actions to deal with the cash shortfall if the payments must indeed be made.

Among the decisions, based on recommendations from an ad hoc Revenue/Cost Reduction Committee:

- A raffle to benefit SSRAA will be held, with Chamber representative Angelo Martin of Ketchikan chairing the committee implementing the raffle.

The raffle tickets, under the Ketchikan Chamber of Commerce permit, will cost \$10 with donated prizes. Top prize will be a four-day, three-night fishing trip to the Waterfall Resort. It's expected that SSRAA will raise at least \$50,000 through the sale of raffle tickets.

- To request raw fish tax funds from the Ketchikan Gateway Borough. Approximately \$70,000 was thought to be available.

- To request \$5,000 from the Ketchikan Chamber of Commerce from proceeds of its king

salmon derby sales.

- To sell bait eggs for approximately \$8,000.

There was also a two-fold proposal to 1.) take cost recovery out of Earl West Cove near Wrangell after two net fishing rotations; and to request the closure of fishing — including sport fishing — of a portion of Carroll Inlet adjacent to SSRAA's Special Harvest Area there. Although a motion to do both of those things passed with seven opposed, it's on the agenda for reconsideration May 8 and is not at all "a done deal."

(EDITOR'S NOTE: See the article beginning on the previous page for the text of a financial position paper issued in March outlining the history of the loan payment issue.)

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SSRAA financial position

caught by sport fishermen or 31 percent of all coho caught. These harvests are larger than the catch rate before the hatcheries existed and have stimulated a large expansion of the charter fleet. The sport harvest of SSRAA fish benefits sport fishermen throughout the region.

In addition to the harvest by commercial and sport fishermen, the benefits of SSRAA's activities have had a significant economic impact region wide. Wrangell and Ketchikan have especially benefited. Processors have increased their employment and expanded their product line. It is apparent that

SSRAA is living up to the original legislative intent and is providing a broad public benefit.

SSRAA's current asset to liability ratio is 0.85; operating revenues are only 2.3 times the annual loan payments, and cash reserves are about 20 percent of the annual budget.

The Board of Directors approved an operating budget of \$2.4 million for 1992 which is 5.8 percent less than 1991. Further reductions will require elimination of projects and/or personnel reduction. Administrative overhead is less than 18 percent of operating expenses. It is apparent that SSRAA is not in a good short-term financial position nor are expenses excessive.

SSRAA believes the actions taken by the Department of Commerce and Economic De-

velopment will place SSRAA near insolvency. The request to defer five loan payments and reduce the interest rate is consistent with legislative intent, and if the loan committee adopted this request, SSRAA should be able to meet future financial obligations. The long term future of SSRAA is good but we need help now.

SSRAA has petitioned the Department of Commerce and Economic Development to develop regulations for deferring loan payments from six to 10 years, and to establish criteria for interest rates.

SSRAA believes that longer deferment periods are needed for salmon which have longer life cycles, and that interest rates should be adjustable to either the federal discount rate or the commercial prime rate.

FRED-SSRAA Sockeye Enhancement Projects 1992 return estimates

Lake	Wild Returns	Enhanced Returns	Total
Badger/Bakewell	0	23,080	23,080
Hugh Smith	32,169	13,760	45,929
Klawock	4,529	25,908	30,437
Margaret	0	3,327	3,327
McDonald	85,000	136,704	221,704
Salmon (Karta)	27,522	9,548	37,070
Totals	149,220	212,327	361,547

Joint sockeye programs

(Continued from Page 4)
south of Ketchikan. The state would like SSRAA to take over operation of that hatchery (a stone's throw from SSRAA's own Beaver Falls sockeye facil-

ity), but SSRAA's Board of Directors wants the programs there to be self-supporting before agreeing to a permanent transfer. SSRAA has run the hatchery for the state on a year-to-year basis.

Shucks, they couldn't have been 'replaced,' anyway

SSRAA employees Bill Vandevent and Kathy Herndon both resigned their positions.

Vandevent, who has been with SSRAA since 1983, has been assistant maintenance manager. Herndon, who ran SSRAA's tagging program, leaves after four years.

Due to budget constraints, neither position will be replaced at this time, according to General Manager Don Amend.

But, as Whitman Lake man-

ager Jay Creasy noted of Vandevent, "We might have hired another person, but we could never replace Bill."

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COMMERCIAL FISHERIES



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EXPLANATION OF CSSB 397 (RESOURCES), "RELATING TO THE AUTHORITY OF THE BOARD OF FISHERIES" BY SENATOR DICK ELIASON

Enactment of CSSB 397 would clarify the statutory language spelling out options open to the Board of Fisheries in its regulatory decisions. Currently state law lists the fisheries for which the Board may establish regulations and allocations as: PERSONAL USE, SPORT, and COMMERCIAL fisheries. SB 397 adds the GUIDED SPORT FISHERY to that list. This does not make the guided sport fishery into a "commercial fishery." The effect is simply to separate sport, for the purpose of regulation, into two categories: the "guided sport" fishery, and what is thought of as the traditional "sport" fishery.

The Senate Resources version of the bill also includes the addition of language to clarify that the Board of Fisheries may use residency considerations in making sport fish regulations. This is a power clearly given to the Board of Game in law, but not specifically spelled out for the Board of Fisheries. The residency distinction can ONLY be applied to sport USERS (unguided sport fishermen or the clients of sport fish guides), not to guides. The language in the bill would only ALLOW the board to apply residency criteria, not mandate it. Legally and constitutionally, the state cannot differentiate between resident and non-resident guided sport fish operators (the guides themselves), nor between resident and non-resident commercial fishermen (due to the protection of the right to engage in a livelihood or pursue a profession under the constitutional "privileges and immunities clause"). However, the state legally MAY distinguish between resident and non-resident recreational users, and has done so in many instances, particularly with respect to the use of game. The Board of Fisheries has assumed its ability to distinguish by residency in such actions as passage of regulations allowing resident Alaskans to sport harvest more clams than non-residents. They also use the 7 statutorily established criteria for making fishery allocation decisions, two of which depend on residency considerations. All of these actions could be challenged without adding the specific language in CSSB 397 to make it clear that the Legislature intends for them to be able to consider residency if they need to in making decisions.

The Board of Fisheries has made a number of important decisions in the past under the assumption that they already have the discretion

to promulgate regulations for sport and guided sport, and to distinguish between residents and non-residents. Over the years the Board has alternately been told by attorneys that they DO and DO NOT have the authority to make these distinctions. The most recent opinion by the Attorney General's office states that the Board's authority in both of these matters is "uncertain" due to ambiguities in law. **THE STATE FACES THE PROSPECT OF EXPENSIVE LAW SUITS IF THESE AMBIGUITIES ARE NOT CLEARED UP.** For example, the Kenai River sport/guided sport management plan that has brought stability to a volatile situation and protection of the opportunity for Alaskan sports anglers to fish on the Kenai, could be in jeopardy without the clarification in CSSB 397.

This bill does not require that sport and guided sport fisheries be regulated differently. It simply makes it clear that the state recognizes them as different use categories and has given the Board of Fisheries the authority to regulate them differently if and where they find a need to do so. The same is true with the authority to distinguish sport users by residency.

Finally, CSSB 397 (Resources) revises the definitions which are in current law for "fishery" and "gear." This inconsistency in statute was brought to the committee's attention by the Attorney General's office. The definition of these words in current law uses the word "commercial," even though we consistently refer to the "sport fishery" and the "personal use fishery" throughout statute. In keeping with the intent of the bill to clean up and clarify statutory language regarding the Board's authority, the definitions were corrected to reflect the way these terms are to be used by the Board.

Again, the goal of this bill is to ensure that the Board has the tools it needs to deal with conflicts that inevitably occur when resources are in high demand. The ability to distinguish between sport and guided sport, or resident and non-resident, may help to prevent the over restriction of resident Alaskan sports anglers as rapid growth in guided sport fishing throughout the state necessitates revision of sport regulations in order to protect resources and their historic uses.

The bill avoids "management by statute," and the inflexibility of that approach, by leaving specific decisions to the Board of Fish. Management by regulations through the Board process allows for far more flexibility over time than locking provisions into state law. Again, CSSB 397 does not require the Board to adopt different regulations for sport and guided sport fisheries, nor does it require or even suggest what sorts of regulatory distinctions they might consider. This bill provides the full public input process which is inherent in the Board's regulatory process, allowing for adequate participation in all decisions by all parties involved.

Please contact Sen. Eliason's office for further information. (Phone 465-4916, or write Sen. Eliason, State Capitol, Juneau, AK 99801).

Alaska State Legislature

Legislative Research Agency



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February 20, 1992

MEMORANDUM

TO: Senator Sam Cotten ✓
Senator Arliss Sturgulewski
Senator Fred Zharoff

FROM: Gordon S. Harrison, Director (gsh)

RE: North Pacific Fisheries Research Organizations
Research Request 92.108

You requested information about the various organizations that are involved in research regarding commercial fisheries of the North Pacific region.

Research is important to the work of all the organizations connected with North Pacific fisheries, but in different ways. That is, these organizations have different relationships to research. To emphasize these differences, this memorandum divides fisheries organizations into four general types: those that are primarily regulatory bodies that use the results of research for management decisions, and which set research priorities either directly or indirectly as a consequence of the management issues that confront them; those international and multi-state advisory bodies that provide a forum for coordination of policy and/or research; those organizations that fund fisheries research; and those organizations that actually conduct scientific investigation and technological experimentation. Only a few combine these functions.

Also, among all the organizations that touch North Pacific fisheries matters, some are far more consequential than others. Thus, this memorandum also distinguishes between research-oriented agencies that play a substantial role in North Pacific fisheries and those that have only a minor and peripheral role in the fisheries resources of this region.

The major regulatory, coordinating, funding, and research organizations are identified below. This information is summarized in the accompanying table.

Regulatory Agencies

The state Alaska Board of Fisheries and the federal North Pacific Fisheries Management Council are the main regulatory agencies with management jurisdiction over North Pacific fisheries. Their primary function is to regulate the fisheries in state and federal waters, respectively. As a consequence of their regulatory role, these bodies establish research

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However, a new convention is presently being negotiated that will replace the 1953 treaty and result in the demise of the INPFC. The new "four-way salmon agreement" (Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean) will include the signatories to the 1953 pact and Russia. This treaty will end highseas salmon fishing (i.e., fishing beyond the 200-mile zone of each member nation), and therefore continued management oversight of this fishery will no longer be necessary. However, the treaty organization will monitor management issues in the North Pacific and recommend policies to members countries. The institutional dimension of this new agreement is not yet clear, but it will presumably be a continuation in some form of the INPFC organization. It is unlikely that the new organization will engage in or fund research. Rather, it will coordinate and recommend research on the part of member nations. Thus, without specific management responsibility, it may resemble the policy and research coordination organizations discussed below.

Policy and/or Research Coordinating Organizations

The Pacific States Marine Fisheries Commission is an interstate compact commission (AS 16.45.020) among Alaska, Washington, Oregon, California and Idaho. Its purpose is to provide a forum for the cooperative discussion of management and research issues common to the member states regarding marine resources within state jurisdiction. It does not have management responsibility or regulatory authority. It lobbies the federal government on behalf of the states for fisheries-related appropriations, and it coordinates state policy on federal legislation dealing with Pacific marine fisheries (for example, it has been coordinating state policy with respect to the federal Marine Mammal Protection Act). The commission may formulate policy advice on management issues to the member governments. It is not a research agency, nor is it a funding agency, although it has contracted with states for the preparation of management plans for species exclusively within state jurisdiction (for example, sea urchins, thresher shark and rockfish). These planning projects have been paid for from modest (approximately \$100,000) federal grants through the Interjurisdictional Fisheries Act. The agency maintains the Pacific Coast Fisheries Information Network (PacFin), which produces monthly statistics on groundfish landings. The agency also currently serves as a regional clearinghouse for coded wire tag data.

An international research coordinating body still in the formative stages is PISCES. The name of this fledgling agency is not an acronym. The organization will implement the terms of the Convention for North Pacific Marine Sciences Organizations among the United States, Canada, Russia and the Peoples Republic of China. This treaty has not yet been ratified by all parties, and the organization has not yet taken shape. However, it is intended that PISCES will facilitate and coordinate marine science research in the North Pacific (including the Bering Sea). Thus, its focus will be on oceanographic studies

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Alaska State Legislature

Legislative Research Agency



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priorities, either directly or indirectly, for research agencies. That is, specific policy conflicts and management issues demand specific information.

The policy boards can request information from the research agencies that support them. Nonaffiliated research agencies and funding organizations are aware of the information requirements of the policy boards, and they design their projects and set their research priorities accordingly.

There are three international treaty organizations that may be classified as quasi-regulatory agencies, because although technically they do not possess regulatory power (their role is strictly advisory to the member national governments) their recommendations are implemented and for all practical purposes they manage or participate in a fundamental way in the management of specific fisheries.

The International Pacific Halibut Commission is the oldest of such treaty organizations. It owes its existence to a 1923 convention between Canada and the U.S. for the preservation of halibut. It actively manages the pacific halibut fishery. Of the international commissions with regulatory responsibility, this one is the most directly involved in the day-to-day management of a fishery. It is also distinctive because it has its own scientific staff and collects the statistical and biological data it needs to manage the fishery. Thus, it may be characterized as both a regulatory agency and a research organization.

An organization with important management responsibility over west coast salmon is the Pacific Salmon Commission which implements the Canada-U.S. salmon treaty of 1985. The commission adopts harvest quotas (and other general management parameters) for the critical state and provincial salmon fisheries. State and provincial regulatory authorities implement the quotas set by the commission. For example, the commission establishes the annual southeast Alaska chinook quota. The Alaska Board of Fisheries then allocates this quota among the gear types, schedules openings, and otherwise manages the fishery within the limits of the quota. This commission does not engage in field research or directly fund such research, but it nonetheless plays a critical role in establishing research priorities and channeling money to the states for research. For example, the U.S. government has earmarked funds for the implementation of the treaty in appropriations to the Departments of State, Interior and Commerce. The commission reviews funding proposals from government agencies and tribes and recommends how these earmarked funds are to be allocated among the states for mitigation and research.

The International North Pacific Fisheries Commission (INPFC) is charged with implementing the International Convention for the High Seas Fisheries of the North Pacific Ocean of 1953, to which Canada, Japan and the United States are signatories. This commission manages the directed highseas salmon fishery of Japan (neither Canada nor the United States has a highseas salmon fishery).

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rather than fisheries research. PISCES will not have a regulatory role or management policy orientation.

Funding Organizations

North Pacific fisheries research has a variety of funding sources. The federal government is a major source of financial support. Federal money is appropriated to agencies for their own direct research activities and for grants to other organizations or a combination of both. State general fund appropriations are also a source of research funding for line agencies such as the Department of Fish and Game, for various programs at the University of Alaska, and for state agencies that make grants to others, such as the Alaska Science and Technology Foundation. Industry contributes to a few research projects, programs and organizations.

Two specific organizations are prominent on the Alaska research scene because of their role as an important source of funding for fisheries research: the National Marine Fisheries Service (NMFS), and the Sea Grant Program at the University of Alaska. The first of these, NMFS, is part of the National Oceanographic and Atmospheric Administration (NOAA), within the U.S. Department of Commerce, and it is the main federal research organization dealing with North Pacific fisheries resources in federal waters. It provides technical support to the North Pacific Management Council and to the International North Pacific Fisheries Commission. It not only makes research grants to universities and other organizations, it also has its own scientific research staff, research vessels and laboratories. Thus, it is both an important funding organization and an important research organization.

The Sea Grant Program at the University of Alaska is a conduit for federal funds to university-based researchers and others for a variety of research and outreach (educational) activities related to ocean fisheries. It is the primary source of funding for educational extension work of the Marine Advisory Program at the University of Alaska. The Sea Grant Program acts solely as a funding agent; it has only administrative and financial staff. The source of federal funding for the Sea Grant Program is the Office of Sea Grant in NOAA, U.S. Department of Commerce.

There are Sea Grant programs in all of the Pacific Coast states. The Pacific Sea Grant College Program is an association of these individual state programs. None of these state Sea Grant organizations conduct research directly; they fund research by others (mainly university marine research institutes and "outreach" agencies).

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Research Organizations

Most U.S. fisheries research is conducted by scientists with NMFS, state departments of fish and game and universities. There are only a few exceptions to this generalization. State fisheries agencies are generally not exclusively research organizations; they typically have additional responsibilities as well. Indeed, as is the case with the Alaska Commercial Fisheries Entry Commission, research may be a subsidiary activity. However, these agencies are classified as research organizations here because they *perform* research rather than utilizing research produced by others, funding research or coordinating research.

Before discussing individual research organizations, it is useful to distinguish between four broad categories of research activity: biological research, collection and analysis of harvest statistics, economic and market studies, and product development.

Types of Fisheries Research

Most of what is commonly referred to as "fisheries research" is biological and oceanographic science conducted in the field and in laboratories. All of this biological and related fisheries research is "applied science" in the sense that it aims to inform and improve the management of renewable marine resources, even if there is no immediate connection between the research and day-to-day management problems (studies of oceanographic currents, temperature and chemistry, for example, will presumably have long-term and indirect payoffs for the management of specific species). Nonetheless, the biological research carried out directly by the management agencies is likely to be more focused on practical management problems than the biological research conducted through the universities. For example, a major research priority of the management agencies and universities is understanding the migratory patterns of separate salmon stocks and identifying these stocks before they arrive at their natal streams. Thus, an agency research group may focus on perfecting coded wire tagging techniques while a university research project may approach the problem through more theoretical investigations of fish behavior and genetics.

In addition to the requirement for biological knowledge, sustained-yield management depends upon accurate harvest data. An imperative for the proper long-term regulation of individual species in the North Pacific is current information about the intensity and success of fishing effort. Therefore, collection and analysis of information about the number and characteristics of operating vessels and their landings of fish is another important general category of fisheries research. Harvest statistics are collected by management agencies.

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Economic and market studies focus on the value of the commercial fisheries to the fishing industry and consumers. Management decisions--limited entry programs, for example--are often instigated by economic rather than conservation concerns. Also, supply and demand and the competitiveness of the market profoundly affect the value of the resource to fishermen and processors. Economic and market studies examine these aspects of the fishery.

Finally, product development research seeks to improve the handling and processing of fish and to devise new uses for fish and fish by-products. Chilled sea-water systems for the holds of fishing vessels is an example of research in fish handling technology; surimi is an example of product research and development.

Research Agencies

Agencies which actually engage in research are both governmental and private. Governmental organizations exist at the international, national and state level. There is only one private research organization of significance in Alaska, and it receives most of its funding from federal grants. This section discusses international, national and Alaska state-level organizations. The counterparts of Alaska's state-level organizations in Washington, Oregon and the Canadian counterparts of the U.S. national and state-level organizations, are discussed in the following section.

At the international level of government organizations, the International Pacific Halibut Commission is an important research organization. It has a research staff of approximately 25 that is engaged in biological research and the collection and analysis of harvest data pertaining to halibut.

At the federal level, there is only one significant U.S. research organization: the National Marine Fisheries Service. Its research arm is the Alaska Fisheries Science Center in Seattle, which operates the Auke Bay laboratory in Juneau and smaller research stations in Alaska at Little Port Walter and Kodiak.

The major fisheries research organizations at the Alaska state level are either state government agencies or agencies affiliated with the university of Alaska. In the first category are the Commercial Fisheries Division (ComFish) and the Fisheries Rehabilitation, Enhancement and Development Division (FRED), both of the Alaska Department of Fish and Game. Also in the first category is the Commercial Fisheries Entry Commission (CFEC), an independent regulatory commission whose primary responsibility is implementation of limited entry laws. The Commercial Fisheries Division does biological research and collects and analyzes harvest data; FRED does primarily biological research; and CFEC engages in harvest-related research and market research (examples of recent research by CFEC are studies of permit distribution patterns, studies of permit

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sales and permit prices, examination of options for limiting entry in open crab and shrimp fisheries, and studies of the optimum number of permits in various fisheries).

A substantial program of marine research occurs within the University of Alaska. The institutional umbrella for this research is the School of Fisheries and Ocean Sciences. Within this school is the Institute of Marine Science (IMS), headquartered at the Fairbanks campus. The IMS operates the Seward Marine Center, the research vessel *Alpha Helix*, and a laboratory near Seldovia. Also within the school is the Juneau Center for Fisheries and Ocean Sciences, a teaching and research facility located at Auke Bay in Juneau. These academic institutions conduct biological research.

The Fishery Industrial Technology Center at Kodiak is another organization within the university's School of Fisheries and Ocean Science. Its mission is product development, seafood catching and handling methods, and processing technology. This agency also has an "outreach" program (education and training).

The Marine Advisory Program, also within the university's School of Fisheries and Ocean Science, is an "outreach" organization rather than a research agency. It is funded primarily by the Sea Grant Program. Its mission is to serve as a university-based extension service for the fishing industry. Thus, its relationship to research is to disseminate technical information of a practical nature that results from biological research and technological advances. It has offices in Sitka, Petersburg, Cordova, Homer, Kodiak, Dillingham, and Kotzebue.

There is only one important private, nonprofit research organization in Alaska, the Alaska Fisheries Development Foundation. This foundation was formed in 1978 as a consortium of seafood processors to conduct research in new product development and the harvesting and processing of seafood. Thus, its mission is similar to that of the university's Fishery Industrial Technology Center at Kodiak. The industrial sponsors of this organization make a financial contribution to it, but most of its money has come from the federal Saltonstall-Kennedy program, which makes grants for technological and product research by industry.

Research Agencies of Washington, Oregon, and Canada

The states of Washington and Oregon also have research programs in management agencies and universities that are comparable to those found in Alaska. Because of the considerable significance of the North Pacific fisheries resources to the economy of Washington, the organizations in this state are more prominent than those of Oregon (although the school of fisheries at the University of Oregon is an important academic research institution). Thus,

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within the Washington Department of Fisheries, the Division of Culture Assessment and Development conducts research comparable to that of the Alaska FRED Division (Washington operates 39 hatcheries), and the Division of Planning, Research and Harvest Management conducts biological and harvest research comparable that of Alaska's ComFish Division. Within the University of Washington's College of Ocean and Fishery Science, the Fisheries Research Institute carries out extensive biological research on salmon, shellfish and groundfish of the North Pacific.

The Canadian federal counterpart of the National Marine Fisheries Service is the Department of Fisheries and Oceans (DFO). It provides technical support to the Canadian representatives on international fisheries commissions. The Department operates the Institute of Ocean Science at Sydney, British Columbia, and the Pacific Biological Station at Nanaimo, British Columbia.

The Canadian Province of British Columbia also has management agencies comparable to Alaska's FRED and ComFish Divisions. The University of British Columbia and Simon Fraser University also have substantial marine science research programs.

The following section identifies organizations of secondary importance to North Pacific fisheries issues.

Minor Research Organizations

The foregoing organizations may be considered "major players" in North Pacific fisheries research. There are several additional organizations that have a minor or peripheral research role in North Pacific fisheries. These organizations are classified as "minor players" either because they are comparatively small, low-budget institutions; they are concerned with research only in tangential fashion; or they are research organizations but deal with North Pacific fisheries research only occasionally or incidentally.

National Organizations

North Pacific fisheries are only an incidental concern of the Arctic Research Commission. This commission has no management authority nor does it fund research or review research proposals. It simply advises the executive branch about research priorities in the entire arctic. The commission may be best characterized as a lobbying organization for high latitude research scientists and institutes.

The National Science Foundation (NSF) is a scientific research funding agency that has made grants to scientists in academic institutions for projects involving North Pacific fisheries and marine science. However, NSF provides

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funding on a project-by-project basis, and this funding represents a small portion of the total federal support for such research.

The National Fisheries Education and Research Foundation is a private foundation supported by industry and federal (Department of Commerce) grants. It performs research on seafood handling and processing, such as model inspection programs and seafood safety surveillance procedures. It also sponsors consumer education projects. This organization does not have a special orientation to problems of Alaska seafood or fisheries of the North Pacific.

By virtue of their management responsibility for lands that touch the North Pacific or include significant bays and estuaries of the North Pacific, the U.S. Forest Service, U.S. Fish and Wildlife Service, and the National Park Service devote a portion of their research effort to anadromous fisheries and related habitat. The U.S. Fish and Wildlife Service, for example, is engaged in genetic studies of Yukon River salmon and sockeye spawning studies in the Tustumena Lake watershed. The U.S. Forest Service has an anadromous fish habitat research program which, for example, helps the agency understand the effects of logging on salmon streams.

State Agencies

The Alaska Seafood Marketing Institute (ASMI) is a promotional organization. It conducts no domestic market research, but because federal funding programs require some commitment to overseas market research, ASMI has contracted for market research in Europe and Asia (total FY 91 expenditure approximately \$180,000).

The Alaska Science and Technology Foundation is a state agency that makes grants for scientific research and technological development that hold promise for commercial application in Alaska. The agency has made grants in the area of fisheries and fish processing, but it does not have a particular focus on or special commitment to marine projects.

Alaska Department of Fish and Game, Subsistence Division, collects statistics on wildlife harvested by rural residents, including salmon, herring and shellfish. However, the volume of subsistence consumption is small in the context of the marine resources of the entire North Pacific, and the harvest data collected by the division is relatively insignificant. The Alaska Department of Fish and Game, Habitat Division, does not conduct research.

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University Agencies

From time to time, on a contract basis, the Institute of Social and Economic Research (ISER) conducts economic studies dealing with North Pacific fisheries and fisheries management. However, it does not have a special focus on or commitment to marine-related economic studies. A number of private consulting groups also perform the type of contract studies that ISER performs.

The Environment and Natural Resources Institute (formerly, the Arctic Environmental Information and Data Center [AEIDC]) occasionally contracts with a federal agency for natural resource research that involves North Pacific fisheries and anadromous fish habitat. However, this research is peripheral to the main stream of scientific research in these areas.

The Alaska Cooperative Fishery Research Unit at the University of Alaska concentrates exclusively on freshwater species.

The College of Community and Continuing Education at the University of Alaska, Anchorage, currently has a training program for fishery observers that are placed aboard highseas fishing vessels. While the information collected by the observers is valuable to fisheries research scientists, this training program is not a research activity.

From time to time individual university professors in the natural sciences, economics, and natural resource management receive contracts for research projects related to North Pacific fisheries, but these *ad hoc* studies do not constitute a major scientific resource in the broad field of North Pacific fisheries and marine studies.

Private, Nonprofit Organizations

Private, nonprofit aquaculture and fishermen's groups, of which there are many in Alaska, occasionally receive grants for special research projects. While individually these projects may be very valuable, collectively these organizations do not constitute a significant source of fisheries research.

The Center for Alaska Coastal Studies in Homer is primarily an educational facility that conducts classes and workshops on marine and intertidal biology. It is oriented mainly toward children and tourists. The center does not have a sizeable research program.

The Prince William Sound Science Center in Cordova, on the other hand, aspires to become an important marine science research organization. It is still in its formative stages. The center received a \$350,000 state appropriation to remodel a donated city building for office space. Staff of the center is trying to raise money from federal grants and contracts to expand its current

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research activities (cooperative study with U.S. Fish and Wildlife Service of sea otters).

I hope this information is useful. If you have any questions, please contact this agency.

Attachment

MAJOR INTERNATIONAL, REGIONAL AND ALASKA ORGANIZATIONS DEALING WITH NORTH PACIFIC FISHERIES

Organization	Government or Private	Parent Organization/ Affiliation/ Membership	Type of Agency	Research Activity
Alaska Board of Fisheries	State	ADF&G	Regulatory	Utilizes research; sets priorities for research.
North Pacific Management Council	Federal	U.S. Department of Commerce	Regulatory	Utilizes research; sets priorities for research.
International Pacific Halibut Commission	International	Canada/U.S.	Quasi-regulatory	Conducts its own biological and harvest research.
Pacific Salmon Commission	International	Canada/U.S.	Quasi-regulatory	Utilizes research; recommends allocations of federal treaty funds to research organizations.
International North Pacific Fisheries Commission	International	Canada/U.S. Japan	Quasi-regulatory	Utilizes research; coordinates research.
Pacific States Marine Fisheries Commission	Multi-state	Alaska, Washington, Oregon, California and Idaho	Policy & Research Coordinating	Funds management plans; coordinates state research; clearinghouse for statistical information.
PISCES	International	Canada, U.S., Japan, Russia, Peoples Republic of China	Research Coordinating	Coordinates national marine highseas research activities.
National Marine Fisheries Service (NMFS)	Federal	NOAA; Department of Commerce	Funding; Research	Primary U.S. marine research agency; also funds research by state agencies and universities.
Sea Grant	State	University of Alaska	Funding	Makes grants for research and educational activities.
Alaska Fisheries Science Center (Seattle)	Federal	NMFS	Research	Research arm of NMFS for North Pacific; biological/ oceanographic research.
Commercial Fisheries Division	State	ADF&G	Research	Biological and harvest research.
Fisheries Rehabilitation Enhancement and Development Division (FRED)	State	ADF&G	Operates Hatcheries, Research	Biological research.
Commercial Fisheries Entry Commission (CFEC)	State	Independent	Implements Limited Entry; Research	Harvest research; research related to limited entry programs.

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Organization	Government or Private	Parent Organization/ Affiliation/ Membership	Type of Agency	Research Activity
Institute of Marine Sciences	University of Alaska	School of Fisheries and Ocean Sciences	Research	Biological/oceanographic research.
Juneau Center for Fisheries and Ocean Sciences	University of Alaska	School of Fisheries and Ocean Sciences	Research	Biological/oceanographic research.
Fishery Industrial Technology Center (Kodiak)	University of Alaska	School of Fisheries and Ocean Sciences	Research	Product development; handling and processing technology.
Marine Advisory Program	University of Alaska	School of Fisheries and Ocean Sciences	Education; Extension Service	Not a research organization.
Alaska Fisheries Development Foundation	Private Nonprofit	Processing Industry	Research	Product development; handling and processing technology.

Prepared by the Legislative Research Agency, February 1992 (92.108).

Fisheries plan calls for more wild salmon

By Rob Taylor
P-I Reporter

The Washington Department of Fisheries is urging state legislators to shelve their ambitions for a massive new fish-hatchery program, saying such an effort would cost more than \$300 million and do more harm than good.

The agency, releasing a remarkable 339-page report yesterday, instead called for rebuilding the state's ailing salmon runs by imposing far-reaching and comprehensive changes in land-use controls, hatchery operation and fish harvest management.

Whether such initiatives stand much chance of being carried out was unclear yesterday. Leading state lawmakers had not seen the report.

The "Salmon 2000" report came in response to a 1988 state law calling for a plan to double the salmon catch by the end of the century.

The report spelled out ways that goal might be attempted, but made clear that the agency viewed it as a bad idea.

State Sen. Jack Metcalf, R-Langley, the law's leading sponsor, said he was "disgusted" that the report failed to recommend a doubling of fish production. He charged the agency had wildly

inflated the cost of doing so.

"They're lying," he charged. And he complained the department is run by "people who do not believe in enhancement," referring to artificial fish-production methods.

Legislative pressure for new hatcheries waned over the past year, but lawmakers failed to agree on alternative measures. A modest habitat-protection program that the House passed this year was blocked by Senate opposition.

The "Salmon 2000" report warned against inaction. Current rules governing development, logging and agriculture, it asserted,

doom the state to steady loss of salmon habitat and fish.

To reverse the trend, the agency recommended such bold actions as taxes on habitat destruction, "severe limitation" of the rate of logging in each watershed, buying back commercial fishing licenses, tightening controls on new water rights and purchasing land or development rights in prime habitat.

The report cautioned that past efforts to artificially boost fish production have often failed or gone awry — displacing wild fish, raising fish numbers at the expense of size, and wiping out valuable fish genes.

"It would be unwise to concentrate on producing vast numbers of fish to the detriment of quality, diversity and contributions to the catches providing the greatest value to Washington's economy," said former department director Joseph R. Blum, who signed a letter accompanying the report.

Specifically, the report faulted the state's past drives for salmon hatcheries, spawning channels and incubation boxes.

"Time and again we enthusiastically embraced new enhancement technology and used it extensively while it was still experimental," the report said. "Ultimately, the results have

proven disappointing."

Echoing a 1991 Post-Intelligencer series, it noted that hatchery production has often harmed wild fish by "predation, overharvest, disease transmission, genetic alteration of the native population, and competition for food and space." It stressed that wild runs are the key to maintaining production in the long run.

The report stopped short of recommending closure of any facility. Rather, it called for better integration of hatcheries with habitat protection, fishery management and the needs of wild

See SALMON, Page B2

Salmon: Emphasis on habitat

From Page 1

fish. It said, for instance, there is no point in pumping up hatchery production if the resulting large harvests would wipe out local wild runs that mix with the hatchery fish.

Hatchery growth should occur only where such conflicts can be resolved, the report suggested.

Metcalf argued that hatcheries could easily be harmonized with wild runs. Fisheries Department officials, he claimed, "support environmental extremists' point of view."

As for fish habitat, the agency called for accepting "no net loss," a slogan espoused by Gov. Gardner and President Bush only for wetlands. Far from that goal, the report said, "the real result of current laws and policies is a very definite and continuing net loss of salmon habitat."

Logging came in for special criticism. The report said that clearcuts, by accelerating runoff, can double peak flows in streams and raise water force tenfold. That can fill pools, disrupt spawning areas and shrink "overall carrying capacity for juvenile fish."

The report called for controls on the cumulative effects of multiple clearcuts, as well as urban development and other negative impacts on streams. The state Forest Practices Board recently approved a rule aimed at this goal. The report called for "a severe limitation on the percentage of a basin that can be harvested in any given decade."

The report even ventured into tax policy. Without providing details, "Salmon 2000" suggested that the state tax activities that damage salmon habitat. Alternatively, it suggested offering some payoff for protecting such things as stream banks in Eastern Washington and steep, unstable slopes in Western Washington.

And in a reference that could curb development, the report called for completing the statewide effort to set minimum standards for stream flow for fish. Only about one-third of the state's 64 river basins have been evaluated, it complained, making it hard to judge the impact of granting new water rights.

Turning to fishery management, the document urged:

■ Buying back commercial fishing licences. It said fishing capacity far exceeds the level local runs can support.

■ Boosting the minimum catch required to keep a commercial license from lapsing. Currently the minimum is one fish per year for many licenses.

■ Raising license fees and the tax on fish brought ashore in the state. Yearly license fees currently cost \$510 for purse seiners and \$375 for troll and gillnet boats.

■ Eliminating the minimum size limit on salmon caught by sports fishers, which currently varies by species and location.

■ Marking all hatchery fish and requiring commercial fishing boats to release all wild, unmarked fish. In current law, the only release requirement for commercial fishers is that they must release chinook under 28 inches.

Frank Homan with CFEC sent this

Alaska State Legislature

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March 12, 1992

MEMORANDUM

TO: Senator Dick Eliason

FROM: Glenn T. Gray ^{GTG}
Legislative Analyst

RE: Use of Federal Funds for United States-Canada Salmon Treaties
Research Request 92.102 (REVISED)

You asked four questions about federal funding relating to the 1985 United States-Canada Pacific Salmon Treaty:

- 1) How are the Pacific Northwest states (Washington, Oregon and Idaho) and treaty tribes funded?
- 2) How has the Alaska Department of Fish and Game (ADF&G) spent treaty-related funds, and how dependent is the state on these funds for management of its fisheries?
- 3) Has the State of Alaska used salmon enhancement funds according to the purpose for which these funds were granted?
- 4) How would these federal funds be affected if the United States (U.S.) were to pull out of the treaty?

This memorandum begins with a summary and continues with an overview of federal funding of treaty-related activities in Alaska and other states.¹ Then it addresses federal funding of ADF&G, the intent of federal mitigation funds, and funding ramifications of terminating the treaty.

SUMMARY

Many different entities receive federal funding for treaty-related activities, including federal agencies (National Marine Fisheries Service, Fish and Wildlife Service, Department of State, and the U.S. Section of the Pacific

¹The information in this memorandum is presented with the assumption that the reader has a basic knowledge of the treaty. Legislative Research Agency Memorandum 92.014 furnishes a background to the treaty and its implementing body, the Pacific Salmon Commission.

Salmon Commission), state fisheries agencies (Alaska, Washington, Oregon and Idaho), and individual Indian tribes affiliated with three tribal organizations (Columbia River Inter-Tribal Fish Commission, Northwest Indian Fisheries Commission and Metlakatla Indian Community). Several other federal agencies "pass-through" funds to one or more of these organizations, and in some cases they tax a portion of the funds.

The ADF&G receives funds for three major categories of work: research and management activities, enhancement projects to mitigate losses by fishermen, and transboundary river enhancement activities. The ADF&G also receives funds which are used for U.S.-Canada fisheries including money for Yukon River treaty negotiations and funds for interjurisdictional fisheries authorized by the Anadromous Fish Conservation Act. Most of the treaty-related funds are first reviewed by the U.S. Section of the Pacific Salmon Commission and later receive three levels of scrutiny within the Department of Commerce. The Division of Legislative Audit completes an annual statewide audit of federal programs, but until state fiscal year (FY) 1991, treaty-related funding was not considered a major federal program, and therefore treaty contracts did not receive much review.²

Reduced state funding for ADF&G in the mid-1980s resulted in a greater dependence on federal treaty money to fund its commercial fisheries and enhancement programs. A 1987 ADF&G memorandum shows that about one million dollars worth of research and data acquisition projects originally planned for the treaty money were terminated because treaty funds were used to supplement activities previously funded by the general fund.

During FY 92, about 49 percent of the Division of Commercial Fisheries' budget for salmon management in Southeast Alaska was funded with treaty money (about \$2.7 million). The department received additional U.S.-Canada funds for a treaty coordinator position, transboundary river enhancement projects, enhancement for mitigation of fishermen losses, and through the Anadromous Fish Conservation Act. About \$17.5 million in mitigation money has been used for the operation of fish hatcheries, for contract administration, and for computer hardware and software for the coded-wire tag laboratory. Since FY 86, total treaty-related funding of ADF&G has ranged between \$3.8 and \$8.4 million per year with other U.S.-Canada funds ranging between \$635,000 and \$690,000 per year. Mitigation funds, however, are expected to end in the near future when a final payment will fulfill the original \$20 million commitment.

Written intent for the so-called mitigation money is sketchy and often conflicting. A pretreaty verbal agreement by the Reagan Administration to fund future enhancement projects for Alaska's support of the treaty has been interpreted differently by various interests that participated in treaty negotiations. Trollers believe that the treaty would not have been signed

²Throughout this memorandum FY denotes state fiscal year and FFY denotes federal fiscal year.

without their consent and that their approval was contingent upon an agreement to provide 100,000 additional enhanced chinook salmon for their fleet. The seiners and gillnetters believe that the mitigation money was also intended to provide enhanced salmon for their fleets.

The congressional record supports the notion of a pretreaty commitment by the federal government to fund enhancement projects for mitigation, for conservation purposes and to compensate Canada for possible future imbalances should they be shown to exist. The record, however, contains no reference to a target number of salmon or to specific amounts of money.

State intent for the mitigation funds evolved over time and the written record provides conflicting direction. An early proposal to develop a single world-class facility for chinook and chum production was replaced by a multihatchery approach with increased emphasis on sockeye enhancement. While ADF&G correspondence consistently stated that chinook enhancement was a priority, we found no written understanding of the amount of money that was to be provided. Instead, the department considered new proposals each year the mitigation funds were received. According to figures provided by the Fisheries Rehabilitation, Enhancement and Development (FRED) Division, 56.5 percent of the funds have been spent on chinook projects, 32.6 percent on sockeye enhancement and 9.0 percent on chum projects. Although full production goals have not yet been reached, the ADF&G has made a concerted effort to produce more salmon for harvest by commercial fishermen.

It is not clear how federal funding of ADF&G would be affected if the treaty ended. Without the treaty, however, the U.S. Section of the Pacific Salmon Commission would no longer exist and its review of and lobbying for funding proposals would terminate. Competition for federal funding would likely increase by agencies currently receiving funding, and it is likely that Congress would decrease current funding levels. Additionally, the Indian tribes would likely sue the State of Alaska in an effort to obtain rights to fish currently caught by Alaska fishermen.

FEDERAL FUNDING OF TREATY-RELATED ACTIVITIES

Congress appropriates funds related to the Pacific Salmon Treaty to many agencies. For example, during federal fiscal year (FFY) 92, the U.S. Departments of Commerce, Interior, Agriculture and State received treaty-related funds. The Department of Commerce funneled money to five state and federal agencies: National Marine Fisheries Service (NMFS), ADF&G, Washington Department of Fisheries, Oregon Department of Fish and Wildlife, and Idaho Department of Fish and Game. The Department of Interior provided funds to the Fish and Wildlife Service (FWS) and the Bureau of Indian Affairs (BIA). The FWS received some funds directly and also provided "pass-through" funds for the Pacific Marine Fisheries Commission. The BIA funded the three major Indian organizations: Columbia River Inter-Tribal Fish Commission, Northwest Indian Fisheries Commission, and Metlakatla Indian Community. Funds to the Department

Senator Eliason
March 12, 1992
Page 4

of Agriculture were passed-through the Forest Service to fund the ADF&G's transboundary rivers enhancement program. Finally, the Department of State received money to fund its role in treaty negotiations and to fund operations of the U.S. section of the Pacific Salmon Commission.

The U.S. Section of the Pacific Salmon Commission prepares an annual budget justification for treaty-related funds. The actual appropriation, however, is often less than the funding request in the budget justification. Attachment A contains a summary of the budget justifications for FFY 92 and FFY 93 which illustrates how much money was requested for these agencies. Table 1 compares the funding requests for the various agencies.

The tribal organizations rely on federal funding for research and other treaty-related activities. Larry Rutter, a policy analyst for the Northwest Indian Fisheries Commission, said that 75 percent of the money received by his commission funds research contracts completed by individual tribes.

TABLE 1
 Pacific Salmon Commission Funding Requests: FFY 92 & FFY 93

Agency	FFY 92 Request	Percent of Total	FFY 93 Request	Percent of Total
National Marine Fisheries Service	2,356,773	16.7	2,467,351	16.6
U.S. Fish and Wildlife Service	519,169	3.7	591,877	4.0
Department of State	2,000,000	14.2	2,100,000	14.2
Pacific Marine Fisheries Commission	200,000	1.4	200,000	1.3
Columbia River Inter-Tribal Fish Commission	802,101	5.7	856,238	5.8
Northwest Indian Fisheries Commission	1,992,083	14.1	2,091,627	14.1
Metlakatla Indian Community	176,352	1.3	185,666	1.3
Washington Department of Fisheries	1,272,298	9.0	1,335,914	9.0
Oregon Department of Fish and Wildlife	775,671	5.5	814,455	5.5
Idaho Department of Fish and Wildlife	305,171	2.2	316,470	2.1
Alaska Department of Fish and Game*	3,305,399	23.5	3,470,669	23.4
Transboundary Enhancement	380,000	2.7	399,000	2.7
Total	14,085,017	100.0	14,829,267	100.0

* These totals do not include funding for mitigation enhancement projects or for Yukon River treaty negotiations.

Source: Pacific Salmon Commission

Prepared by the Legislative Research Agency, March 1992 (92.102A)

FEDERAL FUNDS RECEIVED BY ADF&G

Alaska has received funds related to the U.S.-Canada Pacific Salmon Treaty since 1983 although the treaty was not signed until January 28, 1985. Congress funds three basic categories of treaty-related activities in Alaska:

- performance of research and management activities as recommended by the U.S. Section of the Pacific Salmon Commission,
- completion of salmon enhancement projects for mitigating treaty-related losses to Alaska fishermen (as a result of reduced quotas), and
- achievement of joint enhancement activities on transboundary rivers.

Although not directly related to the treaty, the State of Alaska also receives funds to negotiate a treaty for the Yukon River. Each of these funding categories are discussed below in more detail. Also, the state receives funds to manage interjurisdictional fisheries (inter-state or international) from the Anadromous Fish Conservation Act. Table 2 summarizes federal funding from these sources.

The Alaska Department of Fish and Game receives most of its treaty-related funds from the National Marine Fisheries Service (NMFS), an agency of the U.S. Department of Commerce, but during FY 92 it also received transboundary river enhancement funds from the U.S. Forest Service. Federal agencies, however, sometimes tax a percentage of the Congressional appropriation.³ Generally, grants received through NMFS are reviewed at three levels: by Alaska NMFS personnel, by the National Oceanographic and Atmospheric Agency's Grants Management Division in Maryland and by the U.S. Department of Commerce Financial Assistance Review Board in Washington D.C.⁴

³For example, in the past NMFS or one of its parent agencies (the National Oceanographic and Atmospheric Agency--NOAA and the U.S. Department of Commerce) has placed an 8 percent tax on money which it "passes through" to ADF&G. Such taxes have not been levied every year.

⁴The U.S. Section of the Pacific Salmon Commission also scrutinizes project proposals that are included in its budget justification document.

TABLE 2
Federal Contributions to Alaska for United States – Canada Fisheries Issues
(Thousands of Dollars)

State Fiscal Year	Management and Research Funding		Enhancement Funding		Total Treaty Funding FY 83 – FY 92	Other Related Funding	
	Treaty Coordinator	Southeast Region	Mitigation Funding*	Transboundary Rivers Enhancement		Yukon River Treaty Negotiation Funding	Anadromous Fish Conservation Act**
1983	0	776.1	0	0	776.1	0	***
1984	0	835.7	0	0	835.7	0	***
1985	0	869.6	0	0	869.6	0	***
1986	0	1205.8	2,680	0	3,885.8	0	***
1987	81.5	2557.5	494	0	3,132.5	200	490.4
1988	84.6	2845.8	3,844	0	6,774.2	250	490.4
1989	84.6	2745.8	394	0	3,224.7	215	401.6
1990	82.2	2585.1	3,518	0	6,185.1	234.3	402.8
1991	78.6	2585.2	5,707	0	8,370.6	234.3	404.6
1992	48.6	2729.5	1,393	378.0	4,549.1	232.3	403.6
1993	***	***	1,971		***	***	***
Total	460.1	19,736.1	20,000.0	378.0	38,603.4	1,365.9	2,593.4

* Mitigation money for FY 93 has not yet been received by ADF&G.

** These programs require state matching funds.

*** Data not available.

Sources: Aven Anderson, National Marine Fisheries Service – Alaska Region; Scott Marshall, Alaska Department of Fish and Game.

Prepared by the Legislative Research Agency, March 1992 (92.102B)

The federal government has audited some treaty-related expenditures in the past, and the Division of Legislative Audit completes annual federal compliance reviews for state agencies receiving federal funds. According to Legislative Auditor Randy Welker, major federal programs (those receiving federal contracts in excess of three million dollars) receive more scrutiny than contracts under this amount.⁵ Mr. Welker said that prior to FY 91 each federal treaty-related contract was considered separately and therefore was not considered a major federal program. For FY 91, however, the federal government considered treaty-related contracts as one program and therefore these contracts will receive more analysis for the state's single audit.⁶ According to Aven Anderson of NMFS, the U.S. Inspector General has audited the state matching funds for the so-called mitigation funding.

Research and Management Funds

The U.S. Section of the Pacific Salmon Commission requires agencies to explain how proposed projects relate to the treaty before the commission includes the projects in its annual request for funds (budget justification). The budget justification for federal FY 87 outlined three criteria used by the commission in reviewing projects: 1) the program must be directly required to implement the treaty, 2) the program must not duplicate other programs, and 3) the program must be cost-effective and coordinated with other efforts.

Beginning in 1986, the legislature reduced its funding for the Division of Commercial Fisheries. Rather than making across-the-board cuts for all regions, ADF&G transferred some of the funding from Region 1 (Southeast Alaska) to other regions of the state. The department replaced about one million dollars of state funding with U.S. treaty-related funding. A memorandum from David Cantillon, a former ADF&G regional supervisor, to Representative Sund's office provides more detail about how ADF&G responded to funding cuts (Attachment B). Mr. Cantillon said that:

[T]he availability of U.S./Canada Treaty implementation funds have allowed the continuation of a number of activities that we had to cut from the general fund budget. However, a number of research and data acquisition activities originally planned for U.S./Canada funding have been dropped or reduced to allow the continuation of more basic fishery monitoring activities that were cut from the State budget [emphasis added].

⁵Legislative Audit completes audits for all federal programs under a single audit for the State of Alaska.

⁶The completion date of the FY 91 single state audit of federal programs is expected to be completed by June or July of 1992.

Today, ADF&G is dependent on treaty-related funds to manage its salmon fisheries. According to Scott Marshall, regional supervisor of ADF&G's Southeast Regional Office for the Division of Commercial Fisheries, the department funded about 49 percent of its salmon budget for Southeast Alaska (Region 1) during FY 92 with treaty-related funds.⁷ Additionally, the department has used some of the mitigation funds for operating salmon hatcheries.

According to a memorandum dated April 8, 1991, from the department's Division of Administration director, 46 full-time equivalent positions are funded from all federal funds relating to U.S.-Canada fisheries (Attachment C). It is unclear from the division's memorandum if these positions are for FY 90 or FY 91. Attachment D however, contains more detailed information of the Division of Commercial Fisheries personnel expenses for FY 92.

Four attachments to this memorandum provide details about specific research and management projects. Several spreadsheets supplied by Scott Marshall provide some of the data used in Table 2 (Attachment D). The figures for treaty-related funding in these spreadsheets match the funding amount for FY 92 identified in a list of funds by contract number (Attachment E). Information provided by the Division of Commercial Fisheries from its FY 93 budget request document known as the "Yellowbook" provides project-level information for FY 89 to FY 91 and proposed FY 93 activities (Attachment F).⁸ Program justifications supplied by the Division of Commercial fisheries for FY 92 treaty-related funds are included in Attachment G, but the totals for the projects listed do not equal the amount of funds listed in Attachment E for FY 92.⁹ We hope that the Legislative Finance Division report about treaty funding will provide more complete information.

Yukon River Treaty Negotiation Funds

Article VIII of the Pacific Salmon Treaty specifies some parameters for U.S.-Canada negotiations concerning the Yukon River. Although the Pacific Salmon Commission is not directly involved in these negotiations, the U.S. Section of

⁷This does not include funding related to the Anadromous Fish Conservation Act, mitigation enhancement projects, the treaty coordinator, or transboundary river enhancement. Funding for the Yukon River treaty negotiations are not included in this figure either because this activity occurs outside of Southeast Alaska.

⁸The Yellowbook for FY 93 does not contain FY 92 budget information.

⁹According to Bob Clasby of ADF&G, this is because the "Yellowbook" projects are prepared over one year in advance of actual congressional appropriations. The document serves as a long-range planning tool and to obtain legislative spending authority.

the commission has recommended funding for negotiations. Alaska has received funds for these negotiations and to conduct research since FY 87, and through FY 92 almost \$1.4 million has been received by ADF&G (see Table 2).

Transboundary River Enhancement Funds

Article VII of the Pacific Salmon Treaty addresses the transboundary rivers and authorizes joint U.S.-Canada enhancement projects or enhancement projects by one of the countries with consent of the Pacific Salmon Commission. Chapter 1 of Annex IV also addresses the transboundary rivers. During renegotiation of this annex in 1988, Canada and the U.S. completed an agreement about joint enhancement of transboundary salmon stocks.

An add-on to the Forest Service's budget of federal FY 91 included \$378,000 for transboundary river enhancement. These funds were transferred to ADF&G and were shared between the divisions of Commercial Fisheries and FRED.

At this time, funding for transboundary river enhancement during FFY 92 (state FY 93), however, is in question. According to the ADF&G, the problem in obtaining these funds is that they are not carried in an agency's budget and Alaska's congressional delegation must attach these spending requests to an agency's budget during the period the budget is reviewed by committees.

Mitigation Funds

So-called mitigation funds refer to those funds provided by the federal government to mitigate adverse effects of the treaty on Alaska fishermen. The intent for the mitigation funds is to develop salmon enhancement projects to provide Alaska fishermen with additional fish as compensation for treaty-related reductions in their catches. For example, enhanced salmon produced after 1984 can be added to Alaska's chinook quota. A more detailed discussion of the specific intent of these funds is provided in the next section of this memorandum.

Originally, Alaskans expected to receive the mitigation funds in a single payment. Congressional budget cuts, however, made it necessary to appropriate the mitigation money over a number of years. Congress appropriates this money through "add-ons" to the budget rather than through an agency's budget request. To date, between \$17.6 and \$18.0 million of federal mitigation funds have been disbursed to ADF&G.¹⁰ Aven Anderson, of the Juneau NMFS office, expects that

¹⁰Records of Aven Anderson, of the Juneau NMFS office in Juneau, show that the state has received \$18,029,220. Gordon Garcia, of the ADF&G Fisheries Rehabilitation, Enhancement and Development Division, however, only has records for \$17,649,800, and a July 19, 1990 letter from former ADF&G Commissioner Collinsworth to Senator Ted Stevens stated that the state has received

the last mitigation fund payment of \$1,970,780 will be dispersed later this year. An additional \$220,000 may also be carried over from last year, although Mr. Anderson said that there is no guarantee that these funds will reach ADF&G.

The mitigation funds have been spent to enhance chinook, chum and sockeye salmon, for contract administration, and for computer hardware and software for the coded wire tag laboratory. Table 3 illustrates how this money have been allocated by category, and Table 4 indicates who has received these funds. Table 3 shows that while most of the funds have been used for chinook salmon enhancement, a significant amount of the money has been used for sockeye enhancement and a lesser amount has been allocated to chum enhancement projects (chinook - 56.5 percent, sockeye - 32.6, and chum - 9.0).¹¹ It should be noted, however, that ADF&G does not expect that the number of potential adult salmon production indicated in Table 3 to be reached until four or five years after all of the projects come on line. Although ADF&G accounted for natural losses during calculation of the potential adult production, it is unknown how many of these fish will eventually be harvested by Alaska fishermen. Actual catch depends on many factors including harvest and natural survival rates.

TABLE 3
Use of Federal Mitigation Funds by ADF&G by Category

Funding Category	Potential Adult Production*	Funds Allocated	Percent of Total
Chinook Salmon	194,600	\$9,972,200	56.5**
Sockeye Salmon	1,966,200	5,761,000	32.6
Chum Salmon	2,040,00	1,593,100	9.0
Contract Administration	n/a	213,500	1.2
Tag Lab Computer Software & Hardware	n/a	110,000	0.6
Total Funds Allocated***		\$17,649,800	100.0

* This potential production would not be reached until four or five years after the projects have been completed.

** A July 19, 1990 letter from ADF&G commissioner Collingsworth to Senator Ted Stevens states that \$10,082,200 out of \$17,710,700 was spent for chinook salmon enhancement projects (56.9 percent).

*** National Marine Fisheries Service records indicate that \$18,029,220 were distributed to the state.

Prepared by the Legislative Research Agency, March 1992 (92.102C)

¹¹Gordon Garcia of the FRED Division provided the data for this table.

TABLE 4
Ultimate Distribution of Federal Mitigation Funds by Recipient

Recipient	Amount	Percent of Total
Northern Southeast Regional Aquaculture Association	\$6,499,100	36.8
Southern Southeast Regional Aquaculture Association	3,086,000	17.5
Alaska Department of Fish and Game	8,064,700	45.7
Total Distributed	\$17,649,800	100.0

Source: Gordon Garcia, FRED Division, Alaska Department of Fish and Game

Prepared by the Legislative Research Agency, March 1992 (92.102D)

INTENT OF FEDERAL SALMON ENHANCEMENT FUNDS FOR MITIGATION

The Pacific Salmon Treaty, pretreaty negotiations, and renegotiations of specific annexes of the treaty established direction for salmon enhancement projects in Alaska. Salmon enhancement was proposed to address four matters: conservation issues, equity concerns with Canada, mitigation for losses by Alaska fishermen and transboundary rivers. Other than a cursory reference to enhancement for conservation purposes by the chief U.S. treaty negotiator during an address to Congress, we found no further mention of enhancement for this purpose.¹² During treaty negotiations and soon after it was signed, some people speculated that enhancement could be used to address equity concerns

¹²Enhancement could conceivably protect wild salmon stocks because theoretically there would be less pressure on them by fishermen, but this would require fishing terminal areas where fish quality may be poor. Enhancement could also have negative conservation affects due to biological interactions with wild stocks and over-fishing of mixed stock fisheries in an attempt to recover hatchery salmon before they lose their silver.

with Canada if a determination was ever made that an equity imbalance existed. Other than a few references to equity concerns in documents written soon after the treaty was signed, we found no record of additional discussions about initiating enhancement projects to resolve equity concerns. Transboundary river enhancement, discussed above, is covered by a separate agreement signed during 1988. Alaskans, however, have paid much attention to enhancement projects that mitigate treaty-related losses to Alaska fishermen and hence this money is commonly referred to as mitigation funds.

Mitigation funds appropriated to ADF&G through NMFS resulted from the commitment in the treaty for salmon enhancement (Article V) as well as a pre-treaty unwritten agreement between representatives of Alaska fishermen gear groups and U.S. treaty negotiators. Unfortunately, written intent for the federal mitigation funds is sketchy and often conflicting and opinions vary greatly about the precise content of the oral agreement. The lack of clear direction for the use of these funds has resulted in confusion about how much of the funds were intended for chinook enhancement for trollers, sockeye enhancement for gillnetters and chum enhancement for seiners.

We gathered written information about the intent of the federal mitigation funds from state memorandums, letters and interviews. Attachment H contains appropriate portions of the written correspondence. We begin this section with a description of the pretreaty oral agreement, continue with a discussion of congressional intent for the funds, and end with a discussion of how State of Alaska intent for the funds has changed throughout time.

Pretreaty Agreement

Apparently, during treaty negotiations the federal government agreed to provide salmon enhancement funding to mitigate losses suffered by Alaska fishermen as a result of the treaty. This agreement was not in writing and unfortunately participants have different recollections about the exact nature of the agreement. Members of the commercial troll fleet feel the treaty would not have been signed without their consent and that their approval was contingent on mitigation funds promised to them to produce more chinook salmon. Some other people think that the funds were meant also to include chum and sockeye enhancement.

During a telephone interview with the chief U.S. negotiator for the original treaty, Theodore Kronmiller stated that he did not recall an agreement to produce a specific number of salmon. He said, however, that gillnetters, trollers and seiners took part in discussions about enhancement projects. Also, Mr. Kronmiller said that enhancement was considered as a means to offset an equity imbalance between Canada and the U.S. if one developed.

In a letter from the Alaska Trollers Association (ATA) dated June 1, 1990 to ADF&G Deputy Commissioner Norman Cohen, Executive Director Dale Kelley stated ATA's belief that the original intent of the mitigation funding was to put

"100,000 additional chinook in the holds of the troll fleet on an annual basis." In another letter, ATA Director Dale Kelley said that trollers understood that mitigation projects would provide the trollers with this number of chinook salmon by 1990. Gary Slaven, a former alternate commissioner for the State of Alaska to the Pacific Salmon Commission, said that the federal government opposed a \$30 million proposal to buy back troll permits, but that the trollers and the federal government agreed to an enhancement program that would result in 100,000 chinook harvested by the trollers.

Gillnetter Jev Shelton, current vice-chair of the commission's Northern Panel and one of Alaska's delegation to the treaty negotiations, said that it was unclear how the mitigation money would be spent. He said that discussions about targets for salmon enhancement during treaty negotiations did not necessarily obligate the government to produce specific numbers of chinook, chum and sockeye salmon. Mr. Shelton said that when the treaty was negotiated, the technology was not present to successfully produce sockeye salmon and therefore less emphasis was placed on sockeye production.

Congressional and U.S. Administration Intent

Written references to the mitigation funds provide little insight into how Congress intended the funds to be spent. During testimony before the Subcommittee on Fisheries and Wildlife of the House Merchant Marine and Fisheries Committee, chief U.S. negotiator Theodore Kronmiller stated that an obligation for enhancement existed for conservation purposes, for equity adjustments, and to mitigate harvest losses resulting from the treaty.¹³ During his testimony, Mr. Kronmiller noted that there were no commitments to spend a specific amount of money, "but there were expectations that we would meet rather large obligations."

A letter from Secretary of State George Shultz to Senator Stevens dated March 7, 1985 and later published in the congressional record, states that salmon enhancement will restore salmon harvests limited by the treaty and "compensate Canada for any imbalances that might occur with respect to Article III of the Treaty, the so-called equity provisions [emphasis added]." The letter also stated that "U.S. negotiators, including representatives of the Department of State, deemed Federal support of local enhancement programs to be one of the key elements in enabling the states to agree to harvest cutbacks . . ." The letter, however, does not differentiate between the different groups of fishermen.

Senator Stevens, in a 1986 article in *Environmental Law*, stated that "[t]he Reagan Administration recognized the need to restore the salmon stocks by

¹³Fish and Wildlife Miscellaneous, Part 1. Hearings before the Subcommittee on Fisheries and Wildlife, House Merchant Marine and Fisheries Committee, February 21, 25, 27, March 5, 1985, pp. 92 - 104.

enhancement as soon as resources permitted in order to mitigate any economic dislocation resulting from the treaty fishing limits."

A 1985 report to the Senate Committee on Appropriations stated that "[t]he Committee recognized the commitments made by the administration to Alaska during the negotiations" but that initiatives to reduce the budget would only permit \$3.5 million in matching funds rather than the state's request for \$25 million.¹⁴ The committee agreed to this appropriation "for the express purpose of contracting with Alaska Department of Fish and Game to carry out enhancement efforts which implement the United States-Canada Salmon Treaty [emphasis added]."

The September 3, 1986 Senate Report accompanying the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Bill for FFY 87, also contained similar language. The bill appropriated \$4 million of matching funds "for the express purpose of contracting with the Alaska Department of Fish and Game to carry out the enhancement efforts which supplement the stock rehabilitation initiative mandated by the United States-Canada Salmon Treaty [emphasis added]." Congress required that the Pacific Salmon Commission "be appraised of the specific nature and results of the enhancement efforts, to enable coordination with all regional samon [sic] enhancement activities."

Senator Ted Stevens reaffirmed that Congress had no specific intent for the use of the mitigation funds in a letter dated June 29, 1990 to ATA Director Dale Kelley: "It was clear to all concerned in the negotiations that the enhancement of chinook stocks would be a priority [emphasis added]," but that Congress delegated the State of Alaska the authority to allocate the enhancement funds to specific projects. Senator Stevens wrote that "there was no Congressional intent on how the funds would be specifically allocated. We simply did not address it at that time because the State assured us that it would allocate the funds fairly [emphasis added]."

Other Evidence of Intent for Mitigation Funding

Written correspondence by the governor and ADF&G officials provides information about the how the state intended to use the mitigation funds. Although officials often acknowledged that chinook enhancement was a priority, an early emphasis on chinook projects gradually expanded to include sockeye and chum projects.

Soon after the treaty was signed, Governor Sheffield wrote Senator Stevens providing one of the first indications of how the state intended to spend the mitigation funds.

¹⁴Senate Committee on Appropriations Report 99-150 dated 30 September 85.

In the near future, the United States may have to propose a plan to Canada to balance U.S. interceptions of Canadian origin fish with Canadian interceptions of U.S. origin fish either through modifying fishery regimes or enhancing into Canadian fisheries . . . It is our view that mitigation for economic impacts of the treaty is a federal responsibility. Accordingly we are submitting the enclosed enhancement proposal which would: 1) facilitate the production of 100,000 adult chinook salmon and 1,000,000 chum salmon annually for harvest; 2) provide for sockeye enhancement in transboundary rivers, and; 3) provide for required research, and management to support treaty obligations [emphasis added]."

This letter provides the first written record of specific intent for the enhancement funds that we found. Governor Sheffield requested \$1,720,000 for operational costs and a one-time payment of \$20,400,000 for capital expenses. The governor mentioned that enhancement goals would include production of a specific number of chinook and chum, but no number was specified for transboundary river sockeye enhancement. The governor mentioned that the enhancement funds would be used for research and management (a separate proposal in the letter requested additional funds for research).

Congressional determination to cut the budget encouraged the state to modify its proposal. A month after the governor's letter to Senator Stevens, ADF&G Commissioner Collinsworth wrote that funding for the Pacific Salmon Commission seemed assured, but funding for "research, management, and enhancement in Alaska" has not solidified.¹⁵ During April, John Katz, director of state/federal relations sent a letter to the Alaska congressional delegation modifying the governor's proposal. Mr. Katz suggested that the maximum federal contribution be \$20,000,000 with a limit of \$4,000,000 per year and that the state match the federal contribution.¹⁶ This represented a reduction in the amount and timing of federal assistance for enhancement and omitted the governor's earlier reference to using enhancement to balance U.S. interceptions of Canadian origin fish.

In a letter dated February 21, 1985 to ATA Director Earl Krygier, ADF&G Commissioner Collinsworth said that two purposes for enhancement "had been part of the delegation discussion since at least 1980": offset losses due to fisheries quota reductions and "the accommodation of Canadian harvest." Additionally Commissioner Collinsworth said that "[p]articular reference has been made to compensation for transboundary river losses and reductions in the chinook troll fishery." Commissioner Collinsworth added that the governor's letter to the congressional delegation was "somewhat generic in nature since

¹⁵February 21, 1985 letter to ATA Director Earl Krygier from Commissioner Collinsworth.

¹⁶Letter from John Katz, director of state/federal relations, to the Alaska congressional delegation, April 10, 1985.

there are different ways that in particular, the chinook enhancement could be carried out."

Alaska Department of Fish and Game appointed the Chinook Technical Team during March 1985 to "prepare a plan to produce 100,000 additional chinook salmon to offset fishery reductions required under the treaty to rebuild coast wide chinook natural stocks."¹⁷ The plan was entitled Evaluation of Chinook Mitigation Hatchery Proposals by the Southeast Alaska Chinook Technical Planning Team and was reviewed by the Northern and Southern Southeast Regional Planning Teams November 18-19, 1985.¹⁸ Draft minutes of the meeting provide conflicting messages about ADF&G's intent for allocation of federal enhancement funds.¹⁹ At the beginning of the meeting Deputy Commissioner Steve Pennoyer said that during treaty negotiations \$22,000,000 was proposed for "mitigation of chinook, sockeye, and chum." Mr. Pennoyer said that chinook mitigation projects were addressed first because chinook enhancement is "the most complex of these species and requires the greatest lead time," but that "[t]he door has not been closed to use of federal funds for other species enhancement. . . ." Responding to a statement by ATA Director Earl Krygier that the treaty discussion only addressed 100,000 king salmon, Mr. Pennoyer said:

Transboundary sockeye mitigation was also discussed but not in terms of specific figures. The treaty only references hatchery add-on for chinook. Chum salmon possibilities were discussed in terms of future equity mitigation.

According to the draft minutes, later during this meeting Mr. Pennoyer implied that the \$22,000,000 for enhancement was intended for a single facility that would produce 100,000 chinook for mitigation purposes:

During treaty discussions, a number for chinook enhancement was required. 100,000 chinook was arbitrarily determined as a most-likely estimate of mitigation need. \$22 million was determined as commensurate with a most-likely estimate of a one-time appropriation to fund a world-class facility to achieve this mitigation [emphasis added].

Although it is not always clear if the figure of 100,000 chinook meant salmon produced or salmon harvested by the trollers, two statements made during this

¹⁷Steve Pennoyer, letter to Southeast Alaska Chinook Technical Team members, April 8, 1985.

¹⁸Regional planning teams composed of ADF&G and regional aquaculture association personnel complete comprehensive salmon enhancement plans.

¹⁹The Chinook Planning Team operated under the assumption that \$20 to \$30 million would be available for funding capital expenses and additional moneys would be available for operating chinook programs.

meeting imply that the intent was to have the trollers catch this number of fish. Mr. Pennoyer said that "[i]deally, we would like to get the mitigation chinook taken by existing troll fisheries" but he acknowledged that treaty commission constraints could inhibit this objective [emphasis added]. During the meeting, Steve McGee of the ADF&G Private Nonprofit office said that "[t]he consensus is to retain the 100,000 annual harvest goal of chinook primarily for trollers, but to adjust the number of smolt releases upwards in order to remain conservative" (i.e., account for possible low catch and survival rates). The meeting ended with the regional planning team's endorsement of a multi-hatchery concept (rather than a single large hatchery) to produce 100,000 harvestable chinook salmon.

First year mitigation money was used to initiate chinook salmon enhancement projects, but throughout time projects for chum and sockeye were included. The ADF&G received the first increment of money from the federal government for mitigation during April 1986. The commissioner decided to use the initial allocation of mitigation funds for two chinook projects: a Whitman Lake hatchery and the Medvejie Creek hatchery.²⁰ During 1986, after consultation with gear groups and aquaculture associations, ADF&G funded a variety of projects using mitigation money. Throughout the remaining years of mitigation funding project proposals, differences in opinion arose between the different gear groups about how the mitigation money should be spent.

The first written documentation we found mentioning a specific target for sockeye salmon was in a February 6, 1987 letter from ADF&G Deputy Commissioner Steve Pennoyer to Alaska fishermen requesting ideas for mitigation projects:

Originally, a sum of \$20 million had been discussed as an appropriate total to design and construct enhancement projects to produce 100,000 chinook, 1 million chum, and 20,000 sockeye salmon on an annual basis.

The ADF&G hoped to make these numbers of salmon available for harvest by Alaska fishermen. As the length of the summer troll season decreased, however, trollers realized that more fish would have to be produced to reach a goal of 100,000 chinook salmon harvested because of reduced harvest rates.²¹

²⁰July 19, 1990 letter to Senator Ted Stevens from Commissioner Collinsworth.

²¹A harvest rate high enough to assure catch of all these numbers of fish in a mixed-stock fishery could result in an over-harvest of fish originating from Canada and the Pacific Northwest. Therefore, as the length of the chinook harvest season is shortened to assure the catch remains below the quota, the harvest rate also declines. The attached letter from ATA Executive Director Dale Kelley, dated June 1, 1990, further explains how harvest rates could result in less than 100,000 chinook being caught by trollers.

During 1987 and 1988, gear groups continued to express conflicting desires about how the mitigation money should be used, and at one point Deputy Commissioner Pennoyer suggested Board of Fisheries involvement in the allocation of funds for salmon enhancement projects.²² Mr. Pennoyer, however, stated a preference to commit "a significant portion of the remaining available funds" to chinook salmon enhancement. A March 25, 1988 letter to mitigation fund reviewers from FRED Division Director Brian Allee also stated that "[t]he priority of chinook salmon with these funds still remains," but that "this priority was not meant to preclude the submittal of project proposals for sockeye and chum salmon enhancement."

In a letter to Senator Stevens, Commissioner Collinsworth said the "[i]nitial goals of 100,000 harvestable chinook salmon, 1 million chum salmon and 20,000 to 40,000 sockeye salmon were established as a beginning basis for mitigation." The letter stated that approximately 208,000 adult chinook should be available on an annual basis when these enhancement projects are completed.

During 1988, Donald Amend of the Southern Southeast Regional Aquaculture Association, Inc. expressed concern to Governor Cowper that mitigation funds were being used for operating expenses as well as capital expenses. In a letter to the governor dated April 27, 1988, Mr. Amend stated that \$891,000 of \$10,382,100 in mitigation funds had been used for operational expenses and that ADF&G proposed to use \$471,440 to operate FRED facilities. The letter also expressed concern about how the hatchery programs would be funded when the mitigation funds ran out if the state became dependent on the federal mitigation money to operate the hatcheries.

Alaska Trollers Association Director Earl Krygier wrote about his disappointment with the mitigation program in a May 24, 1988 letter to ADF&G Commissioner Collinsworth. Mr. Krygier said that he understood that the mitigation program was originally meant for the troll fleet and that a disproportionate amount of the funds were allocated to other gear groups.²³ Mr. Krygier also expressed concern that the legislature did not fully fund operational expenses for the hatcheries because federal mitigation funds were available.

²²Steve Pennoyer, ADF&G deputy commissioner, Letter to ATA Director Earl Krygier, May 6, 1987.

²³Mr. Krygier said that the money had been allocated as follows: two million for the trollers, four million for the gillnetters, and four to five million for the seiners. Commissioner Collinsworth replied in a letter dated June 16, 1988 that funds for FFY 86 and FFY 87 and proposed spending for 1988 chinook projects would receive the bulk of the funding (chinook - 67.5 percent, sockeye - 29.5 percent, and chum - 3.0 percent). According to information provided by ADF&G for Table 3, however, allocation of the mitigation funds by salmon species were as follows: chinook - 56.5 percent, sockeye - 32.6 percent and chum - 9.0 percent.

Representatives of the ATA continued to be critical of the enhancement program during 1990 and 1991 including concerns that:

- only 18,000 chinooks were added on to the chinook quota for 1989,²⁴ "far less than the 100,000 goal,"²⁵
- the harvest rate for chinook salmon decreased with the shortened length of the troll season and therefore more chinook would have to be produced than previously estimated to reach the 100,000 harvest goal,²⁶
- the 1990 proposal for use of enhancement funds was unfairly weighted toward sockeye enhancement, "71 times the original stated loss of 20 - 40K sockeye,"
- the "funds were not dedicated to assist the State develop new sockeye technology, rehabilitate stocks that have fallen victim to management error or natural decline, or address obligations under the Transboundary Annex," and that
- "With or without a Treaty it remains the responsibility of the State to assure sound management of our fisheries. . ."²⁷

In summary, we found no specific congressional intent for how the enhancement funds would be allocated among salmon species. Intent by the ADF&G seems to have evolved over time. Written correspondence does not answer questions about the amount of money that should be spent on each salmon species; specific targets for fish production, and whether these fish were to be harvested or just produced; how operational expenses of the hatcheries were to be funded; and how to accommodate reduced catches of enhanced fish resulting from a reduction in the length of openings. Although the mitigation program has not yet reached its production goals, the ADF&G has made a concerted effort to produce more enhanced salmon for commercial harvest.

²⁴A January 3, 1992 ADF&G informational report about chinook harvests to the Alaska Board of Fisheries indicates that in 1991 the troll component of the hatchery add-on was 38,234.

²⁵Dale Kelly, ATA executive director, letter to Brian Allee, director of the FRED Division, January 30, 1990.

²⁶Dale Kelley, ATA executive director, letter to ADF&G Deputy Commissioner Norman Cohen, June 1, 1990.

²⁷Dale Kelley, ATA director, letter to Kevin Duffy, ADF&G FRED Division, June 17, 1990.

EFFECT OF TERMINATING THE TREATY

Article XV of the treaty permits either the U.S. or Canada to terminate the treaty one year after notification of the other party. While it is possible that discontent from Alaska could lead to termination of the treaty, the agreement is between the two national governments and its formal termination could only be initiated at the federal level.

It should also be noted that if the treaty were to end, it is likely that Indian tribal interests would initiate a law suit against the State of Alaska to reduce the state's salmon catch.²⁸ Twenty-four Indian tribes agreed not to sue Alaska over salmon allocation as long as the Pacific Salmon Treaty remains in effect.

It is not clear how federal funding of ADF&G would be affected if the treaty terminated. Currently, the Pacific Salmon Commission oversees agency requests for federal research and management funds. According to Earl Comstock, fisheries specialist for Senator Ted Stevens, if the treaty terminated, the Alaska congressional delegation would attempt to retain federal funding for ADF&G, but it is likely that federal and state agencies would become more competitive for the funds.

Since the Pacific Salmon Treaty was implemented in 1985, the State of Alaska has used federal treaty-related funds to support a significant portion of its commercial fisheries and hatchery programs. Treaty-related money funds about 43 percent of the budget for management of the commercial finfish fisheries in Southeast Alaska. Over \$17.5 million has been used to provide capital and some operating expenses of hatcheries. Additionally, the state has received funds for transboundary river enhancement and to fund a treaty coordinator position. These funds, as well as funds provided the Anadromous Fish Conservation Act, could be in jeopardy if the treaty were to terminate.

I hope this memorandum answers your questions about the treaty. We will forward additional information to you as soon as the Legislative Finance Division completes its current inquiry about salmon treaty funds spent by ADF&G. Please contact this agency if may provide further assistance.

Attachments

²⁸For example, ADF&G biologists estimate that approximately 80 percent of the chinook salmon caught in Alaska originate from outside of the state (about 40 percent from British Columbia and 40 percent from Washington and Oregon).

ATTACHMENT A

PACIFIC SALMON COMMISSION

BUDGET JUSTIFICATIONS FOR FFY 92 AND FFY 93

UNITED STATES SECTION
of the
PACIFIC SALMON COMMISSION

BUDGET JUSTIFICATION

Fiscal year 1992



PACIFIC SALMON TREATY

* BUDGET JUSTIFICATION - FISCAL YEAR 1992 *

1. Introduction

The Pacific Salmon Treaty Act of 1985, Public Law 99-5, charges the United States Section of the Pacific Salmon Commission with responsibility for implementation of the Pacific Salmon Treaty, a bilateral treaty entered into with Canada in 1985. As in previous years, responsibility for funding Treaty related programs rests with the United States Government. This document represents the U.S. Section's best judgement of the funding required in fiscal year 1992 to implement the Treaty. The requests, by agency, are as follows:

Department of Commerce	<u>\$8,015,312</u>
National Marine Fisheries Service	2,356,773
Alaska Department of Fish and Game	3,305,399
Washington Department of Fisheries	1,272,298
Oregon Department of Fish and Wildlife	775,671
Idaho Department of Fish and Game	305,171
Department of Interior	<u>3,689,705</u>
<u>U.S. Fish and Wildlife Service</u>	<u>719,169</u>
U.S. Fish and Wildlife (direct)	519,169
Pacific Marine Fisheries Commission (FWS pass-through)	200,000
<u>Bureau of Indian Affairs</u>	<u>2,970,536</u>
Columbia River Inter-Tribal Fish Commission	802,101
Northwest Indian Fisheries Commission	1,992,083
Metlakatla Indian Community	176,352

Department of Agriculture

380,000

U.S. Forest Service

Alaska Department of Fish and Game
Transboundary Enhancement
(USFS pass-through)

380,000

Department of State

2,000,000

Yukon River Support

704,238

The U.S. Section of the Commission has agreed to endorse for funding only those programs that meet the following criteria:

The program must be directly required to implement the Treaty, not merely of incidental benefit to that goal;

The program must not, in whole or part, duplicate any other program;

The program must be cost effective, coordinated to the greatest possible degree with other efforts, and of immediate, ascertainable benefit to the treaty implementation effort.

2. Justification of Funding Requested

For fiscal year 1992, the U.S. Section is requesting \$8,015,312 for the Department of Commerce, \$3,689,705 for the Department of the Interior (\$719,169 for U.S. Fish and Wildlife Service, \$2,970,536 for the Bureau of Indian Affairs), \$380,000 for the Department of Agriculture and \$2,000,000 for the Department of State.

The amount that has been requested for the Department of Commerce represents a 6.3% increase from the amount requested in FY91 to cover inflationary costs. No new projects are requested.

The proposed budget for the Department of the Interior includes a 6.3% increase to cover inflationary costs and an expansion of one project. Under the U.S. Fish and Wildlife Service, there is a request for \$200,000 to fund the Pacific States Marine Fisheries Commission to serve as the single data base for the U.S. Section under the Treaty. Funding for this project last year was \$62,500. As part of the effort to improve the collection and distribution of data on stocks, both parties have agreed to develop a single repository of such information.

In FY91 a request was included under the U.S. Fish and Wildlife Service, for funding salmon enhancement programs on the transboundary rivers of Alaska and Canada. Congress, however, appropriated funds through the U.S. Forest Service (Department of Agriculture) for this program. The State of Alaska now prefers that funding source because

of the low overhead and expeditious pass-through. This funding is needed to fulfill ongoing bilateral commitments made in 1988. This document includes a funding request for \$380,000 through the U.S. Forest Service (Department of Agriculture) rather than the U.S. Fish and Wildlife Service (per FY 91). The governments of the two countries agree that increased salmon production through enhancement programs is essential to resolving very contentious harvest sharing disputes on these rivers.

Under the Department of State, the U.S. Section is requesting an increase in the contributions of the Parties from the current level of \$725,000 (\$ Canadian) to \$1,000,000 U.S. (\$1,150,00 Canadian) to fund the Pacific Salmon Commission Secretariat. There is also a FY91 shortfall request of \$135,600 to fulfill the U.S. obligation for the Pacific Salmon Commission FY91-92 fiscal year. This was requested but not funded in FY91. The Pacific Salmon Commission was formed five years ago. At that time, the parties made a good faith attempt to predict the costs of operating the offices of the Secretariat. Over the past five years it has become apparent that the initial fiscal predictions did not accurately reflect the needs of the Commission, particularly with regard to the management of fisheries on the Fraser River. In addition, there has been no increase in the Parties contributions for the last five years and inflation has effectively decreased the Parties support. For the past several years, the Commission has relied on carryovers from the previous commission (IPSFC) and surpluses brought about by high prices for fish caught in Fraser River test fisheries to fund necessary programs. In FY91 this practice has jeopardized the scientific integrity of the test fishing program and caused a funding shortfall. The increased funding from the U.S. would, of course, be contingent upon Canada providing a matching increase in their contribution. It is the Parties intent that, if full funding of the ongoing programs is secured, any surpluses from the test fishing program would be used to reduce the contributions of the Parties for the subsequent year.

3. Background

In 1985, after years of arduous negotiations, the United States and Canada entered into a treaty on the interception of salmon stocks shared between the two countries. The Treaty is based on the concepts of conservation and equity; protection of a unique and priceless resource; and the equitable sharing of these resources between the two countries. The Treaty established a bilateral commission, the Pacific Salmon Commission, to establish fishery regimes in accordance with the principles of the Treaty.

The salmon of the Northwest and Alaska are a tremendous economic, recreational, and cultural resource. To commercial fishers, they are their livelihood. To recreational fishers, they are the prize sought above all other fish. To the Indian tribes of the Northwest, they provide spiritual as well as physical sustenance. Hatched in the inland rivers, lakes and streams and maturing in the ocean, the salmon return to their natal waters to spawn and renew the cycle. Their

incredible journeys link the oceans and the rivers and bind together people throughout the Northwest, Canada, and Alaska.

Much of the research funds that have been requested this year, as in past years, will be spent on research that enables the agencies to better determine the migratory patterns of salmon stocks and where, when, and by whom the fish are caught. This, in turn, provides the necessary data for the countries to properly allocate and conserve the salmon stocks.

Among the techniques that are used for stock identification are coded wire tagging, scale sampling, and genetic stock identification. Coded wire tagging, the most commonly used technique, involves inserting a small, coded piece of microwire in the snout of a fish, usually a hatchery fingerling. The adipose fin of the fish is then clipped, identifying it as a fish that has been tagged. If the fish is caught, either in a recreational or a commercial fishery, or recovered in a spawning ground survey, the snout is removed and sent to one of the management agencies. The tag is then read, providing researchers with valuable insight as to which stocks are involved in a particular fishery.

In an area such as the west coast of Vancouver Island, British Columbia, fish from a variety of stocks mingle and are caught in mixed stock fisheries. Techniques such as coded wire tagging tell fishery managers what effect a fishery is having on individual stocks, such as Columbia River spring chinook or Queets River coho, what steps must be taken to rebuild depressed stocks and what healthy stocks can withstand fishery pressures. These techniques are also providing the information necessary to meet the goal of the Treaty that each party should benefit from the production of salmon originating in its waters.

4. Yukon River Studies in Support of Negotiations

The last set of program justifications included in this document detail two program proposals from the U.S. Fish and Wildlife Service and one from the Alaska Department of Fish and Game that concern research in support of current negotiations with Canada regarding sharing of Yukon River salmon stocks. Alaska Fish and Game requests \$275,600; U.S. Fish and Wildlife Service requests a total of \$425,200.

The Pacific Salmon Treaty established a framework for conduct of Yukon River negotiations, but the treaty itself is not the vehicle through which the negotiations proceed nor will the terms of the Treaty necessarily apply to the Yukon. In other words, the Yukon River negotiations are a separate matter from direct implementation of the Pacific Salmon Treaty, and, thus, we have separated Yukon River program requests from other programs. The U.S. Section believes the programs are fully justified and recommends that they be funded.

5. National Marine Fisheries Service Pre-existing Pacific Salmon Related Programs

The National Marine Fisheries Service has carried out a series of Pacific Salmon Treaty related programs, since before the Pacific Salmon Treaty was signed. These programs are beneficial to overall Pacific salmon management and production and have important incidental benefit to the implementation of the treaty.

The U.S. Section is composed of state, federal, and tribal fishery managers. In our domestic managerial capacities, we support those pre-existing programs and urge that they be funded. Nevertheless, we believe that those programs should be appraised on their own merits, independent of the Treaty.

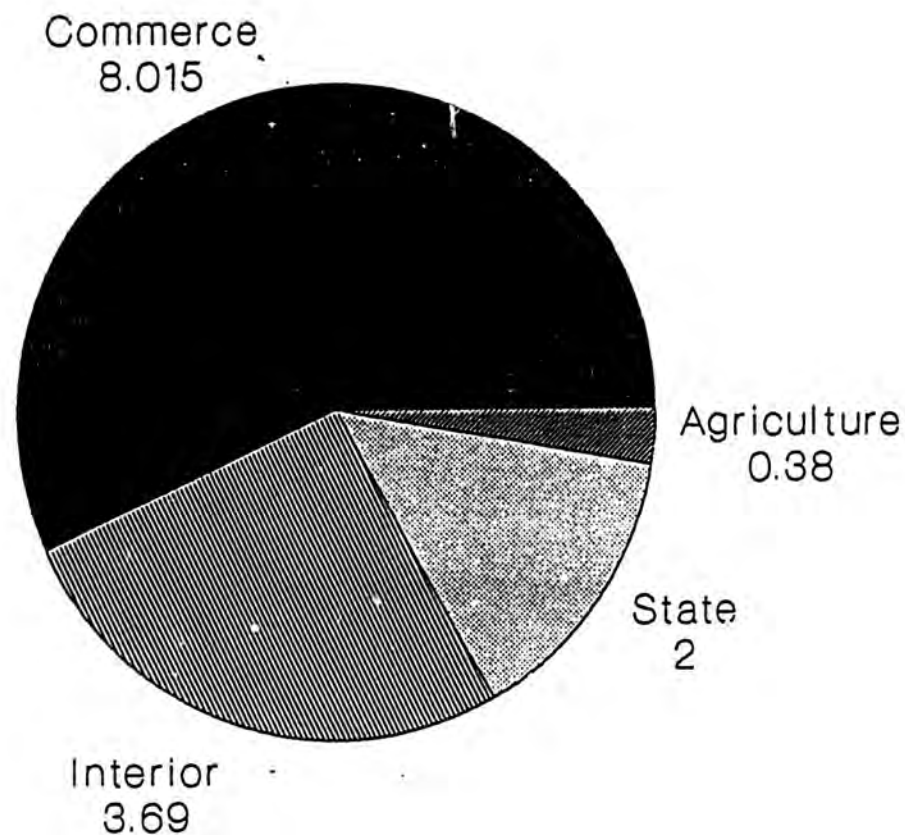
SUBMITTED BY:



Guy R. McMinds, Chairman
Budget Committee

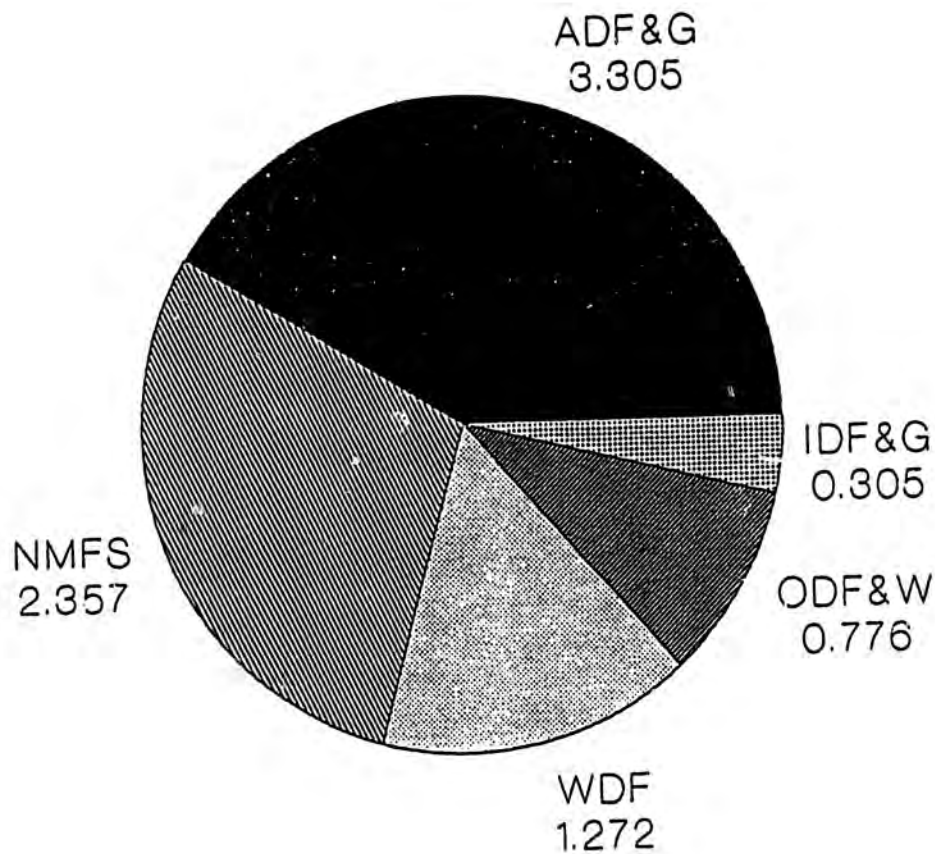
U.S. Section, Pacific Salmon Commission

Fiscal Year 1992 Total PSC Recommended Funding Total funds: \$13,743,017



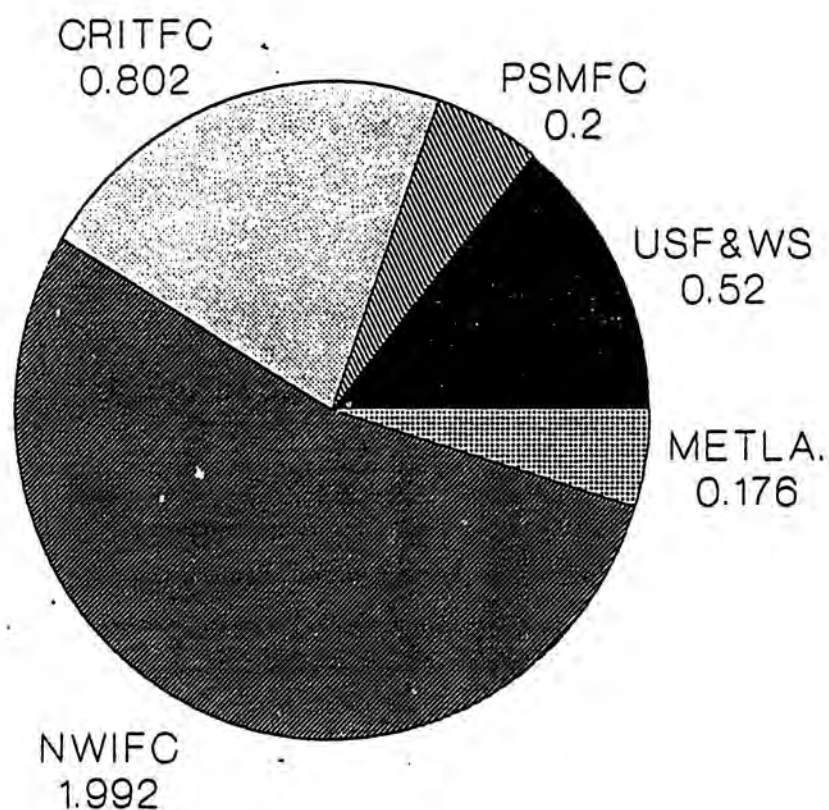
(\$ x 1.0 Million)

FY 92 Commerce Total PSC Recommended Funding Total Funds: \$8,015,312



(\$ x 1.0 Million)

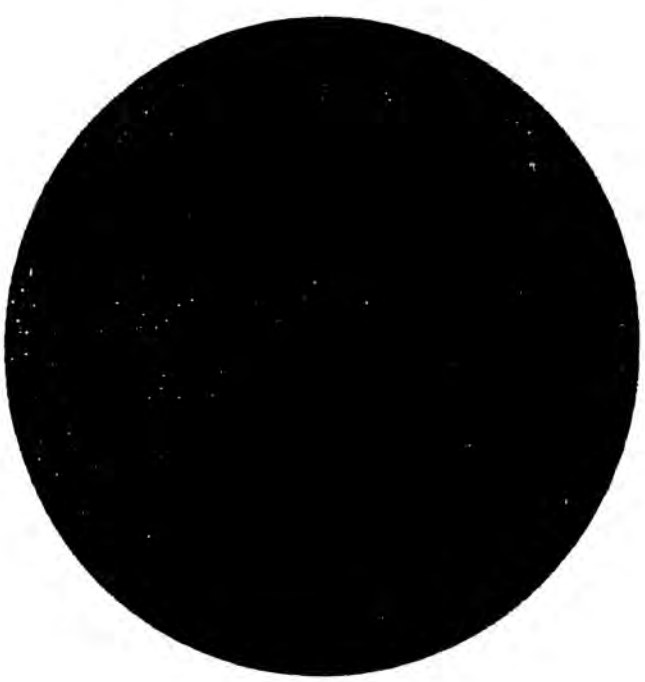
FY 92 Interior Total PSC Recommended Funding Total Funds: \$3,689,705



(\$ x 1.0 Million)

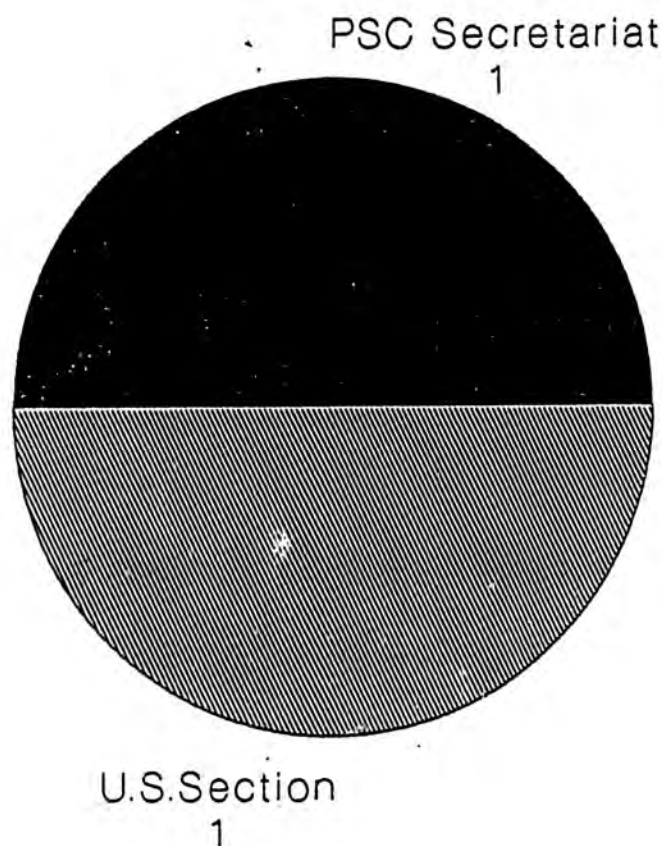
FY 92 Agriculture Total
PSC Recommended Funding
Total Funds: \$380,000

USFS/ADF&G
0.38



(\$ x 1.0 Million)

FY 92 State Total
PSC Recommended Funding
Total Funds: \$2.00



(\$ x 1.0 Million)

UNITED STATES SECTION
of the
PACIFIC SALMON COMMISSION

BUDGET JUSTIFICATION

Fiscal Year 1993



PACIFIC SALMON TREATY

* BUDGET JUSTIFICATION - FISCAL YEAR 1993 *

1. Introduction

The Pacific Salmon Treaty Act of 1985, Public Law 99-5, charges the United States Section of the Pacific Salmon Commission with responsibility for implementation of the Pacific Salmon Treaty, a bilateral treaty entered into with Canada in 1985. As in previous years, responsibility for funding Treaty related programs rests with the United States Government. This document represents the U.S. Section's best judgement of the funding required in fiscal year 1993 to implement the Treaty. The requests, by agency, are as follows:

Department of Commerce	<u>\$ 8,404,859</u>
National Marine Fisheries Service	2,467,351 ¹
Alaska Department of Fish and Game	3,470,669
Washington Department of Fisheries	1,335,914
Oregon Department of Fish and Wildlife	814,455
Idaho Department of Fish and Game	316,470
Department of Interior	<u>3,925,408</u>
<u>U.S. Fish and Wildlife Service</u>	<u>791,877</u>
U.S. Fish and Wildlife (direct)	591,877
Pacific Marine Fisheries Commission (FWS pass-through)	200,000
<u>Bureau of Indian Affairs</u>	<u>3,133,531</u>
Columbia River Inter-Tribal Fish Commission	856,238
Northwest Indian Fisheries Commission	2,091,627
Metlakatla Indian Community	185,666

¹ The National Marine Fisheries Service funding request includes \$1,476,700 for Auke Bay Laboratory Pacific Salmon Treaty Northern Area research. This research has been ongoing since 1982 and is funded in a separate NMFS budget line item, but is included here to reflect the actual amount of NMFS funds spent on Pacific Salmon Treaty implementation.

Department of Agriculture

399,000

U.S. Forest Service

Alaska Department of Fish and Game
Transboundary Enhancement
(USFS pass-through)

399,000

Department of State

2,100,000

The U.S. Section of the Commission has agreed to endorse for funding only those programs that meet the following criteria:

The program must be directly required to implement the Treaty, not merely of incidental benefit to that goal;

The program must not, in whole or part, duplicate any other program;

The program must be cost effective, coordinated to the greatest possible degree with other efforts, and of immediate, ascertainable benefit to the treaty implementation effort.

2. Justification of Funding Requested

For fiscal year 1993, the U.S. Section is requesting \$8,404,859 for the Department of Commerce, \$3,925,408 for the Department of the Interior (\$791,877 for U.S. Fish and Wildlife Service, \$3,133,531 for the Bureau of Indian Affairs), \$399,000 for the Department of Agriculture and \$2,100,000 for the Department of State.

The amount that has been requested for the Department of Commerce represents a 5% increase from the amount requested in FY92 to cover inflationary costs. No new projects are requested.

The proposed budget for the Department of the Interior includes a 5% increase to cover inflationary costs and an expansion of one project. Under the U.S. Fish and Wildlife Service, there is a request for \$46,750 to fund continued tagging of coho and chinook indicator stocks at the Quinalt hatchery, previously funded by the NWIFC.

3. Background

In 1985, after years of arduous negotiations, the United States and Canada entered into a treaty on the interception of salmon stocks shared between the two countries. The Treaty is

based on the concepts of conservation and equity; protection of a unique and priceless resource; and the equitable sharing of these resources between the two countries. The Treaty established a bilateral commission, the Pacific Salmon Commission, to establish fishery regimes in accordance with the principles of the Treaty.

The salmon of the Pacific Northwest and Alaska are a tremendous economic, recreational, and cultural resource. To commercial fishers, they are their livelihood. To recreational fishers, they are the prize sought above all other fish. To the Indian tribes of the Pacific Northwest, they provide spiritual as well as physical sustenance. Hatched in the inland rivers, lakes and streams and maturing in the ocean, the salmon return to their natal waters to spawn and renew the cycle. Their incredible journeys link the oceans and the rivers and bind together people throughout the Pacific Northwest, Canada, and Alaska.

Much of the Pacific Salmon Treaty Support funding that has been requested this year, as in past years, will be spent on research that enables the agencies to better determine the migratory patterns of salmon stocks and where, when, and by whom the fish are caught. This information establishes the ability for the countries to properly allocate and conserve salmon stocks.

Among the techniques that are used for stock identification are coded wire tagging, scale characteristic analysis and genetic stock identification. Coded wire tagging, the most commonly used technique, involves inserting a small, coded piece of microwire in the snout of a fish, usually a hatchery fingerling. The adipose fin of the fish is then clipped, identifying it as a fish that has been tagged. If the fish is caught, either in a recreational or a commercial fishery, or recovered in a spawning ground survey, the snout is removed and sent to one of the management agencies. The tag is then read, providing researchers with valuable insight as to which stocks are involved in a particular fishery.

In an area such as the west coast of Vancouver Island, British Columbia, fish from a variety of stocks mingle and are caught in mixed stock fisheries. Techniques such as coded wire tagging tell fishery managers what effect a fishery is having on individual stocks, such as Columbia River spring chinook or Queets River coho, what steps must be taken to rebuild depressed stocks and what healthy stocks can withstand fishery pressures. These techniques are also providing the information necessary to meet the goal of the Treaty that each party should benefit from the production of salmon originating in its waters.

4. Yukon River Studies in Support of Negotiations

The last set of program justifications included in this document detail three program proposals from the U.S. Fish and Wildlife Service and one from the Alaska Department of Fish and Game that concern research and management support for current negotiations with Canada regarding sharing of Yukon River salmon stocks. Alaska Department of Fish and Game requests \$745,000; U.S. Fish and Wildlife Service requests a total of \$1,021,460.

The Pacific Salmon Treaty established a framework for conduct of Yukon River negotiations, but the treaty itself is not the vehicle through which the negotiations proceed nor will the terms of the Treaty necessarily apply to the Yukon. In other words, the Yukon River negotiations are a separate matter from direct implementation of the Pacific Salmon Treaty, and, thus, we have separated Yukon River program requests from other programs. The U.S. Section believes the programs are fully justified and recommends that they be funded.

5. National Marine Fisheries Service Pre-existing Pacific Salmon Related Programs

The National Marine Fisheries Service has carried out a series of Pacific Salmon Treaty related programs, since before the Pacific Salmon Treaty was signed. These programs are beneficial to overall Pacific salmon management and production and have important incidental benefit to the implementation of the treaty.

The U.S. Section is composed of state, federal, and tribal fishery managers. In our domestic managerial capacities, we support those pre-existing programs and urge that they be funded. Nevertheless, we believe that those programs should be appraised on their own merits, independent of the Treaty and therefore not included in this document.

SUBMITTED BY:

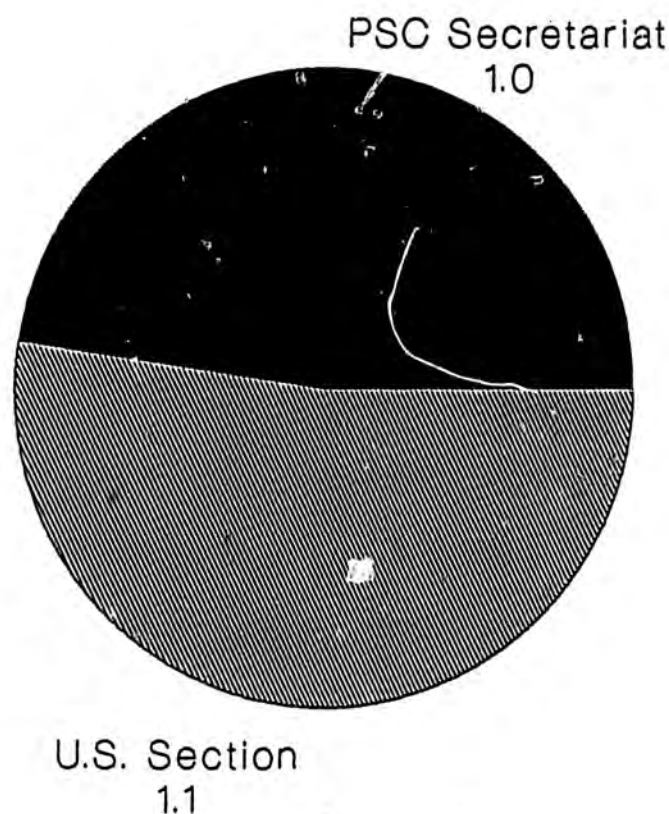

Guy R. McMind, Chairman
Budget Committee

U.S. Section, Pacific Salmon Commission

FY 93 Dept. of State

Total PSC Recommended Funding

Total Funds: \$2,100,000



(\$ x 1.0 Million)

FY 93 Agriculture
Total PSC Recommended Funding
Total Funds: \$399,000

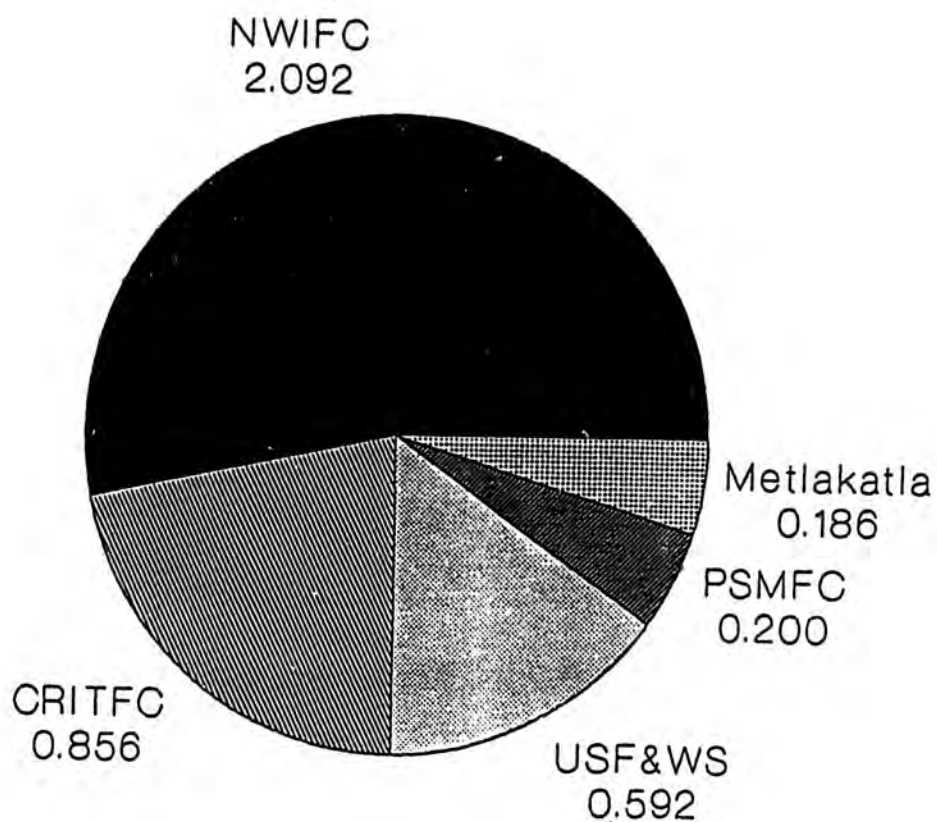
USFS/ADF&G
0.399



(\$ x 1.0 Million)

FY 93 Interior

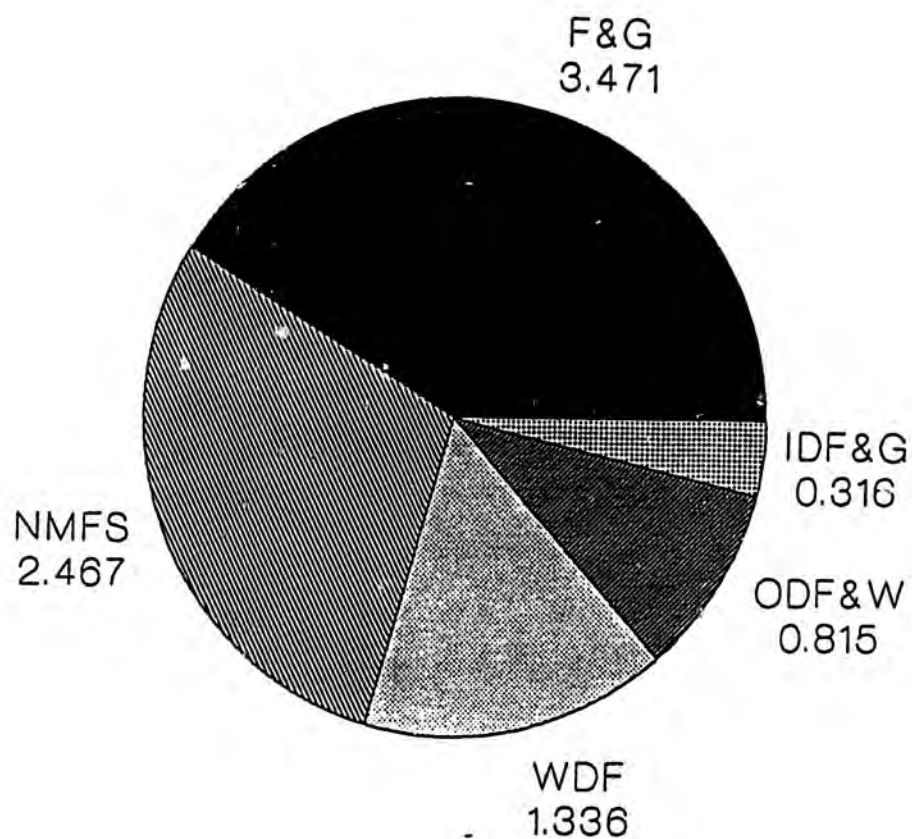
Total PSC Recommended Funding
Total Funds: \$3,925,408



(\$ x 1.0 Million)

FY 93 Commerce

Total PSC Recommended Funding
Total Funds: \$8,404,859



(\$ x 1.0 Million)

ATTACHMENT B

**MEMORANDUM FROM DAVID CANTILION, ADF&G TO
NEVETTE BOWEN, OFFICE OF REPRESENTATIVE SUND**

APRIL 1, 1987

TO: Noyette Bowen
Legislative Assistant
Office of Representative Sund

DATE: April 1, 1987

FILE NO.:

THRU:

TELEPHONE NO.: 465-4250

SUBJECT: Budget Information

FROM: David Cantillon⁰⁴
Regional Supervisor
Division of Commercial Fisheries
Douglas

Attached is a list of the State funding cuts from the Region I Division of Commercial Fisheries budget in FY 87 and the current Governor's FY 88 budget. I was not able to exactly match the dollar difference from the FY 86 actual costs and the new FY 88 base because some minor cost changes and savings are difficult to document. Also, the vessels section operational budget was combined with regional budgets beginning in FY 87 and I do not have good cost documentation by each vessel for FY 86. The dollar amounts on the list represent our best estimate of the cost of replacing the items that were cut or reduced.

In order to make the Region I cuts more understandable, I have divided them into the following three categories:

1. Cuts that represent a direct loss to our regional program.
2. Positions that were lost from the regional program but the individuals were reassigned new U.S./Canada program responsibilities.
3. Positions or functions that were U.S./Canada related and State funded prior to the Treaty; and were switched to federal treaty implementation funding during the drastic FY 87 cuts.

One point should be made clear. The availability of U.S./Canada Treaty Implementation funds have allowed the continuation of a number of activities that we had to cut from the general fund budget. However, a number of research and data acquisition activities originally planned for U.S./Canada funding have been dropped or reduced to allow the continuation of more basic fishery monitoring activities that were cut from the State budget.

The Region I Commercial Fisheries budget peaked in FY 85 and in establishing the FY 86 budget a number of items were cut or switched to U.S./Canada funding and are not reflected in the figures you received from Ken Parker, Division Director.

Within the three categories I have prioritized specific items with the most important listed first.

cc: Roland Shanks, Special Assistant
Ken Parker, Director

Category I - General Fund Items Lost Entirely

switch
Banda to air

1. Aerial Survey Reduction - 20.8
Management budget reduction in post fishery salmon escapement documentation regionwide. FY 87
2. Coho Investigations - 16.5 -
Reduce natural stock coded wire tagging. FY 87
3. Shellfish FT V - 55.9
Reduce shellfish port sampling program and data base. FY 87
4. Juneau FB II - 55.8
Reduce shellfish fishery monitoring, sampling, onboard observer work and reporting. Reduce land use activity review in Juneau area. Reduce Northern Southeast salmon and herring fishery monitoring. FY 88
5. Vessel Sundance - 53.0
Cut 4 months. Reduce winter herring stock assessment and winter herring fishery monitoring. FY 87
6. Vessel Kittiwake - 178.2
Eliminated. A major reduction in herring and salmon fishery monitoring and research program support. Vessel support in Region I reduced to lowest level in decades. FY 87
7. Coho Project Leader - FB III - 60.0
With intensification of coho issues both biological and allocative, the one remaining coho research position is inadequate to oversee an effective data collection program. FY 87
8. CT II - Sitka - 11.5
5 mm. Clerical support for Sitka Trawl Fishery and Groundfish Project personnel. Shared with Habitat Division. FY 88
9. Escapement & Catch Data Base - 19.0
Funding for maintaining regionwide salmon catch and escapement data bases. FY 87
10. King Crab Index - 14.4
Operational funding for Southeast red king crab index cruise. State vessel and permanent personnel costs not included. FY 88
11. Northern Southeast Salmon Forecast - 49.8
Cut pre-emergent fry sampling used to predict pink salmon returns to northern southeastern. Includes transportation costs and 4 seasonal positions, 2 in Juneau and 2 in Sitka. FY 87
12. Sitka Fishery Monitoring - 13.2
Reduced funds for monitoring salmon fisheries in the Sitka area. FY 87

Category I - General Fund Items Lost Entirely
(Continued)

- | | | | |
|-----|---|---|-------|
| 13. | <u>Groundfish Seasonals</u> | - | 34.4* |
| | Funds were reduced eliminating seasonal time for port sampling activities. FY 87 | | |
| 14. | <u>Regional Clerical & Office Support</u> | - | 9.9 |
| | Reduce level of clerical staff and office operations in the Juneau Regional Office. FY 87 | | |
| 15. | <u>Catch Sampling Regionwide</u> | - | 30.0 |
| | Reduce level of catch, scale and escapement sampling. FY 88 | | |
| 16. | <u>Chilkat-Chilkoot Weir</u> | - | 11.7 |
| | Reduce amount of time the two sockeye weirs at the head of Lynn Canal are operated. FY 87 | | |
| 17. | <u>Chinook Scale Analysis</u> | - | 9.8 |
| | Eliminate department efforts to delineate coastwide chinook stock groupings by scale characteristics. FY 87 | | |
| 18. | <u>CT III - Juneau</u> | - | 18.6 |
| | 8 mm of clerical support for Juneau Regional Office. FY 87 | | |

Category Total - 662.5

* Latest Governor's budget provides the Division some Groundfish funding which may be used to offset this cut.

Category II

1. Fisheries Biologist II - Sitka - 56.2
Pink salmon assistant project leader in Sitka reassigned to U.S./Canada duties. FY 87
2. Analyst Programmer II - 47.4
Programmer in Sitka reassigned to duties with a U.S./Canada related project. FY 87
3. Fisheries Biologist II - Ketchikan - 28.8
Assistant project leader reassigned for 6 mm per year to U.S./Canada related activities.

Category Total - 132.4

Category III

1. Kadashan Weir - Tenakee Inlet - 23.2
Pink and chum salmon weir used for inseason management and research. FY 87
2. Data Processing Clerk - 27.4
10 mm time for data entry and editing used primarily for salmon fish tickets in Juneau. FY 87
3. Clerk Typist III - Juneau - 27.8
Regional office support staff in Juneau. FY 87
4. Chinook Biometrician - 64.2
Provides coastwide coordination with other management resources agencies to develop a data base for regulation of chinook fisheries. FY 87
5. Petersburg Fishery Monitoring - 60.0
Provides funds for monitoring harvests and for 6 mm of a Fisheries Biologist II Management Assistant in Wrangell. FY 87
6. Fishery Biologist II - Sitka - 59.2
Supervises staff of seasonals for catch sampling activities in the Sitka management area. FY 87
7. Fishery Biologist II - Juneau - 52.0
Supervises a staff of seasonals for catch sampling activities in the Juneau management area. Supervises salmon run monitoring project on the Taku River. FY 87
8. Tree Point Field Station - 47.1
Provides a field station for collecting catch and effort data from the Tree Point commercial gillnet fishery and 6 mm time for a Fisheries Biologist II Management Assistant in Ketchikan. FY 87

Category Total - 360.9