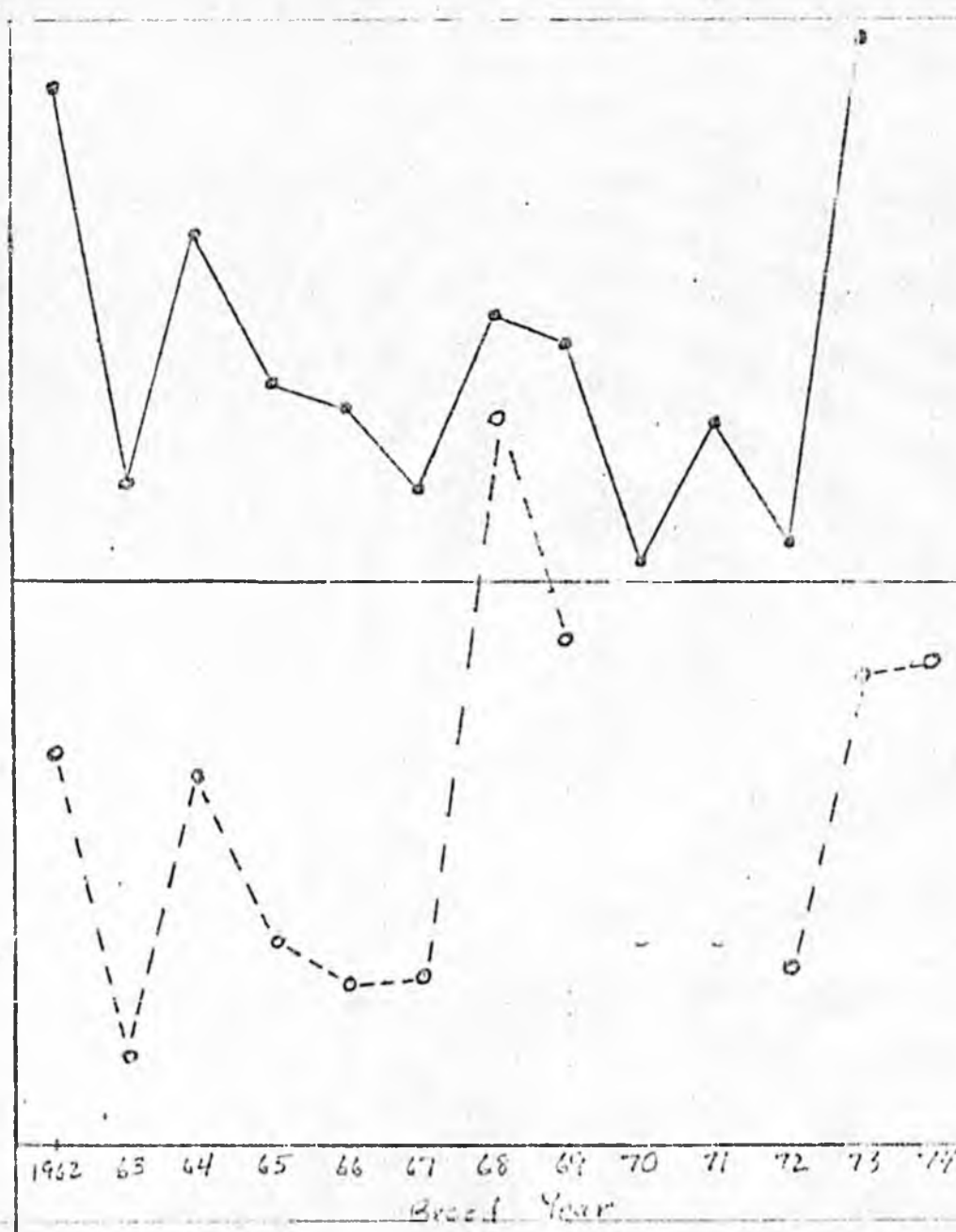
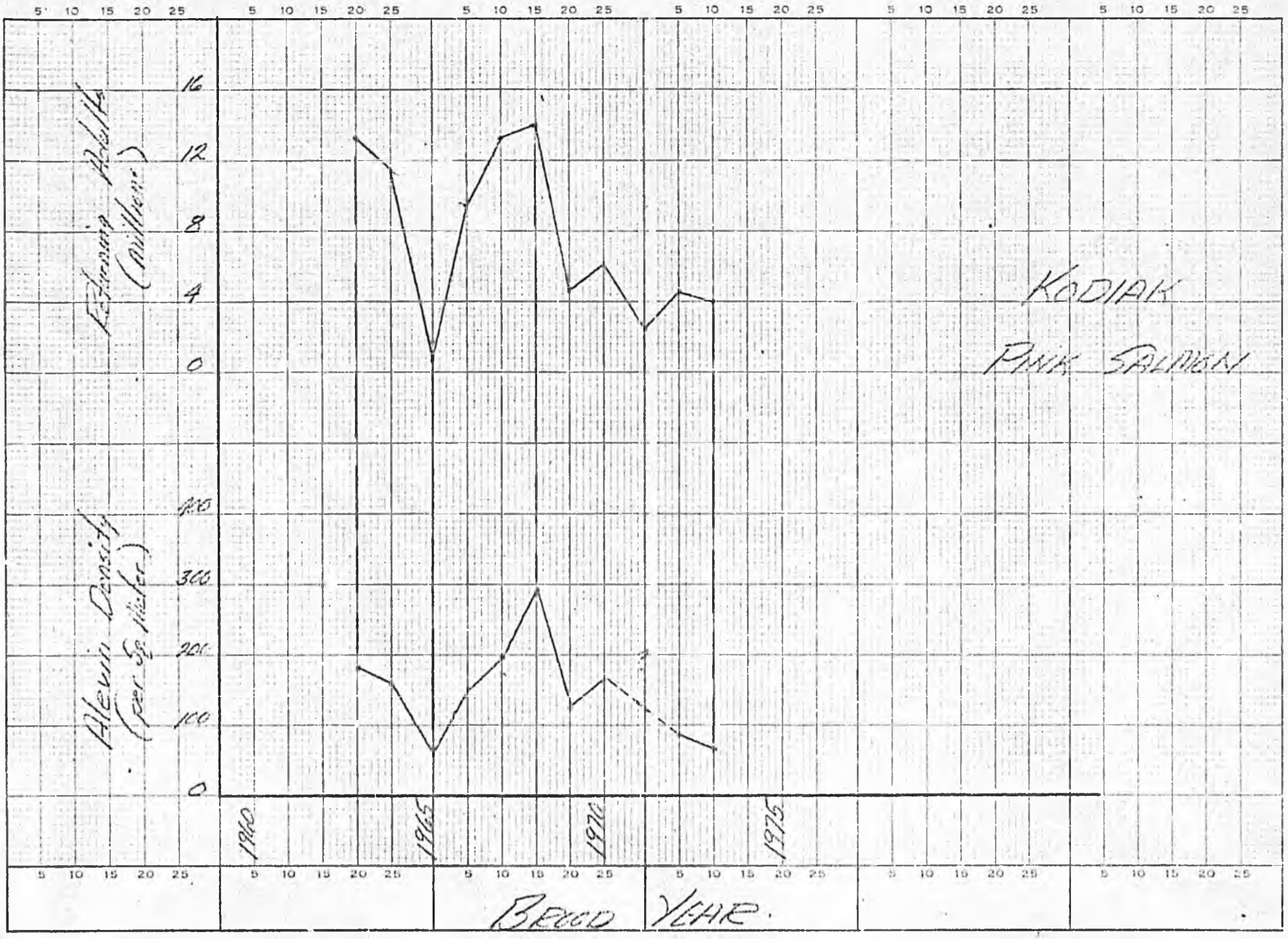
Cook Inlet Southeast and Dutch Districts Pink Salmon
Alevin Indices vs Adult Returns by Year



Brood Year	Average Fry / m²	(millions) Adult Return
1962	210.5	1.31
63	45.6	.26
64	198.5	.91
65	106.7	.51
66	84.4	.46
67	90.5	.24
68	365.3	.70
69	271.8	.62
70	—	[illegible]
71	—	.41
72	96.8	.10
73	349.8	1.43
74	257.5	
75		



SITE SELECTION

WORK COPY

A team of regional biologists and engineers is presently working in each region of the state to select and prioritize enhancement sites for salmon incubation and freshwater and estuarine rearing. They have identified a number of candidate sites and are in the process of monitoring winter water conditions which are critical to total year round operations. Each site will have a detailed analysis on user demands, stock selection, physical parameters, i.e. water supply, plus estuarine and freshwater capabilities, management applicability and construction needs.

A total of 26 sites are presently under investigation in Southeastern Alaska with from two to five sites being investigated in each of the other planning areas. Final site selection of all sites will occur this spring and early summer.

Individual site selections are based on a detailed analysis of the characteristics listed in the first paragraph. The site selection process is governed by a series of general and site specific criteria. The general criteria, listed first, form the framework that selects areas for enhancement prior to the actual site specific studies. The area determination is dependent upon:

1. User group recommendations.
2. Management recommendations that:
   a. Complete assessment of natural stock status and trends. (Consider the depressed nature of salmon stocks and the impact on the needs of the public.)
   b. Recognizes the area registration concept and sport fish needs as a major prerequisite to project planning and implementation. The objectives of the enhancement program are divided by area and species to distribute the enhanced stocks throughout the state to meet the established needs of (a) and (b).
   c. Determination of species that will best improve fishery, e.g. early chum run that would correspond with the sockeye fishery.
   d. Minimizes interception problems.

3. Efficiency of production by species. This efficiency incorporates the intention to capture spin-off opportunities from present or projected industrial development to benefit husbandry systems. For example, industrial development, although presently limited in the state, offers a viable opportunity to convert waste products, especially heat, into a usable product. Coho and king smolt production requires heat to be successful which could be provided very economically at industrial sites.

Specific site characteristics examine in detail the parameters that will ensure the control of as many variables as possible to ensure facility success.

1. Stock selection

   a. Species quality and average adult weight. Brood stocks must be of at least average weight for the species in that area unless historical evidence indicates that smaller than average genetical strains have extremely high estuarine ocean survival characteristics. This need is based on the fact that the commercial value is based upon poundage.

   b. Brood stock availability

      (1) Historic stock. Widely fluctuating stocks in the past may not be the most favorable systems to utilize.

      (2) Present stock. Brood stocks must be of sufficient magnitude to bring the facility to full production as soon as possible reducing the amount of time required to produce direct benefits to the fishermen. Recent escapement records must range between 6,000 and 12,000 pinks and 4,000 and 8,000 chums. Escapements greater that the upper limit signifies a major natural producer, but a number less than the lower limit extends the time period for full scale production.

      (3) Development of hatchery stock. Establishes breeding programs that will maintain optimumal quality of brood stocks relative to size, maturity

schedules, and survival rates. Once large scale production is instituted for enhancement genetical breeding becomes a necessary component for brood stock development. Manipulation of stocks can enhance the fishery through possible changes in maturity, timing, and survival.

c. Timing of runs.

2. Physical parameters

a. Provide water of sufficient volume and quality that will allow maximum survival of several million eggs, alevins, and fry with a minimum of treatment. If biological and sediment filters must be used, they will reduce benefit/cost ratios. Adjacent natural spawning is desirable since it may aid in maintenance of a viable gene pool.

b. Provide a water temperature regimen that permits development of eggs, alevins, and fry to coincide with productivity of lakes and estuaries and environmental prerequisites for short term freshwater, estuarine and saltwater rearing. The time of emergence is a function of temperature units, and by using appropriate natural temperature regimens expensive temperature control devises including the application of artificial heat is not required. This factor is important in maintaining high benefit/cost ratios.

c. Temperature regimen that permit fry to fingerling rearing of coho, sockeye, and rainbow trout for subsequent late summer stocking of adjacent lakes or estuarine rearing units. After pink and chum salmon fry emerge the water should be utilized for spin-off rearing.

d. Intake quality that does not require substantial treatment before delivery to incubation or rearing systems. The required levels of oxygen, absence of toxic materials, and relatively disease free water should be provided without expensive treatment facilities.

e. Gravity feed. Pumping of water requires expensive power and the resultant cost may become critical in remote areas where power is not available. Benefit/cost ratios decline when pumps are required.

f. Water qualities should be clear enough during the majority of the year to require no filtration before delivery to incubation or rearing systems. The required levels of oxygen, absence of toxic materials, and relatively disease free water should be provided without expensive treatment facilities.

g. Water quantity should be sufficient to provide 1 pgm per 10,000 eggs without recirculation.

3. Stream characteristics

   a. Streambed stability

   b. Fluctuations in stream flow

   c. Minimum flows during winter months

4. Geography

   a. Accessibility especially during winter months

   b. Availability of desired land

5. Estuary

   a. The site must take advantage of the natural estuarine rearing potentials of the state. The enhancement concept is designed to fully utilize the almost unlimited estuarine rearing potential throughout the state. These capacities and timing of plankton blooms are very important to pink and chum salmon release when they move directly from incubator to sea.

   b. Site must have moderate winter icing conditions.

   c. Must be accessible by boat to near the stream mouth.

6. Lake stocking sites

   a. The freshwater potentials for the three freshwater rearing species are very significant and offer a very economical long term rearing alternative for coho and sockeye.

   b. Lakes utilized for sockeye should have a fry rearing deficit greater than 20 million fry.

   c. Easy access from incubation facility.

d. Plankton populations and water depths must allow rapid growth and high survival of fry after transplant.

e. A low competitor and predator population and/or potential must be present.

7. Predators interactions

a. Absence of major breeding populations of marine mammals or historical feeding concentrations that are adjacent to facility.

b. Absence of major overwintering lakes for Dolly Varden trout since their outmigration may precede or coincide with outmigration schedules of chums and pinks.

c. Absence of immediately adjacent major natural or potential coho production areas. Coho smolts are known predators of pink and chum fry until they reach about 60 mm. Release of artificially produced smolts may be delayed so as not to coincide with release of pinks and chums.

d. Absence of major rookeries or avian predators.

9. Management criteria

a. Location of fisheries relative to the proposed project

b. Intensity of fisheries on considered stock

c. Predicted interaction between artificial and natural stocks

d. Bay or area of sufficient size to allow a large number of seiners or drift gillnetters to operate with a minimum of conflict. Small bays where large returns segregate will not allow equitable distribution or returns to the common property fishery. This may result in facilities having to be constructed that would not take advantage of economy of size in operation of facilities.

e. Bay or area of sufficient size and historical behavior pattern of brood stocks where segregation of "bright" harvestable fish from ripening brood stocks occurs. Brood stock ripening areas must be highly segregated from harvest areas or an unmanageable situation will exist which will contribute to a poorer quality product.

f. Bay or area where average light and water conditions permit reasonably accurate aerial and/or weir enumeration of returning adult runs. The overview of developing runs is essential to prevent a brood stock surplus. It is of particular importance that selected brood stocks ripen within the estuary.

g. Bay or area where sea conditions permit a relatively constant harvest. If harvest areas are intermittently exposed to unfishable sea conditions, surplus fish in excess of brood stock requirements could develop at the facility.

h. Prevent sale of surplus fish at the hatchery.

10. Climate

a. Precipitation

b. Winter temperatures

c. Wind conditions

11. Construction needs

a. Reasonable construction site

b. Logistics - support and operations

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

JAY S. HAMMOND, GOVERNOR

March 8, 1976

Representative Nels Anderson
Chairman, House Resources
House of Representatives
Alaska State Legislature

Dear Nels:

Enclosed is a brief pertaining to the F.R.E.D. aspects of the 1976 bond request.

This document was assembled to provide background information prior to the committee hearing on March 18 relative to (1) professional opinion on facility direction, (2) natural stock status as reflected by catch, (3) objectives by area and species for enhancement facilities, and (4) time sequence of project development.

Sincerely,

James W. Brooks
Commissioner

Enclosure

cc: Governor's Office
Robert S. Roys

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 19, 1976

SUBJECT: Evaluation of HB 846, Fisheries Impact Fund, and Recommended Changes (W.O. #2379)

TO: The Honorable Nels Anderson

FROM: James Owers J.O.
Research Analyst

Council Membership

With respect to Sec. 44.33.260, MEMBERSHIP AND VACANCIES, it should be pointed out that the Commercial Fisheries Entry Commission has a fulltime research staff devoted to analyzing economic data from the fisheries. The committee may, therefore, wish to consider adding the chairman of the Commercial Fisheries Entry Commission to the Fisheries Economic Impact Council. This would insure coordination of all those agencies with relevant data.

Definition of Base Period

In Sec. 44.33.310 "base period" is defined as "any 10 years after 1950, not necessarily continuous, during which a fishery produced at economically acceptable levels as determined by the Alaska Department of Fish and Game."

It should be pointed out that the Department of Fish and Game has no expertise to determine what is "economically acceptable." This would

appear to be more appropriately handled by the council. In any case, with rising economic expectations and a near doubling in the number of fishermen over the last 15 years, what may be "acceptable" may not be even biologically possible. Certain fisheries practically never produce at "economically acceptable" levels because many of the participants have non-economic goals, such as the hand troll fishery and certain set net fisheries. A more realistic approach would appear to be for the council to select a base period which is "reasonably representative" of economic conditions in the fishery.

There does not appear to be any need to extend the base period further back than 1960 and five years would appear adequate. This would greatly simplify data problems and, in any case, average salmon production during the 1960's exceeded the 1950's. A large number of the fisheries in the state barely existed or did not exist at all prior to 1960, such as the Arctic-Yukon-Kuskokwim salmon fisheries and many shellfish fisheries. The table attached at the end of this memo shows a base period between 1969 and 1973 for the 19 salmon fisheries which have limited entry. This appears to be reasonably representative of <u>dollars</u> produced by these fisheries. Even though production was about average, total revenues reached record and near record levels, even adjusting for inflation.

The following definition of "base period" is offered for the committee's consideration based on the above comments:

> "Base period," means any five years after 1960, not necessarily continuous, during which a fishery produced a reasonably representative total annual catch value as determined by the council."

Definition of Fisheries Failure

In the present bill a fisheries failure "means income to the participants in a fishery dropped below 50 per cent of the average annual income for the base period..." The first problem with the existing language is that it appears to be comparing total revenue produced by a fishery with individual earnings. Suppose a fishery has a base period income of 10 million dollars with 1,000 participants, or in other words an average income of $10,000 per fisherman. Does the language in the existing bill mean that if the number of fishermen increases to say 2,500 fishermen that a fishery failure has occurred, since average income to participants in the fishery will have dropped to $4,000?

It is suggested that this ambiguity be removed and that the committee adopt language that would make it clear that in all cases the total catch value of the fishery will be used, if that is in fact the committee's intent.

There is nothing in the present language that makes it clear that the council is dealing primarily with biological failures. For example, in the present bill a large price reduction could be considered a "fisheries failure." On several occasions prices in shellfish fisheries have more than dropped in half when catches have remained constant. In addition, the Board of Fisheries may well make "man made" fisheries failures by a decision to eliminate a certain type of gear in an area or reduce the catch allocation to a particular fishery. For example, it is likely that increased restrictions on the interception of Bristol Bay fish by Alaska Peninsula fishermen will be forthcoming. In 1972 the Board eliminated the Southeast set net fishery. Should this be considered a

"fisheries failure"?

There does not appear to be an adequate definition of a "fishery." Does this mean the Alaska salmon fishery or the Prince William Sound drift gill net fishery?

It is not stated that the council should adjust for inflation. With a 7% rate of inflation, fish prices could well double over the next 10 years along with operating costs and related items, yet the council would have to wait until revenues dropped to 25% of their present level before a fisheries failure could be declared.

Also, no justification has been submitted for requiring the total annual catch value to drop below 50% of the average for the base period. As the analysis at the end of this memo shows, this may not be practical. In certain fisheries where incomes are already low and where there is little alternative employment, acute problems may be felt long before this, particularly in fisheries that do not fluctuate as widely as the salmon fisheries, such as halibut. Furthermore, since the purpose of the council is to advise and recommend action to the governor, there does not appear any reason why the council should be locked into a rigid mechanical formula.

The second requirement for a fisheries failure is that "the average family income of all residents of the designated area as determined by the council is below the Federal Social Security Administration Poverty Guideline ..." There appear to be several problems with this requirement; two technical and the other more philosophical. First, there do not appear to be adequate statistics relating to family incomes. The main source of earnings information is unemployment insurance and state and local government payroll information. This information is related to

individuals, not families. Second, there are several federal agencies which publish poverty guidelines depending on the purpose of their program. Those used by the Limited Entry Commission, for example, are published by the Community Services Administration. It appears that Social Security Administration guidelines are contingent upon, among other things, bank deposits, home ownership, and other assets held by an applicant for benefits. The best approach would appear to be to leave out the specific agency who would supply poverty guideline statistics and leave this up to the council's discretion. The third problem is that, regardless of the number of families that may be above or below the poverty guideline in a certain locality, fishermen impacted by a fisheries failure may still not be able to find employment. Thus the real issue appears to be whether alternative employment is available. It would appear that one duty of the council could be to define availability or lack of alternative employment. For example, it could be a function of population, economic diversification, regional unemployment or some combination. This approach would appear to have the advantages of relying on existing data as well as dealing with the fundamental problem, which is to provide employment to fishermen who cannot find work in other fisheries or other sectors of the economy. Again, no justification or studies are submitted by the administration to show that the existing formula is practical or workable.

The following definition of a fisheries failure is offered for the committee's consideration. This definition still leaves the method of calculating inflation up to the council, and it is possible that it will still be difficult to sort out biological from economic causes of fisheries

failures. In addition, a definition of "fishery" borrowed from AS 16.-43.380 is used here since extensive data files of both the department of Fish and Game and the Limited Entry Commission are organized this way.

> "Fisheries failure" means that the total catch value in a fishery, adjusted for inflation, has, for biological reasons, dropped significantly below the base period total catch value and that few alternative employment opportunities exist for fishermen in the region.
>
> "Fishery" means the commercial taking of a specific fishery resource in a specific administrative area with a specific type of gear.

Analysis of "Acceptable" Incomes in Certain Alaskan Salmon Fisheries

In 1974 an economic survey of fishermen examined what fishermen themselves felt was a reasonable level of gross earnings. The following table shows the average response for each fishery. The response fishermen gave appears fairly realistic in view of operating costs in each fishery and a comparison with prevailing wage scales in such industries as logging and contract construction. In the second column of the table, this figure has been multiplied by the number of entry permit holders in each fishery to provide an estimate of the total revenue each fishery would have to produce so that the average earnings of fishermen would equal an "acceptable" level. This amount can then be compared to the average total earnings in each fishery over the five years between 1969 and 1973.

What is immediately apparent is the wide difference between what may be considered "acceptable" and what has actually occurred even

during a period of relative prosperity in the salmon fisheries (see graph). In fact, the average earnings of fishermen over the five year period, even adjusting for inflation, is less than half what was considered "acceptable." In many fisheries, even record high years did not produce an "acceptable" level of earnings.

JO:jm

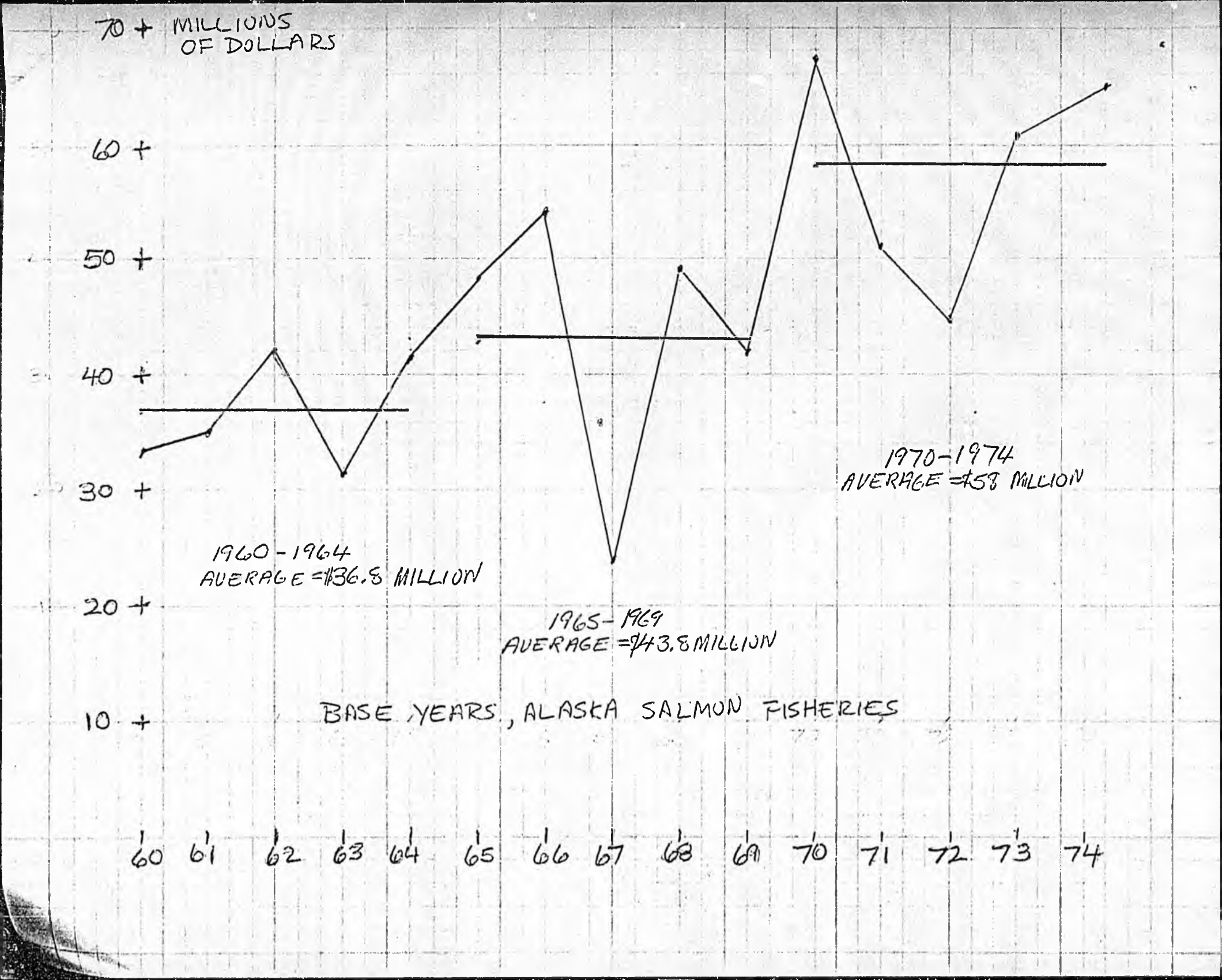

70 + MILLIONS OF DOLLARS
60 +
50 +
40 +
30 +
20 +
10 +
1960-1964
AVERAGE = $36.8 MILLION
1965-1969
AVERAGE = $43.8 MILLION
1970-1974
AVERAGE = $58 MILLION
BASE YEARS, ALASKA SALMON FISHERIES
60 61 62 63 64 65 66 67 68 69 70 71 72 73 74

TABLE 1
TOTAL REVENUE BY SALMON FISHERY
ADJUSTED BY WHOLESALE PRICE INDEX

1969-1973
(In thousands of dollars)

	1969	1970	1971	1972	1973	5 year Average
Southeast						
Purse Seine	$4,177	$9,456	$8,573	$13,168	$13,376	$9,750
Drift gill Net	2,785	3,108	3,054	5,489	7,588	4,404
Yakutat						
Set Gill Net	329	226	394	479	952	476
Prince William Sound						
Purse Seine	3,997	2,584	6,163	1/	4,796	4,385
Drift Gill Net	2,472	3,680	2,656	2,780	3,727	3,063
Set Gill Net	177	84	2/	133	83	119
Cook Inlet						
Purse Seine	204	650	500	229	752	467
Drift Gill Net	1,454	2,164	1,297	2,237	4,023	2,235
Set Gill Net	1,071	1,444	906	1,842	2,281	1,508
Kodiak						
Purse Seine	9,345	8,720	5,534	4,019	1,893	5,902
Beach Seine	25	91	57	40	13	45
Set Gill Net	611	706	464	331	186	459

TABLE 1
TOTAL REVENUE BY SALMON FISHERY
ADJUSTED BY WHOLESALE PRICE INDEX

1969-1973
(In thousands of dollars)

(Continued)

	1969	1970	1971	1972	1973	5 year Average
Chignik						
Purse Seine	$1,973	$3,962	$2,579	$1,129	$3,066	$2,541
Peninsula						
Purse Seine	1,268	3,489	1,968	789	502	1,603
Drift Gill Net	1,480	2,055	1,529	1,413	1,155	1,526
Set Gill Net	188	345	210	119	272	226
Bristol Bay						
Drift Gill Net	12,399	30,952	17,309	5,633	3,372	13,953
Set Gill Net	1,560	2,214	1,875	372	221	1,248
Statewide						
Power Troll 3/	2,772	5,490	4,536	5,332	8,047	5,235

Gross earnings have been adjusted by the wholesale price index using 1973 as a base year.

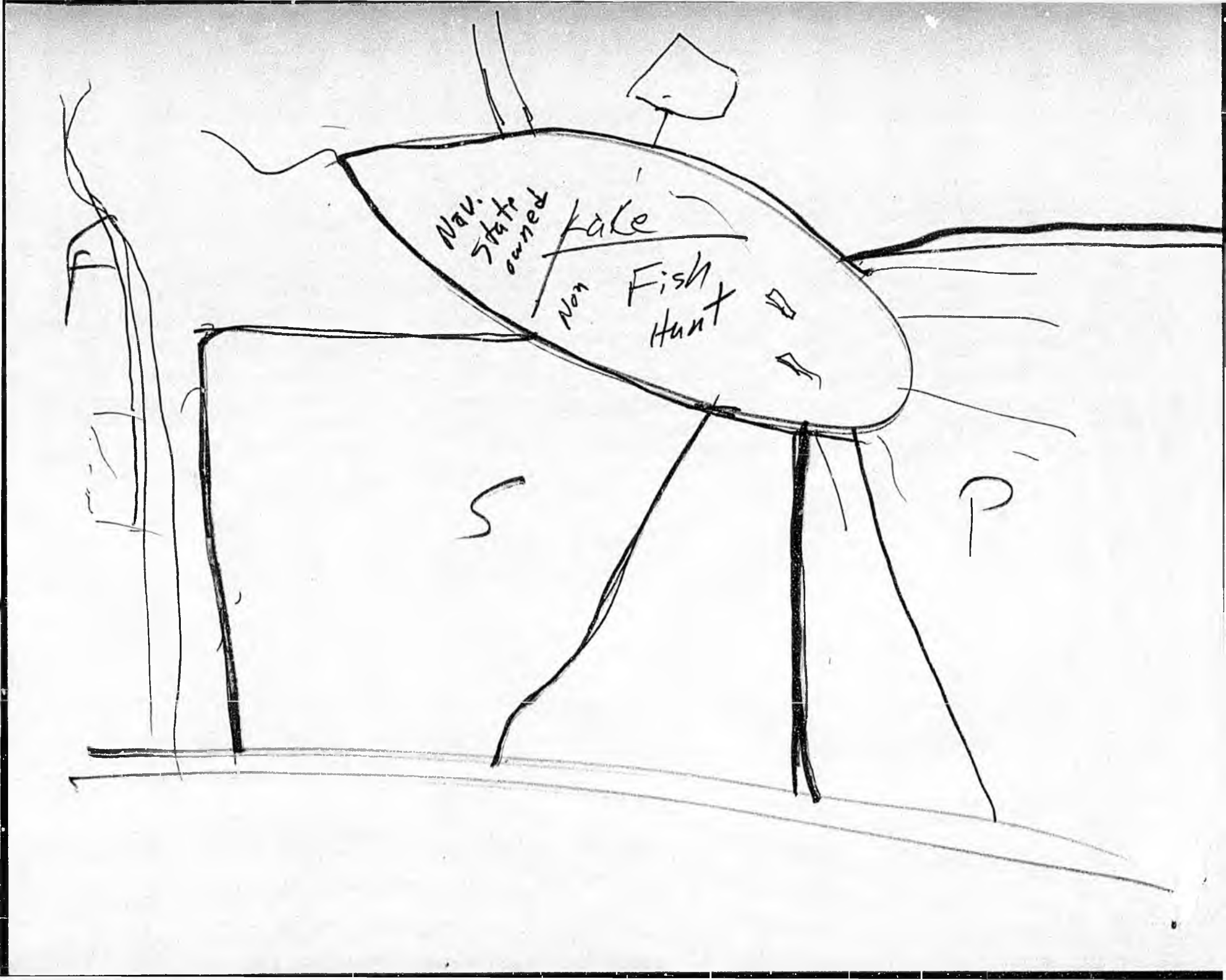
1/ closed in 1972

2/ closed in 1971

3/ estimated from total catch of both hand and power trollers

"ACCEPTABLE" EARNINGS IN ALASKA'S SALMON FISHERIES
(all figures in thousands of dollars)

	"Reasonable" Gross Earnings as Estimated by Fishermen	Total Earnings from Fishery Required to Produce Reasonable Earnings for all Operating Units	Actual Average Total Earnings 1969-1973
Southeastern			
Purse Seine	$ 31.9	$ 12,660	$ 9,750
Drift Gill Net	22.6	10,237	4,404
Yakutat			
Set Gill Net	14.9	2,235	476
Prince William Sound			
Purse Seine	26.9	6,402	4,385
Drift Gill Net	19.6	10,015	3,063
Set Gill Net	14.9	476	119
Cook Inlet			
Purse Seine	24.2	1,645	467
Drift Gill Net	14.5	7,902	2,235
Set Gill Net	14.9	10,221	1,508
Kodiak			
Purse Seine	32.8	12,070	5,902
Set Gill Net	11.1	2,031	459
Chignik			
Purse Seine	39.5	3,160	2,541
Peninsula-Aleutians			
Purse Seine	12.2	1,354	1,603
Drift Gill Net	17.9	2,774	1,526
Set Gill Net	7.8	600	226
Bristol Bay			
Drift Gill Net	16.4	27,371	13,953
Set Gill Net	12.4	9,957	1,248
Statewide			
Power Troll	15.3	13,693	5,235
TOTAL		$134,803	$53,865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ESTIMATE SUMMARY
1976 FISH AND GAME FUND
ENHANCEMENT PROJECTS

Project Name	Fry Production	Capital Cost
Tutka, Halibut Cove, Big Lake & Crooked Creek	4 million coho	$ 530,000
Hidden Skilak	20 million sockeye, 6 million coho	2,350,000
Cook Inlet (Kenai)	25 million pink/chum, 10 million coho	3,890,000
Cook Inlet (Susitna)	25 million pink/chum, 10 million coho	3,890,000
Cook Inlet Total	100 million	$10,660,000
Cannery Creek	25 million (including 1 million coho)	$ 2,670,000
Whittier	100,000 coho post-smolts	300,000
Prince William Sound	30 million (including 1 million coho)	3,530,000
Prince William Sound Total	55 million	$ 6,500,000
Karluk	20 million sockeye	$ 3,150,000
Russell Creek	50 million pink/chum	4,850,000
AP/Kodiak Total	70 million	$ 8,000,000
Hidden Falls	50 million (including 3 million coho)	$ 3,630,000
Tenakee	1 million coho post-smolts	1,300,000
Klawak Lake	50 million (including 3 million coho)	3,820,000
Thorne River	50 million (including 3 million coho)	5,250,000
	150 million	$14,000,000
Statewide	375 million	$39,160,000

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

COHO ENHANCEMENT
TUTKA/HALIBUT COVE/BIG LAKE/CROOKED CREEK*
Rearing Tank & Feed Storage Installation
4 Million Coho

Mobilization & Site Preparation	-
Incubation Space _____ Sq.Ft. @ _____	-
Incubators	-
Support Space _____ Sq.Ft. @ _____	-
Feed Storage Units 4 @ 10,000	40,000
Water Supply, Distribution & Waste 4 @ 40,000	160,000
Power Generation	-
Rearing Tanks 16,000 Cu.Ft. @ $5	80,000
Rearing Pens 40,000 Cu.Ft. @ $3	120,000
Adult Holding/Egg Take Facility	-
Employee Living Space _____ Sq.Ft. @ _____	-
1975 Total	400,000
Contract Total 1977 Purchase	480,000
Engineering & Contingencies @ _____	None
Design & Administration @ 5%	24,000
Revolving Fund 5%	26,000
Total Project Cost	$530,000

*Project Description: Rearing tanks and freezers shall be provided to accommodate 4 million coho fingerling (300/pound) at the existing facilities mentioned. 200,000 shall be reared to post-smolt (10/pound) at Halibut Cove Lagoon. The remainder shall be stocked in lakes or streams.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

SOCKEYE/COHO ENHANCEMENT
HIDDEN/SKILAK PROJECT*
(Urban Const.)
20 Million Sockeye, 6 Million Coho

Mobilization & Site Preparation 100,000 + 100,000	200,000
Incubation Space 10,000 Sq.Ft. @ $50	500,000
Incubators	80,000
Support Space 3,000 Sq.Ft. @ $65	200,000
Furnishing	20,000
Water Supply, Distribution & Waste	150,000
Power Generation	50,000
Rearing Tanks 20,000 Cu.Ft. @ $5	100,000
Adult Holding/Egg Take Facility	60,000
Employee Living Space 3,200 Sq.Ft. @ $45	150,000
1975 Total	1,510,000
Contract Total 1977 Const. Cost.	2,000,000
Engineering & Contingencies @ 12%	240,000
Design & Administration @ General Fund Obligation	
Revolving Fund 5%	110,000
Total Project Cost	$2,350,000

*Project Description Facilities are provided for incubation of 25 million sockeye eggs and 7.5 million coho (or king) eggs to produce 20 million sockeye and 6 million coho fry. Sockeye shall be short term reared (approx. 1 month). Coho shall be reared in (outside) tanks to fingerling (300/pound) for lake or stream stocking. Housing for 3 employees is provided on site. This estimate is applicable for 1977 construction at any reasonable site adjacent to highway system in Cook Inlet area.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

COHO/PINK/CHUM ENHANCEMENT
COOK INLET PROJECT*
(Urban Const.)
25,000,000 Pink/Chum plus 10,000,000 Coho

Mobilization & Site Preparation	200,000 + 100,000	300,000
Incubation Space	10,000 Sq.Ft. @ $50	500,000
Incubators		100,000
Support Space	4,000 Sq.Ft. @ $65	260,000
Furnishing		20,000
Water Supply, Distribution & Waste		150,000
Power Generation		50,000
Rearing Ponds	80,000 Cu.Ft. @ $5	400,000
Adult Holding/Egg Take Facility		100,000
Employee Living Space	3,200 Sq.Ft. @ $45	150,000
1975 Total		2,030,000
Contract Total	1978 Const. Cost	3,090,000
Engineering & Contingencies @	12%	370,000
Design & Administration @	8%	250,000
Revolving Fund	5%	180,000
Total Project Cost		$3,890,000

*Project Description: Facilities are provided for incubation of 31.5 million pink or chum eggs and 12.5 million coho (or king) eggs to produce 25 million pink or chum fry and 10 million coho fry. Pink or chum shall be short term reared (approx. 1 month). Coho shall be reared in (outside) ponds to fingerling (300/pound) for lake or stream stocking. This estimate is applicable for 1978 construction at any reasonable site adjacent to highway system in Cook Inlet area. Housing for three employees is provided on site.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

PINK/CHUM ENHANCEMENT
CANNERY CREEK PROJECT*
(Remote Const. PWS)
30 Million Fry, Including 1 Million Coho

Mobilization & Site Preparation	160,000 + 80,000	240,000
Incubation Space	6,000 Sq.Ft. @ 70	420,000
Incubators		100,000
Support Space	2,500 Sq.Ft. @ 90	220,000
Furnishing		20,000
Water Supply, Distribution & Waste		200,000
Power Generation		70,000
Rearing Pens	100,000 Cu.Ft. @ 3.0	300,000
Adult Holding/Egg Take Facility		70,000
Employee Living Space	2,200 Sq.Ft. @ 70 2,000 @ 40	230,000
1975 Total		1,870,000
Contract Total	1977 Const. Cost	2,470,000
Engineering & Contingencies @	12%	300,000
Design & Administration @	8%	200,000
Revolving Fund	5%	150,000
Total Project Cost		$3,120,000
(5m fry) 1974 Bond Money		450,000
(25m fry) 1976 Bond Money		$2,670,000

*Project Description: Facilities are provided for incubation of 37.5 million eggs to produce 30 million fry. Pink or chum fry shall be short term reared (approx. 1 month). Space is provided to rear 1 million coho to fingerling (300/pound) for stocking nearby lakes or streams. A duplex and bunkhouse for 3 permanent employees and temporaries are provided on site. This estimate is applicable for 1977 construction at similar remote sites in Prince William Sound.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

COHO REARING
WHITTIER PROJECT*
(Estuary Const. PWS)
100,000 Coho Post Smolts

Mobilization & Site Preparation	-
Incubation Space _____ Sq.Ft. @ _____	-
Incubators	-
Support Space 500 Sq.Ft. @ 80 (Floating Lab/Work Area)	40,000
Furnishing	-
Water Supply, Distribution & Waste	-
Power Generation	-
Work Float - 10 x 110	40,000
Rearing Pens 16 Each ~~Cu.Ft.~~ @ $3125	50,000
Adult Holding/Egg Take Facility	
Employee Living Space _____ Sq.Ft. @ _____ (1 Houseboat @ 50,000)	50,000
1975 Total	180,000
Contract Total 1977 Const. Cost	238,000
Engineering & Contingencies @ 12%	29,000
Design & Administration @ 8%	19,000
Revolving Fund 5%	14,000
Total Project Cost	$300,000

*Project Description: Facilities are provided for saltwater rearing (and/or holding) of 100,000 coho (or king) smolts from 60/pound to 10/pound. Housing for one employee is provided on site. This estimate is applicable for 1977 construction at other accessible estuaries in Prince William Sound.

PINK/CHUM ENHANCEMENT
PRINCE WILLIAM SOUND PROJECT*
(Remote Const.)
30 Million Fry, Including 1 Million Coho

Mobilization & Site Preparation	150,000 + 100,000	250,000
Incubation Space	6,000 Sq.Ft. @ 70	420,000
Incubators		100,000
Support Space	2,500 Sq.Ft. @ 90	220,000
Furnishing		20,000
Water Supply, Distribution & Waste		150,000
Power Generation		70,000
Rearing Pens	100,000 Cu.Ft. @ 3.0	300,000
Adult Holding/Egg Take Facility		80,000
Employee Living Space	2,200 / 2,000 Sq.Ft. @ 70 / 40	230,000
1975 Total		1,840,000
Contract Total	1978 Const. Cost	2,800,000
Engineering & Contingencies @	12%	340,000
Design & Administration @	8%	220,000
Revolving Fund	5%	170,000
Total Project Cost		$3,530,000

*Project Description: Same as Cannery Creek Project, except this estimate is for 1978, rather than 1977, construction.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

SOCKEYE ENHANCEMENT
KARLUK LAKE PROJECT*
(Remote-Kodiak)
20 Million Fry

Mobilization & Site Preparation	250,000 + 100,000	350,000
Incubation Space 4,800 Sq.Ft. @ 85		410,000
Incubators		80,000
Support Space 2,400 Sq.Ft. @ 110		260,000
Furnishing		20,000
Water Supply, Distribution & Waste		150,000
Power Generation		100,000
Rearing Pens - Cu.Ft. @ -		-
Adult Holding/Egg Take Facility		-
Employee Living Space 2,200 Sq.Ft. @ 90 1,800 @ 50		290,000
1975 Total		1,660,000
Contract Total 1978 Const. Cost		2,500,000
Engineering & Contingencies @ 12%		300,000
Design & Administration @ 8%		200,000
Revolving Fund 5%		150,000
Total Project Cost		$3,150,000

*Project Description: Facilities are provided to incubate 25 million sockeye eggs to produce 20 million fry. (Pens may be added later for short term rearing.) A duplex residence and bunkhouse for 3 permanent employees and temporaries are provided on site. This estimate is applicable for 1978 construction at a reasonable site on Karluk Lake (or similar lake on Kodiak Island).

PINK/CHUM ENHANCEMENT
RUSSELL CREEK PROJECT*
(Urban Site Alaska Peninsula)
60 Million Fry

Mobilization & Site Preparation	300,000 + 100,000	400,000
Incubation Space	12,000 Sq.Ft. @ $70	840,000
Incubators		200,000
Support Space	3,000 Sq.Ft. @ $90	270,000
Furnishing		30,000
Water Supply, Distribution & Waste		250,000
Power Generation		150,000
Rearing Ponds	150,000 Cu.Ft. @ $5.50	820,000
Adult Holding/Egg Take Facility		100,000
Employee Living Space	2,400 Sq.Ft. @ $70 2,600 @ $40	270,000
1975 Total		3,330,000
Contract Total	1977 Const. Cost	4,400,000
Engineering & Contingencies @	12%	530,000
Design & Administration @	8%	350,000
Revolving Fund	5%	270,000
Total Project Cost		$5,550,000
(10m fry) 1974 Bond Money		700,000
(50m fry) 1976 Bond Money		$4,850,000

*Project Description: Facilities are provided for incubation of 75 million pink or chum eggs to produce 60 million fry. The fry will be reared (approx. 1 month) in ponds on shore. A duplex residence and bunkhouse for 3 permanent employees and temporaries are provided on site. This estimate is applicable for 1977 construction at a very accessible site on the Alaska Peninsula.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

PINK/CHUM ENHANCEMENT
HIDDEN FALLS PROJECT*
(Estuary Const.-Southeastern)
50 Million Fry, Including 3 Million Coho

Mobilization & Site Preparation	150,000 + 50,000	200,000
Incubation Space	12,000 Sq.Ft. @ $60	720,000
Incubators		160,000
Support Space	3,000 Sq.Ft. @ $80	240,000
Furnishing		20,000
Water Supply, Distribution & Waste		90,000
Power Generation		100,000
Rearing Pens	135,000 Cu.Ft. @ $3.00	400,000
Adult Holding/Egg Take Facility		90,000
Employee Living Space	Vessel Repair (Bunkhouse) $60,000 _____ Sq.Ft. @ _____ 2 Houseboats @ 50,000	160,000
	1975 Total	2,180,000
	Contract Total 1977 Const. Cost	2,880,000
	Engineering & Contingencies @ 12%	350,000
	Design & Administration @ 8%	230,000
	Revolving Fund 5%	170,000
	Total Project Cost	$3,630,000

*Project Description: Facilities are provided for incubation of 62.5 million eggs to produce 50 million fry. Pink or chum fry will be short term reared (approx. 1 month) in saltwater pens. 3 million coho will be reared in "estuarine" pens to fingerling (300/pound) for lake stocking. Two houseboats and a bunkhouse (repair of existing vessel) are provided for 3 permanent employees and temporary employees. This estimate is applicable for 1977 construction within a weather protected estuary of Southeast Alaska. (Nearly identical costs were obtained from estimates for five sites.)

COHO REARING
TENAKEE PROJECT*
(Estuary Const.-Southeastern)
1 Million Coho (Post Smolts)

Mobilization & Site Preparation	10,000	10,000
Incubation Space ____ Sq.Ft. @ ____		-
Incubators		-
Support Space Floating Lab & Office 500 Sq.Ft. @ 80		40,000
Furnishing		5,000
Water Supply, Distribution & Waste Saltwater Pumps		30,000
Power Generation		-
Rearing Pens 150,000 Cu.Ft. @ 3.0		450,000
Adult Holding/Egg Take Facility		50,000
Employee Living Space ____ Sq.Ft. @ ____ 2-Houseboats @ 50,000		100,000
1975 Total		685,000
Contract Total 1978 Const. Cost		1,040,000
Engineering & Contingencies @ 12%		120,000
Design & Administration @ 8%		80,000
Revolving Fund 5%		60,000
Total Project Cost		$1,300,000

*Project Description: Facilities are provided for saltwater rearing (or holding) of 1 million coho (or king) smolts from 60/pound to 10/pound. Housing for 2 employees is provided on site. This estimate is applicable for 1978 construction at other accessible (and protected) estuaries in Southeast Alaska.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

PINK/CHUM ENHANCEMENT
KLAWAK LAKE PROJECT*
(Rural Land Based-Southeastern)
60 Million Fry, Including 3 Million Coho

Mobilization & Site Preparation	220,000 + 110,000	330,000
Incubation Space	12,000 Sq.Ft. @ 60	720,000
Incubators		180,000
Support Space	3,000 Sq.Ft. @ 80	240,000
Furnishing		30,000
Water Supply, Distribution & Waste		180,000
Power Generation		120,000
Rearing Pens	160,000 Cu.Ft. @ 3.00	480,000
Adult Holding/Egg Take Facility		100,000
Employee Living Space	2,400 Sq.Ft. @ 60	140,000
1975 Total		2,520,000
Contract Total	1978 Const. Cost	3,830,000
Engineering & Contingencies @	12%	460,000
Design & Administration @	8%	300,000
Revolving Fund	5%	230,000
Total Project Cost		$4,820,000
(10m fry) 1974 Bond Money		1,000,000
(50m Fry) 1976 Bond Money		3,820,000

*Project Description: Facilities are provided for incubation of 75 million eggs to produce 60 million fry. Pink or chum fry will be short term reared (approx. 1 month) in saltwater pens. 3 million coho will be reared to fingerling (300/pound) size in freshwater pens for lake stocking. One duplex residence is provided on site. This estimate is applicable for 1978 construction at other reasonable sites adjacent to the highway system in Southeastern Alaska.

Capital Cost Estimate Summary
F.R.E.D. 3/31/76

PINK/CHUM ENHANCEMENT
THORNE RIVER PROJECT*
(Remote Const.-Southeastern)
50 Million Fry, Including 3 Million Coho

Mobilization & Site Preparation	280,000 + 240,000	520,000
Incubation Space	10,000 Sq.Ft. @ 65	650,000
Incubators		150,000
Support Space	3,000 Sq.Ft. @ 85	250,000
Furnishing		20,000
Water Supply, Distribution & Waste		230,000
Power Generation		100,000
Rearing Pens	135,000 Cu.Ft. @ 3.00 + dock	460,000
Adult Holding/Egg Take Facility		100,000
Employee Living Space	2,400 Sq.Ft. @ 65 2,600 @ 40	260,000
1975 Total		2,740,000
Contract Total	1978 Const. Cost	4,170,000
Engineering & Contingencies @	12%	500,000
Design & Administration @	8%	330,000
Revolving Fund	5%	250,000
Total Project Cost		$5,250,000

*Project Description: Facilities are provided for incubation of 62.5 million eggs to produce 50 million fry. Pink or chum fry will be short term reared (approx. 1 month) in saltwater pens. 3 million coho will be reared to fingerling (300/pound) size in freshwater pens for lake stocking. A duplex residence and bunkhouse are provided on site for 3 permanent employees and temporary employees. This estimate is applicable for 1978 construction at other reasonably accessible remote sites in Southeastern Alaska.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

April 1, 1976

SUBJECT: HB 615 - Enhancement Facility Bond Issue (W.O. #2386)

TO: The Honorable Nels Anderson

FROM: James Owers J. Owers
Research Analyst

As you requested, we have reviewed HB 615, which would involve the state in a major long-term commitment to salmon enhancement programs. The principal amount of the bond proposal is $44.5 million, but when interest payments, maintenance and operational cost are included, it will result in a total expenditure of public funds likely to exceed $130 million over a 20 year period. It is our opinion that this legislation raises serious questions of policy and that it should be critically examined in light of the following comments.

1. Enhancement vs. Rehabilitation

As used here, enhancement means the continued reliance upon artificial means for salmon production as opposed to rehabilitation which means relying on those actions necessary to rebuild natural runs. Alaska has produced harvests of salmon nearly triple those of the present from habitat that is still, in most cases, in virtually the same natural condition. This is in marked contrast to Japan, Oregon, Washington and the Frazier River of British Columbia where artificial propagation has been used primarily to compensate for habitat losses.

Enhancement facilities in Alaska will not take maximum advantage of natural systems. In fact, their operation may result in even less utilization of natural habitat because enhancement facility fish are likely to lead in the long run to further destruction of natural runs for a variety of biological reasons. Rehabilitation, by relying on rebuilding natural runs, may prove far more cost effective.

2. Solving Present Economic Distress Through Enhancement Programs

As stated, the goal of the administration is "to get more fish in the water" to bring the salmon fisheries out of their economic distress. This is an overly simplistic view of the problem that is likely to compound biological problems in the future as discussed above and probably will not result in very substantial short-run benefits to those in the industry. First, it is likely that it will take from four to six years to bring a hatchery into full production (the time varies depending upon the species produced). There is approximately a 15 to 20 percent rate of turnover among salmon fishermen every year. Thus, many of those now suffering economic hardship will, in all likelihood, not be in the industry by the time the hatchery is producing at full capacity. Second, the projections of economic benefits submitted by the Department of Fish and Game assume that the price of salmon will remain the same with production increases. In fact, significant price declines may be necessary in order to clear the market. Third, present technology is more advanced in the area of pink and chum salmon production, yet Bristol Bay, the area which for the past four years has been most consistently depressed, depends upon red salmon.

3. Allocation of Benefits

Substantial but undetermined benefits from the Alaska salmon fisheries leave the state. If the public makes a major commitment of state funds to increased salmon production it would appear reasonable for the state to take measures to insure that these benefits are not siphoned off by non-resident corporations. In part, this would probably require the state to become more involved in marketing of salmon. In any event, the cost-benefit ratios presented by the Department of Fish and Game to the House Resources Committee do not make any distinction between those who receive the benefits and those who pay the costs.

4. Planning for the Bond Issue

In 1971 the legislature created the F.R.E.D. division in the Department of Fish and Game. AS 16.05.92 provides that the division shall:

> "develop and continually maintain a comprehensive, coordinated state plan for the orderly present and long-range rehabilitation, enhancement and development of all aspects of the state's fisheries for the perpetual use, benefit and enjoyment of all citizens and revise and update this plan annually."

Comprehensive planning began ten months ago with a contract with the engineering consulting firm of Kramer, Chin and Mayo. (For our review of this contract see our memo to you of February 13). No full scale production facilities of the type envisioned by the bond proposal have been built in Alaska. HB 615 would authorize up to seven facilities, depending on the size of each hatchery.

The following would seem to be at least a partial list of those items which both the public and the department should resolve before a

bond issue is authorized:

- exact project location
- project design and cost based on this location
- estimated production by species
- location of streams for egg takes
- operational costs
- estimated time necessary to reach full production
- construction start-up date
- management methods for segregating natural from hatchery fish

Without most of this information there is no basis for determining whether projects are feasible or desirable. Furthermore, it would appear that without actually building a fully operational hatchery it is not possible to iron out design problems and reduce other uncertainties of constructing such facilities in Alaska.

The Prince William Sound Aquaculture Corporation has published a plan for their proposed hatcheries which could serve as a good model for the type of analysis that is required.

5. Public vs. Private Non-profit Efforts

It would appear that a state's first responsibility is to insure the viability of natural runs or where natural systems have been destroyed by habitat losses, to either rebuild runs through artificial means or to see that those who suffer losses are compensated. It is questionable whether Alaska should be involved directly in enhancement programs to relieve economic distress when it is still possible to rebuild natural

runs. Enhancement could more appropriately be handled by the private sector with the state assisting their efforts through low interest loans, grants, research, and other programs similar to those in agriculture.

6. Summary

(1) Programs which have been applied elsewhere cannot be compared to Alaska which still has extensive natural habitat.

(2) Because of the time lag involved in hatchery construction and for other reasons, enhancement programs are not likely to ease the present financial condition of the fisheries.

(3) Substantial benefits from hatcheries are likely to "leak" out of Alaska unless a comprehensive approach to developing the rescurce is taken.

(4) Planning for the bond issue has not been adequate.

(5) A question must be resolved on whether enhancement-type programs could not be better pursued through aid to the private sector.

The committee would be justified in reducing the bond proposal to between $10 to $15 million for the reasons outlined above. This would provide enough funds for construction of one or two fully operational facilities. It would also be very desirable for the bond issue to provide funds for planning to reduce uncertainties for future construction.

JO:jm

Association of Village Council Presidents, Inc.
P.O. Box 219
Bethel, Alaska 99559

Resolution 76-02- 16

WHEREAS THE ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, INC. REPRESENTS THE 57 MEMBER VILLAGES OF THE LOWER YUKON AND KUSKOKWIM RIVERS AND

WHEREAS, the King Salmon, the Chinook stocks on the Kuskokwim and Yukon Rivers have suffered a decline in number and sex ratio due to weather, improper commercial and subsistence harvest management, and distant sea fishing by the Japanese east of the 1952 Abstention Line; and

WHEREAS, the people of the Association of Village Council Presidents, Inc. Region have determined that aquaculture of King Salmon is in the best interest of its member villages,

Therefore be it RESOLVED by the Association of Village Council Presidents, Inc. that the Alaskan State Legislature and the State Department of Fish and Game allow for the harvest of King Salmon Eggs for aquaculture purposes within the permit system, which now allows only Pink and Chum egg harvest for aquaculture purposes.

APPROVED AND PASSED THIS 21st DAY OF FEBRUARY, 1976.

Edward Hoffman, Sr.
President, AVCP, Inc.

Anna L. Ivan
Secretary, AVCP, Inc.

OLD HARBOR NATIVE CORP.

P.O. Box 69
Old Harbor, Alaska 99643

HB 615
file rec'd 4/30

Dear Rep Anderson:

We are greatly conserned about the matter to cansel the fish hatchery bill that is coming up for approval.
We strongly urge you as a representative of the Peopel of Alaska to act on this matter,as the only chance our Salmon industry has of ever regaining its strength is by fish hatcherys and limited entery.
Kodiak Island is one area that has a verry great need of fish hatcherys and the plans to do away with a bill that will be of tremindious value to the State of Alaska and its peopel seem somewhat foolish at this time.
We ask you for your holeheartidly support to keep this Bill in gear.

Sencerly.

Sven Haakanson
Pres.Old Harbor Native Corporation

ROUGH DRAFT OF COMMENTS

BY

HOUSE RESOURCES COMMITTEE STAFF

RE: HB 615

In determining the amount of the bonds, consideration was first given to the original request by the Dept. of Fish and Game, and Administration for $4,455,000. After meeting with Fish and Game the majority of the projects were agreed upon by the committee. One project was eliminated and several were reduced. One, the Bear Lake facility, was increased.

Second, consideration was given to the projects proposed under SS HB 615 which utilized natural passages i.e. Russian River fish passage and Anan Creek. . These were given priority.

Third, consideration shall be given to the overall hatchery program. The committee did not feel that enough background, research, planning, or justification was presented to allow a forty-four million bond proposal to be put before the public. Since the proposal seemed to be an experimental program to determine if the hatchery system would work. the committee felt that the FRED program could plan, utilize the research and information gathered from one hatchery in each area of the state. Hence, one hatchery in SE instead of three, one hatchery in S.C.I. instead of three, one hatchery in Kodiak as planned, and one hatchery on the Alaska Peninsula as planned. The reason Prince William Sound wasn't included was that the committee felt information and research discovered by the Prince William Sound Aquaculture Association would be used by FRED for determining further hatchery programs in that area.

It was felt that in the A.Y.K. area research should be carried on throughout the area, not just in one area.

The committee also felt that the FRED Division was not staffed or funded adequately to carry out the responsibilities of administering a 44 million dollar project without substantial increases in the Fiscal Year requests.

Finally, it was felt by the committee that as proposed the public would not accept a forty million dollar proposal. There are public factions who disagree with the hatchery concept. However, the public may be willing to accept a 19 million dollar proposal and if the beginning hatchery proves successful the public may be willing to accept more development in the future.

HB

626

"An Act relating to the establishment of marine sanctuaries; and providing for an effective date."

COMMITTEE REPORT

3/2/76

HOUSE

FINANCE

Mr. Speaker: Date 4-9-76

The Committee on RESOURCES has had SSHB 626 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(X) recommends it BE REPLACED WITH CS FOR SSHB 626 AND THAT CS FOR SSHB 626 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

1
626

4-8-76
Ed Pierson
1121 Coppet St
Fbks, AK 99701

Dear Nels,

You might not remember our seminars in Sociology with the former head of Health and Welfare George Spartz (the guy that almost passed out the first day). But I've been following your career and want to congradulate you on your many achievements and successes. And I hope you more of the same in the future. There appears to be a new breed/age group of public officials emerging on the Alaska level and now on the national level, i.e. Jerry Brown of California, who are going to shake up the establishment. I say right on! and Keep up the good work, on your part.

feel the renewable resources such as fishing and shell fish harvesting should not be threatned by oil spills. If properly managed fish can be an infinite resource, while oil will be pumped out in x number of years, if indeed there is any there.

I feel oil development will detract from the other great resource of Homer; Tourism, sport fishing, boat excursions etc. Who wants to have to view of the ~~ba~~ glaciers blocked by oil rigs?

Am enclosing a copy of a letter to the editor I wrote on Nov 7, 1966 prior to Nichols defeat of Egan. Its a little blurred but I probably feel

624

CITY OF KENAI

RESOLUTION NO. 76-16

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI OPPOSING GOVERNOR HAMMOND'S ACTION IN REGARD TO KACHEMAK BAY OIL LEASES.

WHEREAS, areas adjacent to the City of Kenai have been involved with oil development for a number of years; and

WHEREAS, because of the foregoing, the citizens of the City of Kenai have a great deal of knowledge of the oil industry; and

WHEREAS, the City of Kenai has found in its years of experience that the oil industry has been of great benefit to the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kenai, Alaska, that:

It opposes the action of Governor Hammond in regard to Kachemak Bay oil leases and recommends that the existing oil leases be honored.

Dated this 7th day of April, 1976.

CITY OF KENAI, ALASKA

James A. Elson

JAMES A. ELSON, MAYOR

ATTEST:

Sue C. Peter

Sue C. Peter, City Clerk

The undersigned does hereby certify that the Res. 76-16 is a true and correct copy of the original record of the City of Kenai, Alaska, on file in my office.

Kenai, Alaska 8th day of April, 1976.

Sue C. Peter

City Clerk

1

626

4-8-76

Ed Pierson
1121 Coppet St
Fbks, AK 99701

Dear Nels,

You might not remember our seminars in Sociology with the former head of Health and Welfare George Spartz (the guy that almost passed out the first day). But I've been following your career and want to congradulate you on your many achievements and successes. And I hope you more of the same in the future. There appears to be a new breed/age group of public officials emerging on the alaska level and now on the national level, i.e. Jerry Brown of California, who are going to shake up the establishment. I say right on! and Keep up the good work, on your part.

More specifical I am writing you and your House Resource committee concerning bills before the House trying to prevent the destruction of Kachemak Bay & by unwise oil exploration. I spent two summers on Homer working ask a fish and game aide or "snake in the grass", so can testify to the scenic beauty and rich marine life of the area. I also flew over cook Inlet while on the way to stake-outs and saw mile long oil slicks from drilling farther up the Inlet and from tankers emptying their ballast tanks.

I am not against development as long as all the uses of the land are considered. In the Kachemak Bay I

feel the renewable resources such as fishing and shell fish harvesting should not be threatned by oil spills. If properly managed fish can be an infinite resourse, while oil will be pumped out in x number of years, if indeed there is any there.

I feel oil development will detract from the other great resource of Homer; Tourism, sport fishing, boat excursions etc. Who wants to have to view of the ~~bo~~ glaciers blocked by oil rigs?

Am enclosing a copy of a letter to the editor I wrote on Nov 7, 1966 prior to Hickels defeat of Egan. Its a little blurred but I probably feel

just as strongly about the need to preserve some of the aesthetic wonders of nature for our children's children, no matter how great the pressure is to make a quick buck.

So, I urge your support to set aside these oil leases and make it possible for me to take my grandchildren to Homer and brag about how I spent 14 days on Humpy Creek protecting the spawning pink Salmon.

Say hello to your wife and if you happen through Fairbanks look us up in the phone book (were moving to McGrath Road soon) and come visit us.

Sincerly

Edwin M Pierson

MRS. M. J. TURKINGTON
BOX ~~302~~ 233
HOMER, ALASKA 99603

Jill 6'4

Rep. Nels Anderson
Pouch V
Juneau, Ak. 99801

Dear Mr. Anderson:

I'd like to express my sincere thanks for your patient attention in listening to our views.

I don't know if our feelings were truly conveyed, but we are grateful for the opportunity to express ourselves.

Meeting you personally is also rewarding. I can now relax, just a little, knowing there are a few statesmen in Juneau and not all politicians. I'm afraid you still are out numbered.

I appreciate your efforts. Thanks again,

Sincerely,
Norma Turkington

File 626

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER
SUBPORT BUILDING
JUNEAU 99801

March 22, 1976

The Honorable Nels Anderson, Jr.
Chairman, House Resources Committee
Alaska State Legislature
Pouch V, State Capital
Juneau, Alaska 99811

Dear Representative Anderson:

You recently received or reviewed a copy of a document titled "Kachemak Bay, A Status Report". I am happy that you were interested enough to request a review copy, and will be very pleased to hear your comments on the document. However, I wish to make it very clear that the document you have is only a draft copy, and has not been thoroughly reviewed either by myself, Commissioner Brooks, or the Governor's office. I am aware of material in the draft that may be improperly stated, and that may be contrary to this Administration's policies. This material will, of course, be altered in the final, offical publication of the Kachemak Bay report.

Our purpose in distributing the draft at this time was to permit interested people to review the document, as our expression of a desire to cooperate with all those interested in this extremely important topic. I would be most pleased to consider any comments you might wish to convey to me before mid-April. At that time I plan to submit the final document for printing and distribution.

Thank you very much for your interest.

Sincerely,

Robert E. LeResche
Chief
Habitat Protection Section

TELEGRAM

CA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

1976 APR 6 PM 8 14

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PMS REP NELS ANDERSON

1425

JUN

DUE TO CURRENTS AND SUSEPTIBILITY OF SHELL FISH PLEASE

REPORT OUT AMENDMENT 626 WITH A DO PASS IMMEDIATELY

JIM SUMNER BOX 8815 STAR ROUTE INDIAN 99540

Box 558
Homer, Alaska 99603
April 2, 1976

Representative Nels Anderson
Pouch V
Juneau, Alaska 99811

Dear Representative Anderson:

The House Resource Committee is still considering HB626 or, rather, the two separate bills into which the original has been divided. The Supreme Court still has made no decision as to when it will hear the case concerning the legality of the Kachemak Bay lease sale. Now the Senate has entered the controversy, too, with its own bill, 720. We, who are affected by all this, have received the distinct impression that everyone is waiting for everyone else; no one wants to be responsible for the decision which would do away with the bay oil leases and protect those renewable resources whcih support our fishing and tourism industries.

The facts are in, enough of them, anyway, to make an informed decision. The Egan administration made a mistake, perhaps an honest one, perhaps an illegal one. It is up to our leaders today to acknowledge that mistake, in light of todday's known facts, and to act accordingly. There should be no question about the value of Kachemak Bay's fishing and recreational resources, and also no question that oil development and tanker traffic pose a serious threat. There simply is no good reason to look for oil in Kachemak Bay at this time, and every reason to create a marine sanctuary there.

I am asking you, and each other member of the Resource Committee, to please act now and pass the two bills-- passage of both is necessary since neither one by itself can be effective in gaining the needed end result-- out of committee and on to the Finance Committee and the House floor. Please do not delay any longer. A decision must be made, now.

There still seems to be some confusion concernigg the desires of the people in the bay area. Please take a close look at those few-- we call them The Eighteen-- who make up the very vocal and powerful group which is promoting oil development and port expansion. Look at what they stand to gain, or lose, by the decision. Without exception, you will find that they are large land owners and/or in businesses related to sub-dividing, surveying, warehousing, shipping, etc. Doesn't that tell you something? These people have no interest in the Homer area other than what they can get out of it in terms of money, and they intend to take that money with them when they retire elsewhere. Greed and exploitation, plain and simple. Those of us who have other reasons for living here and who are intelligently informed ask you to please consider the good of all of the people in Alaska, which can only come from protecting the resources we depend on now, and confining oil development and impact to places less critically endangered. I speak as a businessperson myself, co-owner of a struggling Homer

business which would thrive with oil development. But that's not where I place my values; if oil comes to Kachemak Bay, this is one person who will feel forced to leave, in search of a saner society.

Sincerely,

Nancy Lord

Nancy Lord

WANAMAKER AND DEVEAUX
ATTORNEYS AT LAW
750 WEST 2ND AVENUE
ANCHORAGE, ALASKA 99501

JAMES N. WANAMAKER
LEROY EUGENE DEVEAUX
RICHARD L. CRABTREE

TELEPHONE
AREA CODE 907
279-6591

HB 626

April 5, 1976

Repr. Nels A. Anderson, Jr.
Chairman
House Resources Committee
Pouch V
Juneau, Alaska 99811

Sen. Kay Poland
Chairman
Senate Resources Committee
Pouch V
Juneau, Alaska 99811

Committee Members:

Theodore G. Smith, (V. Chmn.)
Alvin Osterback
Fred E. Brown
Richard I, "Dick" Eliason
H. M. "Mike" Hershberger
Leo Rhode
James H. Huntington
Leslie E. "Red" Swanson

H. D. "Pete" Meland, (V. Chmn.)
Chancy Croft
John L. Rader
Patrick Rodey
John Butrovich
Joseph L. Orsini

Re: SSHB 626 (Kachemak Bay Marine Sanctuary)

Dear Legislators:

I am writing on behalf of our clients South-Central Timber Development, Inc. and Western Alaska Logging Company, Inc. companies which currently employ over 55 people in the Kachemak Bay Area. These companies are operating logging and sawmill activities in the Jakalof Bay and Kasitsna Bay Areas.

These companies are concerned that their logging and sawmill activities could be curtailed or eliminated under the permit type system to be established by the Marine Sanctuary portions of this bill. They therefore strongly oppose the creation of the Kachemak Bay Marine Sanctuary as proposed in this bill. They submit that the present systems of environmental control through general law are sufficient.

SSHB626 HAS MANY SUBJECTS:

SSHB has many subjects. I would characterize these subjects as follows:

1. Amendment to Alaska Statutes Title 38 to empower The Department of Natural Resources to establish and regulate marine sancturaries.

2. To amend Alaska Statutes Title 41 to add planning and implementation for marine sancturaries to the powers of the Department of Natural Resources.

3. By a new section, 41.20.415 to declare all of Kachemak Bay and a large area of the adjoining Cook Inlet as the "Kachemak Bay State Marine Sancturary".

4. By a new Section 41.20.420 to create a new form of government for Kachemak Bay similar to the structures of the earlier proposed Coastal Zone Management Bill. Natural Resources will have primary "management responsibility" subject to seven special exceptions.

5. A new section 41.20.425 is created to provide a means to buy or condemn existing oil and gas leases.

Our principal comments relate to points numbered 3 and 4 as identified above. Our clients are strongly opposed to the passage of points 3 or 4.

THE MARINE SANCTUARY REGULATORY SCHEME:

SSHB 626 pays little attention to the fact that there are already in existence extensive mechanisms for the control of water pollution, solid waste pollution, air pollution, and any other activities which could potentially damage the environment of this area.

It attempts to establish a new layer of governmental authority to have "management responsibility" for the area.

It contains a shift in emphasis from the present concept of free movement and use of the waters and lands, provided one does not break the law, to a new concept that the land is a preserve and no use may be made of the preserve without permission.

It is readily obvious that all parties recognize the true nature of this bill as being an attempt to put Kachemak Bay under a new governmental system of permits and exceptions. This is implicit in the Governor's letter of March 2, 1976, transmitting the "sponsor substitute".

Thus in this new version seven special uses ranging from the gathering of driftwood to the development of deep water ports and the discharge of treated fish wastes are "legislatively determined not to significantly affect the environment of the areas" (AS 41.20.420(b) page 5 SSHB 626).

If this is how the system is to be structured we would request a special exemption No. 8 to read as follows:

> (8) Activities related to commercial or subsistence logging including the operation of all authorized logging gear and the building, operation and maintenance of wood products processing plants.

WHAT LANDS ARE PUT IN THE SANCTUARY?

The area of the sanctuary as delineated by proposed AS 41.20.415 is Huge. The area goes well beyond the head of Kachemak Bay and out into Cook Inlet. The sanctuary extends far beyond the area of the Kachemak Bay State Park.

In effect, all of Kachemak Bay and this portion of Cook Inlet would be put under a permit system run by the Department of Natural Resources.

LIVING WITHIN THE EXISTING LAW:

It being the case that the State of Alaska already owns the tidelands concerned, and already has an extensive system of environmental monitoring and environmental control as well as a fine system of fish and game enforcement, one wonders why it is necessary to create a new level of government.

The only addition made by parts 3 and 4 of SSHB 626 would be that it would exchange a "permit system" for the present freedom of action system.

We emphasize our clients' opposition to SSHB 626, parts 3 and 4 (as summarized at the start of this letter).

We understand that other versions of this bill are in preparation. We request copies of such new versions at the earliest opportunity.

Thank you for your attention to the concepts set forth in this letter.

Sincerely yours,

WANAMAKER and DeVEAUX

By James N. Wanamaker
James N. Wanamaker

JNW/dkl

recd 4/8/76

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 17 years.

Name (please print) BOB FLEMING

ADDRESS Box 455
CHUGIAK, AK 99567

I don't normally utilize a form letter for such matters, but these does express my feelings.

B.F.

SEWARD, ALASKA
2 APRIL, 1976

NELS ANDERSON

DEAR REPRESENTATIVE:

I AM WRITING TO YOU IN SUPPORT OF H.B. 626, TO HELP IN CREATION OF A KACHEMAK BAY STATE MARINE SANCTUARY.

IT IS LIKELY THAT WE WILL DISCOVER ENOUGH OIL IN OTHER LESS VALUABLE BODIES OF WATER TO KEEP THE NATION SUPPLIED. IF WE DO NOT FIND THE NEEDED OIL, THEN WE SHOULD SIMPLY CUT BACK ON OUR OVER-CONSUMPTIVE LIFESTYLES AS IS NECESSARY.

SINCERELY,

THOMAS TAGGART
BOX 1195
SEWARD, ALASKA
99664

#136 26

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 27 years.

Name (please print) GLEN H. STARN

ADDRESS 5304 Cope Street Anchorage, Alaska 99502

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 15 years.

Name (please print) LAWTON HOUNCHELL

ADDRESS P.O. BOX 2374
ANCH. AK. 99510

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 20 years.

Name (please print) Douglas Leroy Beal

ADDRESS 1938, Ea 88Th ave
Anchorage Alaska 99507

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

Roger A. Painter

I am of voting age. I have lived in Alaska 50 years.

Name (please print) ROGER A. PAINTER

ADDRESS STAR RT. BOX 8585

INDIAN, ALASKA, 99540

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 26 years.

Name (please print) Greg Corrado

ADDRESS SRA 1785-A Anchorage Alaska
99507

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 28 years.

Name (please print) WARD T. ALLEN

ADDRESS 3404 LAKESIDE DRIVE
ANCHORAGE, ALASKA 99502

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 33 years.

Name (please print) DAVID F. GIBBONS

ADDRESS 928 W 58TH AVE
Anch, AK 99502

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislacion.

Sincerely,

I am of voting age. I have lived in Alaska 27 years.

Name (please print) HAROLD OTTLEY

ADDRESS 7744 OLD HARBOR Rd.

ANCHORAGE, ALASKA 99504

Harold Ottley

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 20 years.

Name (please print) RAY Smith

ADDRESS 2451 Malub

Anch Alaska

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 36 years.

Name (please print) Louis Berry

ADDRESS Box 100-25 KLATT RD STATION
ANCHORAGE ALASKA

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 7 years.

Name (please print) Wm E. STARKWEATHER

ADDRESS Box 4-528 GREGORY RD. & RAINBOW
ANCHORAGE, ALASKA 99509

The Honorable Nels Anderson
Chairman, Resource Committee
State of Alaska, House of Representatives
Pouch V
Juneau, Alaska
99802

Dear Nels:

I am opposed to making Kachemak Bay a Sanctuary (or Park)!

I am opposed to buying back the oil leases!

Please do what you can to stop this legislation.

Sincerely,

I am of voting age. I have lived in Alaska 11 years.

Name (please print) Lee B Bates

ADDRESS P-O Box 8370 Anch 99508

Lot 28 Davis Rd

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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PMS REP NELS ANDERSON

0333

JUN

I SUPPORT BILL TO BUY BACK LEASES AND CREATE SANCTUARY

EMIL NELSON

1113 99603

TELEGRAM

ICA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

1976 APR 3 PM 5 18

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02017 POM TDA HOMER ALASKA 4-3 907A AST

PMS R.P. NELS ANDERSON

S 0332

JUN

I SUPPORT BILL TO BUY BACK LEASES AND CREATE SANCTUARY

JESSIE NELSON

BOX 1113 99603

SELDOVIA NATIVE ASSOCIATION, INC.
P. O. BOX 185
SELDOVIA, ALASKA 99663
234-7625

file 626

March 22, 1976

Honorable Nels Anderson
Chairman, Natural Resources Comm.
House of Representatives
Pouch V
Juneau, AK. 99801

Dear Sir:

If any further hearings are held on the controversial Kachemak Bay oil leasing issue, and/or sanctuary bills - such as SSHB 626 - the Seldovia Native Association wishes to request that public hearings be held in Seldovia.

This corporation still supports honoring the present oil leases in Kachemak Bay, and feels that fishing and oil development are compatible.

Sincerely,

Fred H. Elvsaas

Fred H. Elvsaas, President
Seldovia Native Association, Inc.

FHE/dc

cc: Rep. Leo Rhodes
Rep. Hugh Malone
Sen. Clem Tillion

TELEGRAM

ACA ALASKA COMMUNICATIONS, I
PHONE: 586-6140
JUNEAU, ALASKA 99801

#

19002 CORDOVA ALASKA 15 03-24 10A AST

PMS MR NILS ANDERSON CHAIRMAN HOUSE RESOURCE COMMITTEE

1978 MAR 24

6952

POUCH V

JUN

WE SUPPORT SPONSOR SUBSTITUTE NUMBER 66

BOB BLACKE CHAIRMAN CDFU

#

02089 POM ANCHORAGE ALASKA 15 03-18 341P AST

PMS REP NELS ANDERSON

JUN

ENOUGH RESTRICTIONS ON ALASKAN OPPOSE HB626

JOHN N COLBERG MAYOR CITY OF SELDOVIA

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1976 MAR 24 PM 10 49

626

#

02079 NL ANCHORAGE ALASKA 50 03-24 636P AST

PMS HOUSE AND SENATE RESOURCE COMMITTEE

JUN 7030

FIRST OF ALL I AM AGAINST ANY ADDITIONAL TAXES FOR THE OIL INDUSTRY. SUCH HIGHER TAXATION IS NOT IN THE INTEREST OF ALASKA. ALSO NO REFUND FOR KACHEMAK BAY LEASES. GIVE OIL COMPANIES CHOICE OF NEW LEASES INSTEAD STATE MUCH HAVE CREDIBILITY

RUTH ADLER 630 WEST 8 AVE 99501

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS:
P.O. BOX 1352
JUNEAU, ALASKA 99802

OFFICE:
197 S. FRANKLIN ST.
907 586-2820

March 18, 1976

Bill 626

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Bradner:

The United Fishermen of Alaska are holding their Fifth Annual Meeting of the Board of Directors this week.

In an action passed this day the Board of Directors moved unanimously to support Sponsor Substitute for House Bill 626, "An Act relating to the establishment of marine sanctuaries; and providing for an effective date." We strongly urge passage of this legislation by the Second Session of the Ninth Alaska State Legislature.

Yours truly,

Philip A. Daniel

Philip A. Daniel
Executive Secretary

cc: Representative Nels Anderson, Chairman
House Resources Committee

Representative Hugh Malone, Chairman
House Finance Committee

Senator Kay Polland, Chairman
Senate Resources Committee

Senator Bill Ray, Chairman
Senate Finance Committee