ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1944 SRES SCR 21 - SCR 48

1944

MEMORANDUM

TO: Jim Palmer, Staff Director
Senate Resources Committee

FROM: D. W. Norton
NOAA Arctic Projects Office

DATE: May 9, 1981

RE: SCR 21

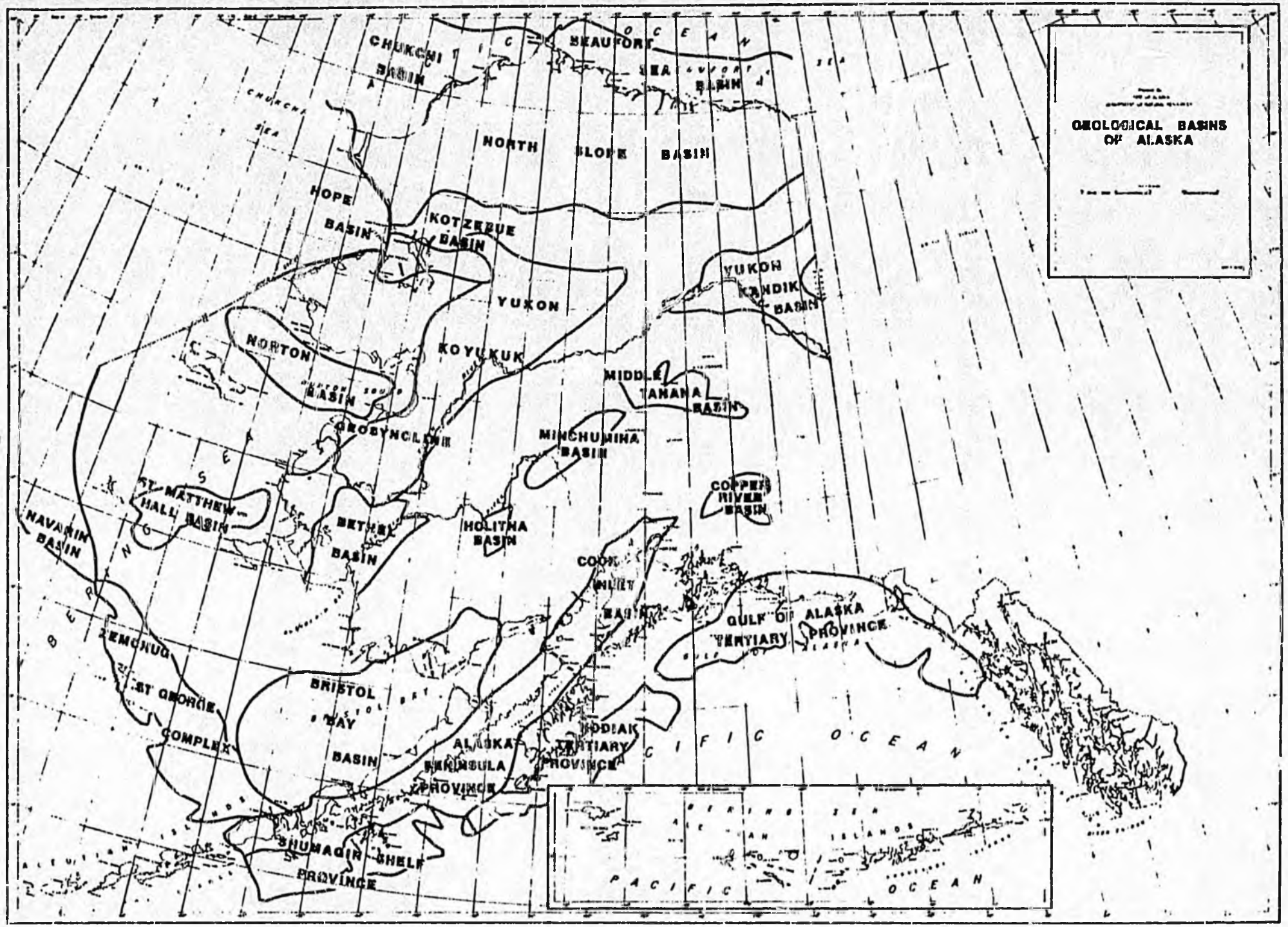
Although SCR 21 is self-explanatory, several points o confusion have arisen in discussions of the resolution.

1) SCR 21 (and eventual appropriations legislation) is NOT just another bail-out of a federal program. Rather, it is a state agency-designed effort, tailor-made to fit state information needs pertinent to state oil and gas leasing.

2) SCR 21 and legislation do not represent a University of Alaska appropriations request, nor one of a particular geographic focus within the state; rather they are state-wide multi-agency efforts.

3) While SCR 21 requests the Governor to include an applied research program in his FY 83 budget, various state agency representatives, University scientists and representatives and federal agency representatives had already convened independently of this resolution (but exactly as it requests the Governor to accomplish). This conference resulted in the preparation of an FY 82 Studies Plan and consensus points. The cost of the research, logistics support and information delivery for this FY 82 plan was estimated at $8.6 million (It is sheer coincidence that that is almost exactly the expected FY 82 federal expenditure on the Alaskan OCS Environmental Assesment Program). Senator Parr and Representative Rogers have been informed by the agency scientists that implementation of a similar program in FY 83 may cost considerably more than the $8.6 million estimated for FY 82--perhaps twice as much--because the machinery of science support, and the scientists themselves, who through FY 82 received federal support, are being withdrawn from the state. Both would have to be brought back, or created from start.

4) The Studies Plan suggests that DPDP disburse funds for the studies to the various agencies, but this was a recommendation made not by DPDP but by the agencies. As such it does not represent a bail-out of DPDP or the Coastal Management Program. Rather, DPDP was selected because of its broad, multi-agency purview, to best meet the multidisciplinary information needs of the state. Alternative disbursing mechanisms to that of DPDP do exist (each with fiduciary problems to overcome). These include DNR, the Alaska Council on Science and Technology, and the University of Alaska.


GEOLOGICAL BASINS OF ALASKA
CHUKCHI BASIN
BEAUFORT SEA BASIN
NORTH SLOPE BASIN
HOPE BASIN
KOTZEBUE BASIN
YUKON
YUKON KANDIK BASIN
NORTON BASIN
KOYUKUK
MIDDLE TANANA BASIN
MINCHUMINA BASIN
COPPER RIVER BASIN
ST MATTHEW-HALL BASIN
NAVARIN BASIN
BETHEL BASIN
HOLITNA BASIN
COOK INLET BASIN
GULF OF ALASKA TERTIARY PROVINCE
ZEMCHUG
ST GEORGE
BRISTOL BAY BASIN
ALASKA PENINSULA PROVINCE
KODIAK TERTIARY PROVINCE
SHUMAGIN SHELF PROVINCE
PACIFIC OCEAN

ALASKA LEASING SCHEDULES

Yr	State (1981 Proposed) Sale No.	Date	Area	Federal Sale No.	Date	Area
1981	33	2nd Qtr	Upper Cook Inlet (onshore and offshore, including the Susitna Valley)			
	32	3rd Qtr	Cook Inlet South of Kenai River (exempt acreage sale)	60	(9/81)	Cook Inlet
1982	35	1st Qtr	Lower Cook Inlet Offshore and Onshore			
	34*	2nd Qtr	Prudhoe Bay Uplands			
	36*	2nd Qtr	2nd Beaufort Sea (Submerged Lands)			
	37	3rd Qtr	Middle Tanana Basin and Copper River Basin	57	(9/82)	Norton Basin
				70	(12/82)	St. George Basin
1983	38	1st Qtr	Norton Basin	71	(2/83)	Beaufort Sea
	39	2nd Qtr	3rd Beaufort	61	(4/83)	Kodiak
	40	3rd Qtr	2nd Upper Cook Inlet (onshore and offshore, including the Susitna Valley)	75	(10/83)	North Aleutian Shelf
1984	41	1st Qtr	SW Bristol Bay Uplands			
	42	2nd Qtr	Minchumina Basin			
	43	3rd Qtr	4th Beaufort Sea	83	(12/84)	Navarin Basin
1985**	44	1st Qtr	Chukchi nearshore & onshore***	85	(2/85)	Chukchi Sea***
	45	2nd Qtr	Hope Basin	86	(5/85)	Hope Basin
	46	3rd Qtr	Hollitna Basin			

*-Same day sales
**-Proposed additions to schedule
***-The holding of the Chukchi Sale at this time is contingent upon a reasonable assumption that technology will be available for exploration and development of the tracts included in the Sale.

WHILE IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907)465-4925

BOX
FAIRBANKS, ALASKA
(907)456-2037

BRIAN ROGERS
Alaska State Legislature

3 April 1981

Honorable Jay Hammond
Governor - State of Alaska
Pouch A (Mail Stop 0101)
Juneau, Alaska 99811

Dear Governor Hammond,

It has come to my attention that the federal government is cutting back on the funding of scientific research related to oil and gas development at the same time that it is proposing an accelerated leasing schedule. Since the state is also planning a number of lease sales during the next few years, it seems imperative that we take the lead in funding the research required to obtain the necessary scientific and socio-economic data. This data is necessary in order to develope lease stipulations and adopt mitigating measures both to protect our environment and to protect the oil and gas industry from undue restrictions.

I understand that the federal cuts [illegible] effective this year and that, unless the state moves quickly, insufficient fur[illegible]ill be available to continue the research through FY 82. If we were to w[illegible]ntil FY 83 to reinstate a research program we would loose valuable time as we[illegible] as continuity in the studies.

Do you intend to submit a budget amendment to the legislature to address this?

I'd like to encourage you to request the level of funding needed to replace the federal funds now supporting the oil and gas related research in various state agencies and the University. I believe that $8.5 million is an amount that can easily be justified for FY 82. I would recommend that it be appropriated to your office and that DPDP be responsible for its oversight.

Please let me know whether you plan to request such funding this year. I assure you that, once such a request is presented to the legislature, I'll do my best to see that it wins approval.

Sincerely,

Brian Rogers

Rep. Brian Rogers

CC: Lt. Governor Terry Miller
Rep. Terry Gardiner
Rep. Sam Cotten
Senator Charlie Parr

JAY S. HAMMOND
GOVERNOR

PAKR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 8, 1981

The Honorable Brian Rogers
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Rogers:

Thank you very much for your recent letter regarding potential federal budget cuts in research related to oil and gas development.

Several months ago I initiated an internal review process at the Cabinet level to assess the impact of President Reagan's proposed budget reductions. That process is in its final stages and recommendations from my Budget Review Committee will soon be placed on my desk. I intend to carefully evaluate all of the proposed budget cuts and then make a decision on those programs in which general fund monies should be used to replace lost federal funds.

I have asked Jerry Reinwand to work directly with you on this issue and to keep you fully informed of our efforts in this regard.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

TO: Jim Palmer, Staff Director
Senate Resources Committee

FROM: D. W. Norton
NOAA Arctic Projects Office

DATE: May 9, 1981

RE: SCR 21

Although SCR 21 is self-explanatory, several points of confusion have arisen in discussions of the resolution.

1) SCR 21 (and eventual appropriations legislation) is NOT just another bail-out of a federal program. Rather, it is a state agency-designed effort, tailor-made to fit state information needs pertinent to state oil and gas leasing.

2) SCR 21 and legislation do not represent a University of Alaska appropriations request, nor one of a particular geographic focus within the state; rather they are state-wide multi-agency efforts.

3) While SCR 21 requests the Governor to include an applied research program in his FY 83 budget, various state agency representatives, University scientists and representatives and federal agency representatives had already convened independently of this resolution (but exactly as it requests the Governor to accomplish). This conference resulted in the preparation of an FY 82 Studies Plan and consensus points. The cost of the research, logistics support and information delivery for this FY 82 plan was estimated at $8.6 million (It is sheer coincidence that that is almost exactly the expected FY 82 federal expenditure on the Alaskan OCS Environmental Assesment Program). Senator Parr and Representative Rogers have been informed by the agency scientists that implementation of a similar program in FY 83 may cost considerably more than the $8.6 million estimated for FY 82--perhaps twice as much--because the machinery of science support, and the scientists themselves, who through FY 82 received federal support, are being withdrawn from the state. Both would have to be brought back, or created from start.

4) The Studies Plan suggests that DPDP disburse funds for the studies to the various agencies, but this was a recommendation made not by DPDP but by the agencies. As such it does not represent a bail-out of DPDP or the Coastal Management Program. Rather, DPDP was selected because of its broad, multi-agency purview, to best meet the multidisciplinary information needs of the state. Alternative disbursing mechanisms to that of DPDP do exist (each with fiduciary problems to overcome). These include DNR, the Alaska Council on Science and Technology, and the University of Alaska.

SCR

31

COMMITTEE REPORT

SENATE

FURTHER: None

5/27/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SCR 31
Southeastern Alaska troll fishery

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) [illegible]-3835

Senate

Committee on Resources

June 8, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Mulcahy
Senator Sturgulewski
Senator Gilman

Hearing:

SB 588 and HB 350 An Act relating to mineral leasing.

HB 434 An Act relating to pipelines and merging the Alaska Pipeline Commission with the Alaska Public Utilities Commission.

HB 507 An Act relating to the fishermen's mortgage and note program under AS 16.10.650 - 16.10.720.

HB 196 An Act relating to establishment of the Alaska State Climate Center and a State Weather and Climate Program.

SCR 31 Relating to the southeastern Alaska troll fishery.

Staff discussed SB 588 and HB 350 .

Phil Holdsworth, Alaska Miners Association, stated that the proposed SCS CSHB 350 (res) is supported by his association.

Senator Sturgulewski put forth the motion to move SCS CSHB 350 (res) with individual recommendation.

Karen Corey, Chairman, Alaska Pipeline Commission, stated that she supports HB 434.

Carolyn Guess, Chairman, Alaska Public Utilities Commission, stated she supports HB 434.

Senator Sturgulewski put forth the motion to correct the

typographical errors on page 3, line 2 and page 3, line 20.

Senator Sturgulewski put forth the motion to move the corrected HB 196 with individual recommendations.

Senator Mulcahy stated that CSSB 507 is designed to provide mortgage loans to rural Alaskans.

Senator Mulcahy put forth the motion to move CSSB 507 with individual recommendations.

Senator Eliason requested that SCR 31 be held one day in order to work on the resolve clause.

LEGISLATION SUMMARY

SCSCR 31 (Res) "Relating to the Southeastern Alaska troll fishery.

SPONSOR: The Resources Committee

GENERAL: The resolution requests the governor to direct the commissioner of fish and game to investigate and evaluate the research methodology and validity of statistics used in fishery resource management for the troll fishery in Southeastern Alaska and to report his findings to the legislature at the beginning of the Second Session of the Twelfth Legislature. In addition to the report of findings it requests a proposal to rectify any shortcomings that are identified.

1. Salmon trolling is a major economic activity in Southeastern.
2. Board of Fisheries determines the openings based on data supplied by the Department.
3. U.S. Secretary of Commerce determines the openings based on supplied by the Department.
4. Harvest levels are based on data furnished by the Department and should not diminish the number of fish that will be available to be harvested in future years.
5. The Department does not furnish data on methods used to collect biological data.
6. Complete data on solmon runs and returns is not available; there is not a summary of what data is available or missing.
7. Board of Fisheries regulations are based on incomplete data.
8. Board of Fisheries regulations being based on incomplete date may adversely affect the conservation of the resource.
9. Board of Fisheries regulations are imposed without due consideration of the effects of regulatory measures used in the past.
10. The Resolve clause - see "General" above.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

June 9, 1981
3:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Sturgulewski
Senator Mulcahy
Senator Elizson
Senator Gilman

HEARING:

CSHB 272 (Res) a.. An Act relating to survey and improvement of public land.

CSSSHB 9 (Fin) An Act relating to energy.

SCSCR 31 (Res) Relating to the Southeastern Alaska troll fishery.

Staff discussed CSHB 272.

Senator Gilman put forth the motion to move CSHB 272 with individual recommendations.

Senator Fischer put forth the motion to move CSSSHB 9 (Res) am with individual recommendations.

Senator Eliason stated that he had rephrased the resolve clause and other technical changes to SCR 31.

Senator Gilman put forth the motion to move CSSCR 31 with individual recommendations.

1981 SOUTHEAST ALASKA - YAKUTAT TROLL FISHERIES MANAGEMENT PLAN

Alaska Department of Fish and Game
Southeast Region

This plan provides an overview of the approach that will be employed to manage the 1981 Southeast Alaska troll commercial salmon fishery. The plan is based upon the best available pre-season information. The management approach may need to be refined during the coming season as in-season information becomes available, however, the current plan should prove valuable for planning by fishermen and industry.

A summary of new and other important fishing regulations for the 1981 troll season are provided. Information describing the troll management system, the salmon resources involved, and the rationale for important regulatory changes are included and should prove of interest to all fishermen.

Management System

The Alaska ocean salmon troll fishery occurs in waters under both State and Federal jurisdictions, east of the longitude of Cape Suckling. Salmon trolling is permitted only in State waters of the Yakutat and Southeastern commercial fishing areas, which extends from Dixon Entrance in the south to Cape Suckling in the north. The Federal jurisdiction encompasses all waters of the 3-200 mile Fisheries Conservation Zone (FCZ) adjoining the Yakutat and Southeastern areas. All other waters of Alaska, including the FCZ, west of Cape Suckling are closed to commercial salmon trolling.

The same stocks of salmon are often harvested in both State and Federal waters. Often times an individual troller will fish in both areas on the same day. A cooperative approach is essential for good management of the Alaskan troll fishery.

The Alaska Board of Fisheries promulgates State fishing regulations while the Secretary of Commerce is the Federal counterpart for regulating fishing activities in the FCZ. The Board of Fisheries and the North Pacific Fisheries Management Council meet jointly to insure that compatible management is employed.

Management of the troll fishery, like other Alaskan commercial fisheries, is based upon policies and regulations promulgated by the Board of Fisheries. The authority to issue in-season emergency orders, to adjust fishing season and areas, is delegated through the Commissioner of the Alaska Department of Fish and Game to Department fisheries management biologists. This provides the necessary flexibility to regulate the troll fishery in-season in response to resource availability. A similar approach exists in the federal management system as the National Marine Fisheries Service has the authority to institute in-season regulatory changes.

The complicated and widespread nature of the troll fishery necessitates a closely coordinated management program. State management of the troll fishery is accomplished through a management team approach led by the Southeast Regional Finfish Coordinator; and, including a Regional Troll Biologist, five Area Management Biologists, and a Regional Biometrician. The names and locations of people to contact concerning Alaskan troll fishery management are shown at the end of the management plan.

Salmon Stocks

The troll fishery harvest primarily chinook and coho salmon stocks. Other species of salmon harvested by trollers are normally considered incidental to the taking of the primary target species and will not be addressed in this plan. The troll fishery normally accounts for over 90% of the chinook salmon and 50-75% of the coho salmon taken in the Southeast Alaska commercial fisheries.

Native chinook and coho salmon stocks occur throughout Southeast Alaska. Chinook salmon stocks spawn primarily in the large mainland rivers and their tributaries, the most important of which are the Alsek, Taku, Stikine, Unuk, and Chickamin rivers. Some 28 other river systems in Southeast are known to produce runs of chinook salmon. Southeast Alaska chinook salmon stocks are all "spring type" in that they enter the spawning streams during the spring and early summer months. Current information indicates that a majority of the chinook salmon harvested in the Alaska troll fishery are produced from spawning streams in Canada and the Pacific Northwest. Results of recent coded wire tagging experiments have identified among others, the upper Columbia River "brite" stock as a major contributor to the Alaskan troll fishery. Several age classes of mature spawners and immature chinook salmon are harvested by trollers during any one fishing season.

By contrast, coho salmon populations occur in most of the 2,000 plus streams in Southeast Alaska which host anadromous fish, and spawn during the fall and early winter months. Most of coho salmon harvested by trollers are of Alaskan origin, are of a single age class, and are caught in the year of spawning.

Resource Problems

Southeast Alaska [c]hinook and coho salmon stocks are depressed from historical produc[t]ion levels. Chinook salmon stocks are, additionally, depressed coastw[i]de. Annual commercial catches in recent years by all Southeast Alaska [g]ear types have often exceeded 300,000 chinook and 1,000,000 coho [s]almon. These harvests, though substantial, are considerably lower [t]han levels produced between 1930 and 1950.

Until quite recently only minor regulatory restrictions have been imposed in the Alaska troll fishery. However, the fishing power of the troll fleet has increased greatly in recent years, relative to the available salmon and a more restrictive regulations have become necessary. The rebuilding of chinook and coho salmon stocks or even main-

taining current production levels will require new management and regulatory approaches.

Chinook Salmon Management

Current Southeast Alaska chinook salmon escapements are below minimum desired levels. Spawning escapement improvements have not been adequate in spite of significant restrictions imposed in the terminal area troll and net fisheries since the mid 1970's. There are currently no directed gillnet or seine fisheries on chinook salmon in Southeast Alaska. Sport fisheries throughout Southeast Alaska harvest approximately 15,000 to 17,000 chinook salmon each year; however, sport fisheries management will not be addressed in this plan.

Spring Trolling Closure

The major management approach for rebuilding Alaskan chinook stocks will be to reduce the harvest of the mature spawning run fish during the spring and early summer fishing period. The specific regulation is to close the Alaskan troll fishery from April 15 through May 14.

This closure corresponds to the time period when the majority of chinook spawners of Alaskan origin would be available to the troll fishery. It should allow increased numbers of spawners to move into the spawning streams or enter inside terminal areas where current fishing regulations provide a high degree of protection.

Guideline Harvest Level

To prevent increased fishing pressure on immature Alaskan stocks and stocks of non-Alaskan origin, as a result of the reduced fishing time early in the season, the seasonal chinook salmon harvest ceiling will be 285,000 fish. The harvest level reduction will provide for additional Alaskan chinook salmon escapement in future years to the extent that immature salmon are not harvested. During the 1980 season the harvest ceiling (i.e., optimum yield or OY) was expressed as a range from 286,000 to 320,000 fish.

Winter Chinook Salmon Fishery

A distinct fishing season has been established for the traditional winter king salmon fishery. The winter fishing season is from October 1 through April 14. To maintain the winter fishery the seasonal calculation for the allowable chinook salmon catch has been specified to commence at the start of the winter season (on October 1), and end at the end of the summer season (September 20) of the following year.

In-Season Management of Chinook Salmon Fishery

The 1981 troll fishery will be managed in-season to insure that the catch of chinook salmon does not exceed the established guideline harvest level of 285,000 fish. The harvest level applies to the chinook salmon catch by all commercial gear types. The harvest calculation will also include all chinook salmon harvested since the beginning of the winter season on October 1, 1980. Thus, when the summer season opens, on May 15, a portion of the allowable catch would have already been harvested.

The Southeast Alaska troll fishery targets almost exclusively on chinook salmon from October through June, and on both coho and chinook salmon during July, August, and September,. The relative degree to which vessels target on coho or chinook from July through September depends on the relative abundance and price of the two species, factors which vary within a season and from year to year.

In managing the troll fishery to keep the total Southeast Alaska commercial chinook salmon harvest from exceeding the OY harvest ceiling, it is desirable insofar as possible to avoid chinook salmon only closures during July and August when the major coho salmon harvest occurs. A chinook salmon only closure during July and August would result in undesirable hook and release mortalities on both mature and immature chinook salmon, hooked incidentally by the fleet while targeting on coho salmon.

Late June is considered an ideal time period to implement any needed major troll fishery restriction to maintain the seasonal harvest of chinook salmon at the desired guideline harvest level. This is because of the relatively low abundance and smaller size of coho salmon during late June and the capability of the troll fleet to fully harvest the available salmon beginning in early July.

To determine the need for a June troll fishery closure and the required length of any closure, the following procedures will be used consistent with the afore mentioned considerations.

(1) The chinook salmon harvest taken during the winter troll fishery from October 1 of the previous year through April 14 of the current year will be determined during the April 1 - May 14 closure.

(2) The winter troll harvest and a projected incidental net fishery harvest will be subtracted from the established OY harvest ceiling to determine the maximum allowable troll harvest during the summer season of May 15 - September 20. An incidental net fishery harvest of 20,000 chinook salmon will be used as a pre-season projection; however, as the net fishery season progresses the number may be raised or lowered depending on the actual incidental catch rates.

(3) During the first three or four weeks following the beginning of the summer fishery on May 15, the troll fishery chinook harvest will be monitored to develop an estimate of the weekly catch rate.

(4) Using the estimated weekly catch rate and adjusting for an expected chinook harvest reduction during the anticipated 10-day mid-season coho closure, an estimate will be made of the summer season chinook harvest expected by approximately September 10 assuming no further closures (see Figure 1 for a graphical presentation of this management strategy). If the summer troll harvest projected in this manner, combined with the winter season troll harvest and the expected net fishery incidental harvest exceeds the OY ceiling, then an appropriate mid to late June closure will be developed. (Depending on the winter troll harvest, mid-May to mid-June harvest rates and actual calendar dates, the closure might occur as late as the first week in July.)

A September 10 target date for projecting total seasonal catches, as opposed to the September 20 summer season closure date, is being employed to allow for a final season adjustment, if needed, based on actual July and August chinook salmon harvest rates.

Coho Salmon Management

One of the major problems confronting the effective management of the coho fishery is the recent shift of fishing effort from the inside districts to the outer coastal fishing grounds. This has increased the mixed stock nature of the coho fishery. Management problems have resulted because a major portion of the coho catch is occurring in the coastal and outer coastal fishing areas prior to the time that the coho return enters the inside fishing districts where run strength can be assessed. The shift of fishing effort has also changed the historical allocation balance of coho salmon between user groups.

Inside/Outside Coho Harvest Objective

The Board of Fisheries adopted as part of the "Southeast-Alaska-Yakutat Chinook and Coho Salmon Troll Fisheries Management Plan" the objective of returning inside district coho salmon troll catches to pre-1978 levels by 1984.

Ten Day Troll Closure

In order to curtail fishing pressure on coho salmon early in the season, before the actual run strength can be determined, and to allow more coho salmon to move further along their migration routes and to inside waters, a ten day closure of commercial trolling can be expected in late July or early August.

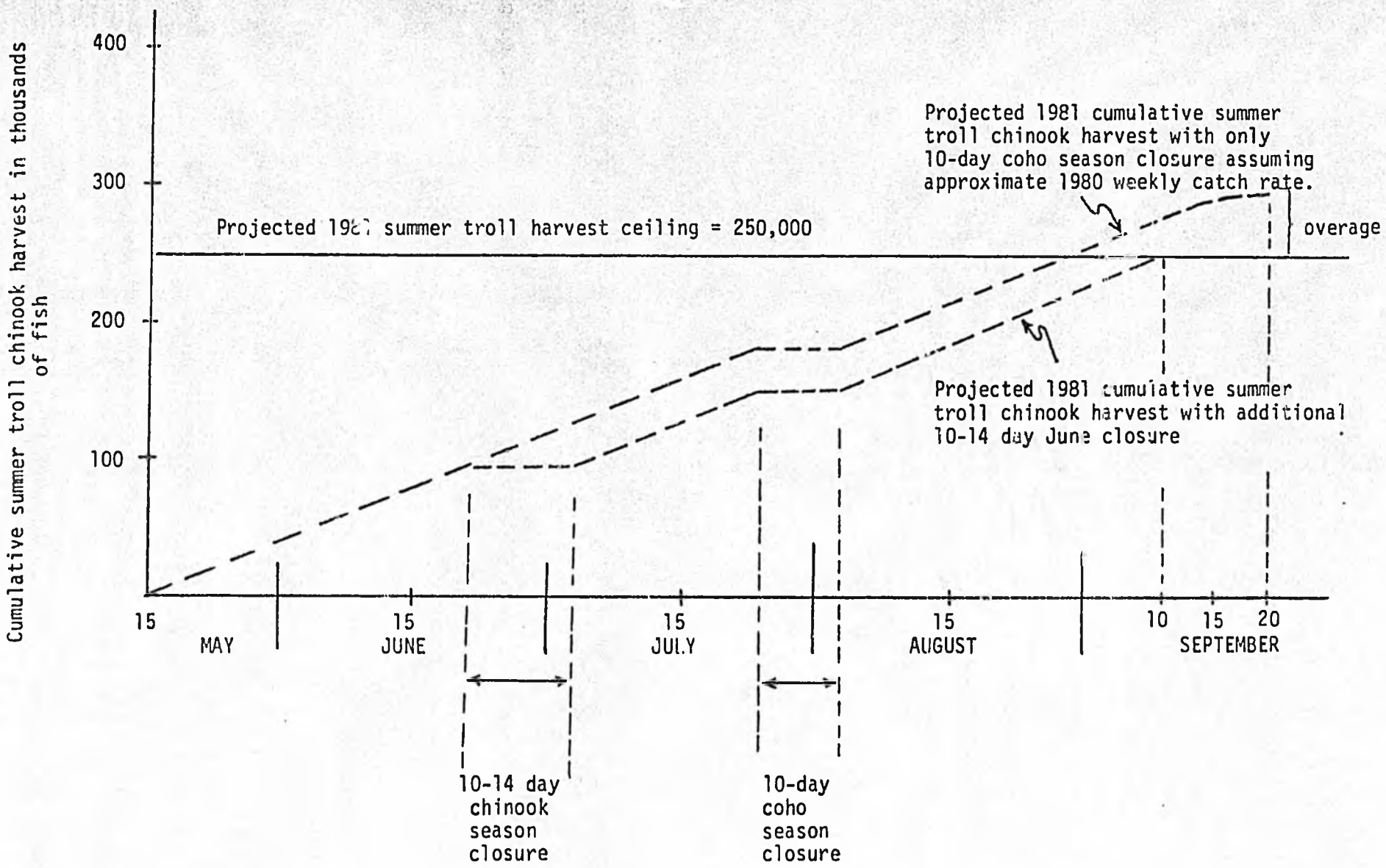


Figure 1. Graphical illustration of procedure for determining duration of June closure of Southeast Alaska troll fishery if needed for management of chinook salmon fishery (ADF&G-4/81).

This closure, as specified by the Board of Fisheries, will take place unless the coho run appears well above average in magnitude and the movement of coho to inshore waters appear to be good. The closure will apply to trolling for all species of salmon. If possible, the timing of the closure will overlap one of the 6 day closed periods specified under the 8 day on 6 day off fishing periods in northern areas.

Hand Troll Fishery

The hand troll fishery has undergone rapid change in recent years. Individual units of hand troll gear have increased in efficiency due to widespread conversion from the use of sport rods to hand gurdies and the development of a "full time" hand troll fleet. Additionally, the number of hand trollers has increased substantially. The combination of these factors has increased the total catching power of the hand troll fleet. This has resulted in an increased percentage of coho and chinook salmon being taken by hand trollers and a corresponding decrease in the proportion being taken by fishermen using other gear types.

The impending hand troll limited entry system will limit the number of hand trollers to 2,150 units of gear, a level which still has the potential fishing power to continue or even exaggerate conservation and allocation problems. The decision to issue a large number of permits was based on maintaining the traditional nature of the hand troll fishery and making it readily accessible to new entrants.

Hand Troll - Power Allocation Policy

Recognizing that the 2,150 maximum permit level would result in an expansion of efficiency in the hand troll fleet, the Board of Fisheries adopted a hand troll-power troll allocation policy in 1979 for 80% power troll and a 20% hand troll ratio for troll caught coho salmon. This policy will remain in effect for the 1981 season.

Hand Troll Management Outlook

To formalize the management of the hand troll fishery, the Board of Fisheries issued a policy statement during the January 1981 meeting, stating that "the hand troll fishery should be managed to preserve its unique historical character and to allow the larger number of people dependent on supplemental returns from hand trolling to continue to participate in the fishery." To achieve this goal while maintaining historical allocation balances between user groups the Board of Fisheries adopted more restrictive hand troll gear regulations. Coupled with the gear restrictions was the removal of time and area restrictions that were specific to handtrollers. The gear regultions (these were changed at a later meeting) specified an aggregate of four fishing rods or an aggregate of one hand troll gurdy and one fishing rod for the 1981 season.

Hand Troll Gear Regulations

The Board of Fisheries reconsidered the 1981 hand troll gear regulations at the spring shellfish meeting. A new management approach was adopted which included a relaxation of hand troll gear regulations that will be effective for the 1981 season. The new management approach specifies a two gurdy or four sport pole hand troll gear limitation and provides that the desired hand troll-power troll coho salmon allocation proportion be maintained by adjusting the hand troll fishing season. No more than one legal limit of hand troll gear (i.e., two troll gurdies or four sport poles) may be onboard any salmon hand troll vessel.

In-season Management of the Hand Troll Fishery

To maintain the desired allocation balance between troll gear types, the Board of Fisheries directed the Commercial Fisheries management staff to adjust hand troll fishing time. To achieve the desired hand troll harvest proportion, troll landing of coho salmon will be monitored closely through the early portions of the coho season. Any needed adjustment in hand troll fishing time will be accomplished by a hand troll fishing closure after mid-August.

To actually determine the duration of a mid-August hand troll closure if needed to achieve the 80:20 coho catch allocation as directed by the Board, the catch allocation through mid-August will be estimated from in-season catch records. (In past years the percentage allocation between hand and power troll gear by mid-August very closely approximated the total season percentage allocation.) Based on the projected percentage allocation through mid-August and the estimated relative proportion of the total troll coho catch which has already occurred, the duration of the hand troll closure will be calculated.

Hand Troll Fishing Areas

Area and time restrictions that were specific for hand troll gear have been removed. This means that hand trollers can fish seven days a week in district 1 for the entire season and in all coastal and offshore fishing areas. The 8 on and 6 off fishing periods will remain in effect in the northern areas, where they apply to both hand and power troll gear.

Summary

This management plan provides an overview of the approach that will be followed to manage the 1981 Alaskan troll salmon fishery. Management of the Alaskan troll fishery has undergone major changes in recent years in response to declining chinook and coho salmon populations. New man-

agement approaches are needed to rebuild chinook and coho salmon to former productive capabilities or to even maintain current production levels.

The major management approach for rebuilding Alaskan chinook salmon stocks will be to close the troll fishery from April 15 through May 14. This closure corresponds to the time period when a majority of chinook spawners of Alaskan origin would be available to the troll fishery. Coupled with the spring spawner closure will be a reduction of the chinook salmon harvest ceiling to 285,000. This compares to a harvest ceiling (i.e., optimum yield or OY) of 286,000 to 320,000 employed for the 1980 season. To achieve the desired harvest level, early season catch levels will be monitored closely and a closure of the troll fishery may be expected in late June to early July if seasonal catch projections indicated that the 285,000 harvest level, by all gear types will be exceeded. The spring spawner closure and the lower seasonal harvest level will also benefit chinook salmon stocks of non-Alaskan origin.

A ten day closure of the troll fishery during the coho season can be expected again during the 1981 season. This closure is designed to curtail fishing pressure on coho salmon early in the season, before the actual run strength can be determined, and to allow more coho salmon to enter the inside waters. The closure will be implemented in late July or early August, unless the coho run appears well above average in magnitude and the movement of coho to inshore waters appears to be good.

A new management approach will be followed for the 1981 hand troll fishery. The hand troll-power troll allocation policy adopted by the Board of Fisheries in 1979 will remain in effect for the 1981 season. The new management approach specifies a two gurdy or four sport pole hand troll gear limitation and provides that the desired hand troll-power troll coho allocation proportion will be maintained by adjusting the hand troll fishing season. To determine the need for any hand troll closure, coho salmon landings will be monitored closely through the early portion of the coho season to project seasonal harvest proportions. Any needed adjustment in hand troll fishing time will be accomplished by a hand troll fishing closure after mid-August.

Coupled with the new hand troll gear regulation was the removal of area and time restrictions that were specific to hand trollers.

This management plan presents only a portion of the troll regulations that will be in effect for the 1981 season. A complete listing of troll regulations is available in the 1981 Finfish Regulation booklet. A special recapitation of troll regulations entitled "1981 Alaska Commercial Salmon Trolling Regulation Guide" has been developed for the 1981 season and is available at local Fish and Game offices.

Department of Fish and Game Contacts

The following are Commercial Fisheries Division contacts regarding this management plan:

Dave Cantillon Region I Supervisor	230 S. Franklin St. Rm 301 Juneau
Gary Gunstrom Region I Research Supervisor	230 S. Franklin St. Rm 301 Juneau
Paul Larson Region I Finfish Coordinator	230 S. Franklin St. Rm 301 Juneau
Allan Davis Troll Management Biologist	Box 499 Sitka
Mel Seibel Region I Biometrician	230 S. Franklin St. Rm 301 Juneau
Don Ingledue Area Management Biologist	230 S. Franklin St. Rm 301 Juneau
William Bergmann Area Management Biologist	Box 667 Petersburg
Randy Timothy Assistant Area Biologist	Box 200 Wrangell
John Valentine Area Management Biologist	208 State Office Building Ketchikan
Bob DeJong Area Management Biologist	Box 499 Sitka
Ray Staska Area Management Biologist	Box 431 Haines

Draft Response

Senate Concurrent Resolution No. 31 - Relating to the Southeast Alaska Troll Fishery

Senate Resolution No. 31 raises questions regarding the reliability of catch statistics and methodology used by ADF&G for management of the Southeast Alaska troll fishery. The questions raised are of a fairly general nature and therefore the responses must be fairly general.

The Southeast Alaska salmon troll fishery is most uniquely characterized by the broad extent of both its boundaries and the origins of salmon on which it operates. It's geographical boundaries range from the U.S. - Canadian border in Dixon Entrance to Cape Suckling north of Yakutat and from the inside waters of Southeast Alaska to areas 15-20 miles offshore lying in the Fisheries Conservation Zone (FCZ). It's biological boundaries - defined primarily by the origins of chinook salmon harvested by the fishery - extend from Oregon on the south through British Columbia to central Alaska on the north

When the troll fishery extends into the FCZ, i.e., coastal waters from 3-200 miles offshore, it falls under federal jurisdiction with management authority vested in the U.S. Secretary of Commerce. State and federal regulations are coordinated through joint meetings of the Alaska Board of Fisheries and the North Pacific Fisheries Management Council (NPFMC) in an attempt to keep the state and federal regulations as uniform as possible.

Management of the S.E. Alaska troll fishery would be difficult if only the mixed stock nature of the fishery were considered. However, in addition, stocks of salmon supporting this fishery also contribute to numerous other commercial and recreational fisheries in Alaska, British Columbia, Washington and Oregon. Many of these fisheries share similar histories of participation in harvesting these salmon resources. This situation has resulted in numerous attempts to develop coastwide management plans, especially for chinook salmon. The current structure under the regional fisheries management council, viz. the NPFMC and the Pacific Fisheries Management Council (PFMC) is the most successful attempt to date. Successful resolution of current U.S. - Canada salmon interception problems via a proposed bilateral salmon convention would incorporate Canadian fisheries in a coastwide management plan.

Successful management of the S.E. Alaska troll fishery thus requires resolution of two problems - that of insuring adequate escapements to contributing salmon stocks and allocation of allowable harvest to the numerous user groups. These problems are common to many fisheries, but are greatly intensified in the S.E. Alaska troll fishery due to the large number of mixed stocks involved, exploitation of both mature and immature fish, the large number of subsistence, commercial and recreational user groups and the large number of managing entities representing two countries, 3 or 4 states, state and federal governments and two regional management councils. All aspects of the management problem have been intensified recently by the general coastwide decline of chinook salmon stocks.

The current chinook salmon management system for S.E. Alaska commercial fisheries consists of an overall yearly catch ceiling combined with a number of time-area-gear (TAG) regulations. The TAG regulations are designed to provide additional protection for mature Alaska-origin spawners, to minimize the harvest of small, immature fish and to allow for general user group allocations.

An annual catch ceiling, or "optimum yield" (OY) as it is termed in NPFMC fishery plans, was first used in 1980 when a ceiling of 320,000 chinook was imposed. The actual 1980 commercial catch was approximately 323,000 fish. The 1981 catch ceiling imposed by the Board of Fisheries is 285,000.

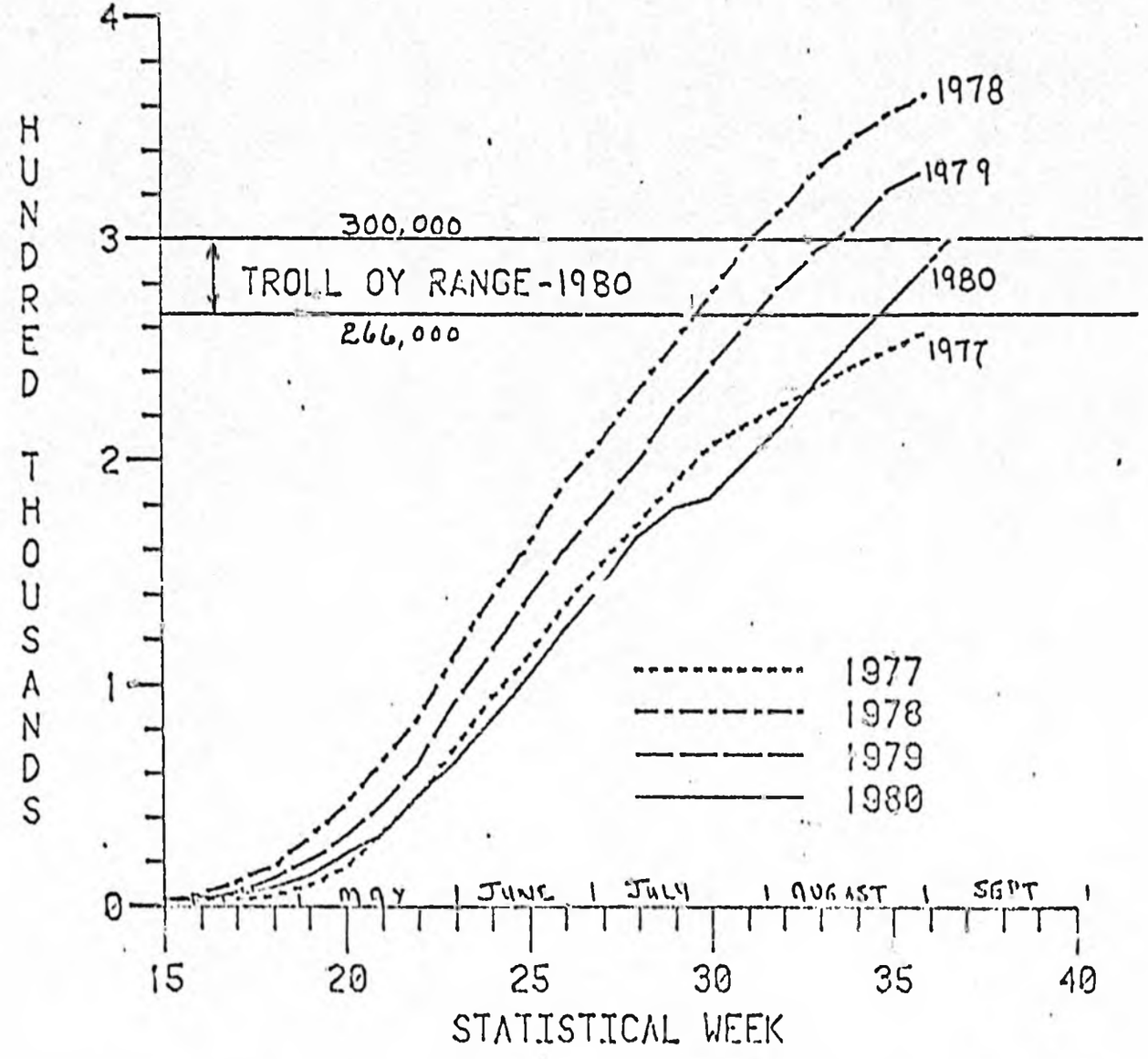
To monitor the catch and prevent it from exceeding the established catch ceiling, ADF&G periodically collects fish tickets from the processors, tabulates catches in the area offices and then sends the tickets to Juneau to be entered into the computer fish ticket system. This system provides estimates of catch with a 10-day to two week lag from the time that the catches were made. Based on catch rates from the most recent data available, estimates of catches are derived for the lag period to provide an estimate of the expected cumulative catch through the current date.

Achievement of established catch ceilings within the 99% accuracy experienced during the 1980 season is probably not indicative of expected future performance, however, actual catches would generally be expected to fall somewhere within 5-10,000 fish of the catch ceiling.

The use of a chinook catch ceiling established prior to the season differs from the approach used in most salmon fisheries. The more

commonly used approach is to regulate the harvest on the basis of in-season run strength assessment with the objective of achieving established escapement goals. (Another exception would be the ~~take~~ Fair case ~~less~~ gillnet fishery which operates ~~as~~ on a percentage quota, less than 10%, of the expected sockeye harvest for Bristol Bay.) The more common management approach is generally not applicable to the S.E. Alaska troll fishery due to the current inability to separate the mixed stock catch into individual stock component catches and to predict run strength and effect of subsequent fisheries on the individual stocks.

The catch ceiling approach was developed jointly by the Board of Fisheries and the NPFMC in response to general coastwide chinook conservation and catch allocation problems which have intensified in recent years and required some immediate action in the form of catch limitations for the troll fishery. Within Southeast Alaska, all directed gillnet fisheries for chinook salmon have been closed since the mid-1970's and recreational fisheries continue to be significantly restricted.



SOUTHEASTERN-YAKUTAT CUMULATIVE TROLL KING SALMON LANDINGS (ADF&G-80)

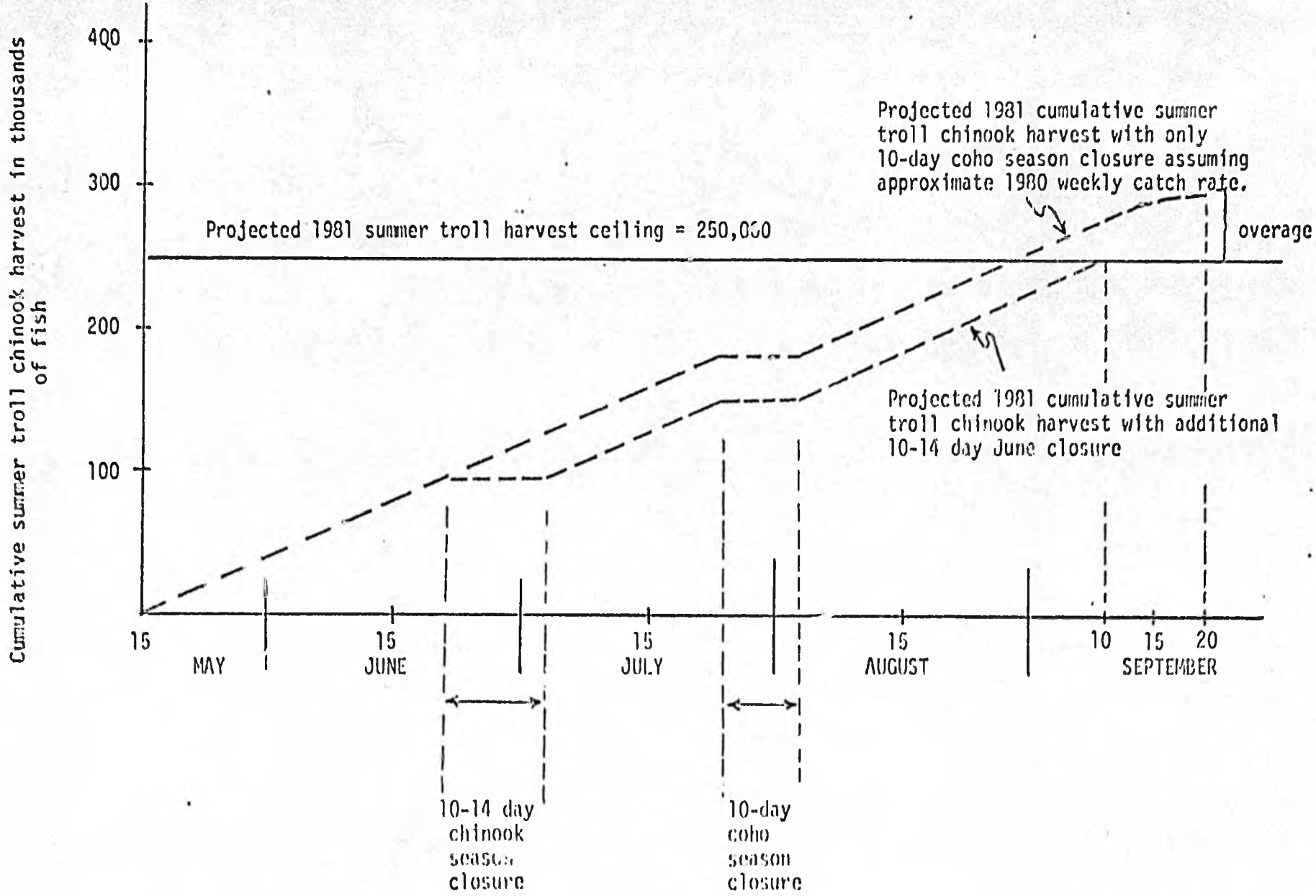


Figure . Graphical illustration of procedure for determining duration of June closure of Southeast Alaska troll fishery I needed for management of chinook salmon fishery (ADF&G-4/81).

Alaska State Legislature

Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

June 3, 1981

TO: Senator Bettye Fahrenkamp, Chairman

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SCR 31 "Relating to the Southeastern Alaska troll fishery".

The subcommittee has taken testimony and reports SCR 31 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	Bert Mulcahy	Do Pass
Senator Eliason	[illegible]	
Senator Gilman	Gilman	Do Pass

Alaska State Legislature

Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

June 3, 1981

Senate Resources Subcommittee on Fisheries Meeting

The meeting was called to order at 3:16 PM. All members of the subcommittee were present.

The first item on the agenda was SCR 31 "Relating to the Southeastern Alaska troll fishery .(tape reading 017)

Lewis Schnaper, from the Alaska Trollers Association, testified first on SCR 31. He said that the Alaska Trollers Association supported the "whereases" in the resolution; however there were reservations about the Commissioner of Fish and Game being able to clean his own house, so to speak. He felt that perhaps the study should be contracted out. (tape reading 025-207)

SCR 31 was moved with individual recommendations.

The next item on the agenda was HB 507 "An Act relating to the fishermen's mortgage and note program".(tape reading 211)

The first person to testify was Roger Painter, Executive Director of United Fishermen of Alaska. He spoke in favor of the bill, and said that the main point of this bill was to make the Commissioner of Commerce decide on guidelines to determine eligibility for the program.(tape reading 217-337)

HB 507 was moved with individual recommendations.

The next item on the agenda was CSHB 460 "An Act relating to the fisheries and salmon enhancement taxes".(tape reading 360)

Ervin Jones, of the Department of Revenue, was the first person to testify on the bill. He stated that the Department supported the bill, but a couple of changes should be made. (tape reading 363-578)

Rick Lauber, representing the Pacific Seafood Processors Association, was the next person to testify on the bill. He said that the bill poses serious problems to processors, in that in its present form it would grant a 3% bonus to foreign processors because of lack of salmon enhancement tax when fish is shipped out of state. He said this created unfair competition to the processors, and that it was detremental to the aquaculture associations that shoudl receive the tax.(tape reading 583-722)

Roger Painter, Executive Director of United Fishermen of Alaska, testified next on the bill. He stated that there was a loophole in Sec. 2 of the bill, where the tax liability on custom packed fish was not applied on anyone. He also mentioned that the bill was unworkable without the effective date clauses that were defeated in the House.(tape reading 724-870)

Lewis Schnaper, of the Alaska Trollers Association, testified in support of this bill.(tape reading 871-069)

Hank Ostroskey, a commercial fishermen from Naknek, testified next on the bill.(tape reading 209-302)

Chairman Mulcahy announced that work on a draft would be done, and that the bill would be brought up on Friday, June 5 at 3:00 PM.

Chairman Mulcahy adjourned the meeting at 4:15.(tape reading 364)

SCR

36

COMMITTEE REPORT

SENATE

1/18/82

FURTHER: Finance

Date: 5/11/82

Mr. President:

The Committee on RESOURCES has had SCR 36

financing of the Alaska Highway natural gas pipeline

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for SCR 36 [ ] same title [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the ____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

Behlke adds gloomy note to gas news

Fairbanks Daily News-Miner 5/5/82

State gas pipeline coordinator Charles Behlke told the Fairbanks Chamber of Commerce Tuesday that he has tried for two years to convey a realistic mood of skepticism about the project, and that the gas line delay announced Friday shows his skepticism was warranted.

Sponsors of the project do not have enough money to build the gas line, Behlke said, and they have not been able to raise the money outside the partnership.

The cost of the project has risen much faster than inflation, he added, and the value of the natural gas it would carry hardly has increased at all.

He also saw little hope for alternative large-scale pipeline projects or petrochemical development, but said a small-scale pipeline from Prudhoe Bay to Fairbanks might still be viable.

Northwest Alaskan Pipeline Co. may yet raise the money for the project, Behlke stressed, but the chances are slim. He feels it is more likely that the oil companies that own the gas eventually will take a bigger role, perhaps buying out the current partners.

"John McMillian is a very, very sharp guy," Behlke said of Northwest's chairman and chief executive officer. "He has risen from the ashes before and he may do so again in the future."

"But the project is on an indefinite hold and if I were betting, I would bet this group will not put it together," Behlke said.

"I personally am very pessimistic about this project," he said. "It will require a great deal of effort by Northwest, or perhaps a successor to Northwest, to get it."

CHARLES BEHLKE
Pipeline coordinator
"Very pessimistic"

"Northwest might hope for a Democratic president in 1984 who will print up a lot of money for them, I don't know," Behlke quipped.

McMillian, a Democrat and a substantial supporter of former president Jimmy Carter, won the federal government's authorization for the project during the Carter administration. The Reagan administration has supported the project, but repeatedly let it be known it would not support any federal financial help.

Sponsors of the pipeline announced a two-year delay Friday in the northern part of the project after they failed to put together a financing package in a lengthy meeting in Salt Lake City.

Behlke's office is closing in response, and he said he expects Northwest will scale down its activities here as well.

Behlke said he "naively assumed there would be a pipeline" when he left his position as dean of the School of Engineering at the University of Alaska and took the state pipeline coordinator job two years ago.

He saw reasons to be pessimistic shortly after that, and he told the Chamber he has tried to communicate that pessimism so that people in Fairbanks would not make investments or other plans that depend on the project.

Behlke pointed out that in the past six years the completion date for the pipeline has been set back a total of nine years. "If the future is like that, the project will never catch up with the calendar," he said.

"The cold, hard fact is that from the start the sponsors didn't have enough money," Behlke said. "I think that was overlooked by the federal government then. What they gave Northwest was a hunting license for money."

The state has very little leverage to press for an alternative to the Northwest line, Behlke said. The state cannot afford to build such a line itself, he said, and the state should not do so even if it had the money because the project may not be economically feasible.

"If it was an economic venture, the people at Prudhoe Bay would probably do it," he said.

The state has a one-eighth royalty on the gas in Prudhoe Bay, Behlke said, but the state does not get the royalty until the gas is in production.

Asked about the Canadian reaction, Behlke said, "I have a feeling the Canadians are crying on the outside and laughing on the inside."

At one time Canada did not want to increase exports of its sizable Alberta gas fields, Behlke said, but recently this attitude has changed and exports are starting through the two southern legs of the Northwest project that are almost complete.

Behlke suspects Canada may be glad not to have the Alaskan gas competing with its gas in the U.S. market.

If Canada eventually builds a gas pipeline to its Mackenzie Delta gas fields, a connection to Prudhoe Bay across the North Slope might be considered again, he said. Such a route was rejected by the U.S. federal government in 1976 because of the 10-year delay proposed then to the Canadian pipeline because of Canadian Native land claims that have not yet been resolved.

Asked about the Dow-Shell petrochemical proposal, Behlke said that is even less economically viable than the gas pipeline.

Introduced: 1/18/82
Referred: Resources and Finance

IN THE SENATE BY COLLETTA

SENATE CONCURRENT RESOLUTION NO. 36

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Relating to financing of the Alaska Highway natural gas pipeline.

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

WHEREAS negotiations are underway between the State of Alaska and certain parties to secure adequate financing for the construction of the proposed Alaska Highway natural gas pipeline; and

WHEREAS construction of the Alaska Highway natural gas pipeline has not yet started; and

WHEREAS much time has passed since the Alaska Highway natural gas pipeline project was proposed; and

WHEREAS the present $43 billion estimate cost of the project is nearly three times the original 1977 estimate with construction costs expected to rise by at least $6 billion each year that construction of the project is delayed; and

WHEREAS Congress has recently passed a waiver package that removed certain obstacles to securing the necessary financing for the project; and

WHEREAS the construction of a natural gas pipeline and the concomitant availability of natural gas liquids would be of great benefit to Alaskans in providing for their energy needs at reasonable costs and would encourage the creation of a petrochemical industry in the state;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to press forward with ~~negotiations~~ investigation concerning the financing of the Alaska Highway natural gas pipeline so that any proposals may be presented to the Second Session of the Twelfth Legislature Joint Oil & Gas Committee of the ~~without further delaying the project until the Thirteenth Legislature convenes~~ and be it

Thirteenth

FURTHER RESOLVED that any proposal to be presented to the legislature include the right of the state to remove methane gas and gas liquids as its royalty interest with options to obtain additional gas liquids; and be it

FURTHER RESOLVED that if further delays in the negotiations over the Alaska Highway natural gas pipeline appear to be likely, the Governor is respectfully urged to explore other gas transportation alternatives including proposals that would transport both dry and liquid gas to tidewater wholly within the state.

LEGISLATION SUMMARY

SCR 36: Relating to financing of the Alaska Highway natural gas pipeline.

WHEREAS financing negotiations for construction of the proposed Alaska Highway natural gas pipeline are underway between the state and certain parties; construction has not started; much time has passed since the pipeline was proposed; the present estimated $43 billion project cost is almost three time the 1977 estimated cost, and cost estimates are expected to rise $6 billion per each year of delay; Congress passed a financing waiver package; the project would be of benefit to Alaskans, by reducing energy costs and encouraging creation of an Alaskan petrochemical industry;

RESOLVED that the Legislature requests the Governor to press forward with the negotiations so that any proposals may be presented to the 12th Legislature, Second Session, without delaying until the 13th Legislature; that any proposal grant the state the right to remove methane gas and gas liquids as royalties, with options on additional gas liquids; that if further delays in pipeline negotiations appear likely, urges the Governor to explore other gas transportation alternatives, including proposals to transport both dry and liquid gas to tidewater wholly within the state.

PRIME SPONSOR: Colletta

CO-SPONSOR(S): None

NEWS FROM STATE SENATOR MIKE COLLETTA

Contact: Ray Tyson
Deb Stubblefield
465-3732

January 18, 1982

FOR IMMEDIATE RELEASE

RESOLUTION CALLS FOR DEADLINE ON PIPELINE FINANCING

A Senate Joint Resolution directing the governor to give sponsors of the proposed Alaska Highway natural gas pipeline until the end of the session to secure financing for the line or pursue alternatives was introduced today by State Senator Mike Colletta.

Colletta, R-Anchorage, told his colleagues from the Senate floor today that the Legislature cannot wait any longer.

"We have no choice -- we must make some hard decisions this session or see our royalty from the gas shrink in the wake of galloping inflation," said Colletta, former chairman and current member of the Joint Oil and Gas Pipeline Committee.

Colletta said the governor's office has reviewed the Resolution and is considering his recommendations.

With cost of the pipeline escalating at $6 billion a year, Colletta said, estimated cost of the line has increased three-fold since 1977 -- to $43 billion.

"Construction costs are rising so fast that in five to six years our one-eighth royalty share from the gas will have no value," he said. "It is essential we make a decision this session."

-- More --

If financing cannot be secured by the end of the session, Colletta said, then the governor should immediately look for an alternative that should include an all-Alaska route.

Now that Congress has approved the waiver package paving the way for construction of the line, another three months is a reasonable time period in which to secure financing, Colletta said.

However, the Resolution does not prevent sponsors of the Alaska Highway proposal from putting a finance package together after the deadline.

"This piece of legislation is designed to get the ball rolling," Colletta said. "Not only is the value of the gas decreasing at 20 percent a year but the state is losing a total of $1 billion a year in royalties and taxes."

Colletta said the availability of natural gas also would directly benefit Alaskans in meeting their energy needs and encourage the creation of a petrochemical industry.

"We simply cannot afford to wait another year," he said.

-- 30 --

SENATE RESOURCES COMMITTEE SCR 36
LEGISLATION CHECKLIST BILL NUMBER

IDENTIFICATION:

BILL NAME: Relating to financing of the Alaska Highway Natural Gas Pipeline

SPONSOR(S): Colletta

RELATED BILLS PENDING:

DATE INTRODUCED: 1/18/82

REFERRALS Resources
Finance

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED *yes*

SUMMARY BY LEGAL DIVISION:
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP MATERIALS:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET: 5/10

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED

Colletta 5/10

Alaska State Legislature

SENATE
Resources Committee

Offical Business

BETTYE FAHRENKAMP, Chairman
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

MEMBERS PRESENT

Senator Fahrenkamp
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

May 10, 1982
1:40 p.m.

Belt. Room
Capitol - 211

Hearing:

SCR 36 Relating to financing of the Alaska Highway Natural Gas Pipeline.
SB 896 Relating to the Susitna River Hydroelectric Project.
CSHB 313 Establishing the Fisheries Research Center in the University of Alaska.
CSHJR 78 Relating to commercial fishing by foreign fleets in the 200-mile fishery conservation zone along Alaska's coast.

SCR 36

Senator Colletta spoke in support of the resolution, stating that it does not compromise the prime sponsor's effort to put financing in place. He urged that since the State has already committed to extract the gas, the investigations concerning the financing continue.

Senator Gilman moved and asked unanimous consent that the first Resolve Clause be amended so that any proposals during the interim be presented to the Joint Oil and Gas Committee of the 12th Legislature.

Senator Gilman moved and asked unanimous consent to delete "negotiations" on page 1, line 26, and replace it with "investigations".

Senator Gilman moved SCR 36, as amended, with individual recommendations.

SB 896

Lynn Asper, Division of Legal Services, explained that the effect of SB 896 is to approve the Alaska Power Authority's preliminary report on Susitna, and to distinguish that approval of the APA report is not construction approval.

Senator Gilman expressed concern over wording that requires that contracts be entered into within 1 year of approval of the report.

Senator Sturgulewski expressed concern over exactly what parts of the APA preliminary report SB 896 approves.

Senator Fahrenkamp stated that the bill would be held for further work.

CSHB 313

Don Rosenburg, University of Alaska, Director of the Sea Grant Program and member of the Fisheries Center Study Group, expressed support for CSHB 313, and outlined the three needs defined by the Study Group: increased economic, biological, and social understandings; increased understanding of management procedures; expanded communication and coordination between users of fishery resources. He described the proposed Center as a foundation on which to develop fishery management programs.

Senator Sturgulewski expressed concern over the bill's large fiscal note.

Representative Gardiner stated that the bill brings together the various opinions of the University, the federal government, and the State Department of Fish and Game. Gardiner supported the bill as essential to create a high quality fisheries education program in the University.

Stan Moberley, Special Assistant to the Commissioner, Department of Fish and Game and member of the Fisheries Center Study Group, expressed support for the bill, stating that to protect and develop the State's interest in fisheries, we need to put some money into studying the resource.

Senator Anderson urged passage of HB 313, stating that there is a strong need for the State to enter into fisheries research.

Senator Mulcahy moved CSHB 313 with individual recommendations.

CSHJR 78

Larry Smith, Chairman, Troll Political Action Committee, called CSHJR 78 an important message to Washington, D.C., to let them know we have major problems on the high seas with foreign fisheries.

Rick Lauber, Pacific Seafood Processors, while calling many portions of the resolution commendable, expressed concern over aspects dealing with foreign fishing on mixed-stock fishery, the squid fishery, and the member make-up of the North Pacific Fisheries Management Council.

Senator Fahrenkamp stated that the bill would be hled in Committee for further work.

The meeting was adjourned at 3:05 p.m.

TO: Billy Berrier
Director
Legal Services

DATE: 5/10/82

FROM: Bettye Fahrenkamp
Chairman

RE: Committee Substitute SCR 36 - Relating to financing of the Alaska Highway natural gas pipeline.

The Committee would like the following language incorporated into a final CS SCR 36:

Page 1, line 26:

Delete "negotiations" and insert "investigation" in its place.

Page 1, line 28:

After "the" insert "Joint Oil and Gas Committee of the"

Page 1, line 28:

After "Legislature" insert " ; "

Page 1, line 28:

Delete "without further delaying"

Page 1, line 29:

Delete, "the project until the Thirteenth Legislature convenes;"

Page 2, line 1:

Before the word "legislature" insert "Thirteenth"

If you have any questions please contact Resa King at 465-3834. When the resolution is completed please return it to Room 211 Captiol Building.

Attachment

SCR

43

Return to Fahrenkamp

SCR 43

Establishing a special joint committee on salmon quality control & marketing

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

WHEREAS the ~~economy of the state is dependent upon the renewable salmon resource~~ salmon industry is a critical part of state economy; and

WHEREAS the markets demand a high quality product to compete economically; and

WHEREAS the proper methods of handling and processing salmon is important to the health of the consumer; and

WHEREAS ~~poor quality canned salmon can causes problems in the market place~~; and

WHEREAS problems in the market place will have an economic impact on the state; and

BE IT RESOLVED that the president of the senate and the speaker of the house of representatives shall each appoint ~~three~~ Four members from his house of the legislature to the special joint committee on salmon quality control & marketing to work with the fishing & processing industry to ~~prevent health hazards in canned~~ improve quality control & marketing of Alaska salmon; and be it

FURTHER RESOLVED that the special joint committee on salmon quality control is authorized to perform the assignments made to it until ~~(date)~~ appointment of the second session of the 12th Legislature

appropriate

SCR

48

COMMITTEE REPORT

SENATE

3/16/82

None

FURTHER:

Date: 5/17/82

Mr. President:

The Committee on RESOURCES has had SCR 48 joint ventures between Alaska commercial salmon fishermen and foreign processors

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

BILL NUMBER SCR 48

IDENTIFICATION:

BILL NAME: Relating to joint ventures between Alaska commercial salmon fishermen and foreign processors.

SPONSOR(S): Resources (by request)

RELATED BILLS PENDING:

DATE INTRODUCED: 3/16/82

REFERRALS Resources

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED

SUMMARY BY LEGAL DIVISION:
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP MATERIALS:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE 5/12 to Legal

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:

✓ Norman Staton - Sealaska 6-1512 5/11 ✓
✓ Dept. Fish & Game 5/11
" Revenue 5/11
✓ Commerce & Eco. 5/11

✓ Rodger Painter 6 2820 5/11
✓ Rich Lauber 6 6366 5/11
✓ Nels Anderson ✓ 5/11

Alaska State Legislature

SENATE
Resources Committee

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Offical Business

TO: Bettye Fahrenkamp
Chairman

DATE: 5/12/82

FROM: Resa King R.K.
Staff

RE: SCR 48
Suggested Changes

After the committee meeting today the group worked on suggested changes to SCR 48 - Relating to joint ventures between Alaska Commercial salmon fishermen and foreign processors. Attached are the suggested changes.

The following outlines the suggestions:

Page 1, line 9:

Delete "runs of" and insert "allowable harvest of"

Page 1, line 10:

Delete "34.6" and insert "39.8"

Delete "9.2" and insert "80.8"

Delete "in the Bristol Bay" and insert "statewide;"

Page 1, line 11:

Delete the entire line

Page 1 line 13 - 14

Move to line 15-16

Delete "runs" and insert "harvest"

Delete "those" and insert "several Alaskan"

Page 1, line 15 - 16

Move to line 13 - 14.

Page 1, line 19

After the word "years" insert "some"

Page 1, line 23:

Insert a " ; " after the word "fishermen"

Page 1, line 23 - 24:

Delete "of a harvestable surplus worth $20,000 to $40,000 per fisherman;"

Page 1, line 25:

After the word "WHEREAS" insert the word "many"

Page 1, line 26:

After the word "them" insert "in recent years"

Delete "in a waste of" and insert "an economic loss to the fishermen;"

Page 1, line 27:

Delete the word "salmon;"

Page 1, line 28:

Delete "up to" and insert the word "for"

Page 1, line 29:

Delete "36 hours" and insert "extended periods of time"

Page 2, line 2:

Delete " the only"

Page 2, line 3:

Delete "feasible" and insert "a" in its place.

Delete "using" and insert "utilizing" in its place.

Page 2, line 6 - 9:

Delete.

Page 2, line 13:

Delete "pink salmon and"

Page 2, line 14:

Delete "sockeye:

Page 2, line 15:

After "ling" delete the " ; " and insert a " . " in its place

Delete "and be it"

Page 2, line 16 - 26:

Delete

Page 2, line 28:

Delete "Nick Szabo" and insert "Jim Beaton" in his place.

Also, attached is a "DRAFT" which incorporates these changes so they can be seen in context.

Introduced: 3/16/82
Referred: Resources

IN THE SENATE

BY THE RESOURCES COMMITTEE
BY REQUEST

SENATE CONCURRENT RESOLUTION NO. 48

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

Relating to joint ventures between Alaska commercial salmon fishermen and foreign processors.

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

WHEREAS the Department of Fish and Game has forecast 1982 season allowable harvest ~~runs of~~ 39.8 ~~36.8~~ million sockeye salmon and 80.8 ~~9.2~~ million pink salmon statewide ~~in the Bristol Bay fishery, and a run of 35.4 million pink salmon in the southeastern fishery~~; and

WHEREAS these salmon harvest ~~runs~~ are among the largest ever forecast for several Alaskan fisheries; and

WHEREAS the potential harvest of salmon in the state is approximately 135 million; and

WHEREAS this harvest is likely to exceed the processing capability of Alaskan processors; and

WHEREAS during the past 10 years some Bristol Bay processors have established daily limits on the amount of salmon they will purchase from each fisherman; and

WHEREAS the imposition of limits during the peak periods has resulted each year in losses to fishermen ~~of a harvestable surplus worth $26,000 to $43,000 per fisherman~~; and

WHEREAS many ~~the~~ processing plants in Bristol Bay have been unable to handle all the catches brought to them in recent years by the fishermen, resulting an economic loss to fishermen ~~in a waste of salmon~~; and

WHEREAS the Bristol Bay salmon fishermen have often waited in line for extended periods of time ~~up to 36 hours~~ before being allowed by processors to off-load their fish, resulting

n a loss of fishing time and income; and

WHEREAS joint ventures with foreign processing vessels provide ~~the only~~ a ~~feasible~~ means of fully ~~using~~ utilizing the allowable harvest of sockeye and pink salmon; and

WHEREAS state law charges the commissioner of fish and game with the responsibility of developing fisheries; and

WHEREAS joint ventures with foreign vessels provide the only feasible opportunity for developing species of fish that the Alaskan processing industry does not handle or intend to handle;

BE IT RESOLVED by the Alaska State Legislature that the Governor, the Board of Fisheries and the commissioner of fish and game are respectfully requested to support and encourage joint ventures in 1982 between Alaska fishermen and foreign processors to handle the excess runs of ~~pink salmon and sockeye~~ salmon that the Alaskan processing industry is not capable o handling; ~~and be it~~

FURTHER RESOLVED that the Governor is respectfully requested to direct the commissioner of fish and game to grant all permits and other authorizations necessary for the operation of joint ventures for the 1982 pink and sockeye salmon seasons and to waive prohibitions on the operation of foreign vessels and aliens processing and receiving pink and sockeye salmon in Alaska; and be it

FURTHER RESOLVED that the Governor is respectfully requested to direct the commissioner of fish and game to encourage the development of and issue necessary permits for joint ventures between American fishermen and foreign processing companies for fisheries in which Alaskan processors are not engaged and do not intend to engage.

COPIES of this resolution shall be sent to the Honorable Ronald Skoog, comissioner of fish and game; the Honorable ~~Mark Szabo~~ Jim Beaton, Chairman, Board of Fisheries; the Honorable Clem Tillion, Chairman, North Pacific Fishery Manage-

ment Council; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO. 48

Relating to joint ventures between Alaska commercial salmon fishermen and foreign processors.

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

WHEREAS the Department of Fish and Game has forecast 1982 season allowable harvest of 39.8 million sockeye salmon and 80.8 million pink salmon statewide; and

WHEREAS the potential harvest of salmon in the state is approximately 135 million; and

WHEREAS these salmon harvest are among the largest ever forecast for several Alaskan fisheries; and

WHEREAS this harvest is likely to exceed the processing capability of Alaskan processors; and

WHEREAS during the past 10 years some Bristol Bay processors have established daily limits on the amount of salmon they will purchase from each fisherman; and

WHEREAS the imposition of limits during the peak periods have resulted each year in losses to fishermen; and

WHEREAS many processing plants in Bristol Bay have been unable to handle all the catches brought to them in recent years by the fishermen, resulting in an economic loss to fishermen; and

WHEREAS the Bristol Bay solmon fishermen have often waited in line for extended periods of time before being allowed by processors to off-load their fish, resulting in a loss of fishing time and income; and

WHEREAS joint ventures with foreign processing vessels provide a means

of fully utilizing the allowable harvest of sockeye and pink salmon.

BE IT RESOLVED by the Alaska State Legislature that the Governor, the Board of Fisheries and the commissioner of fish and game are respectfully requested to support and encourage joint ventures in 1982 between Alaska fishermen and foreign processors to handle the excess runs of salmon that the Alaskan processing industry is not capable of handling.

COPIES of this resolution shall be sent to the Honorable Ronald Skoog, commissioner of fish and game; the Honorable Jim Beaton, Chairman, Board of Fisheries; the Honorable Clem Tillion, Chairman, North Pacific Fishery Management Council; and the Honorable Ted Stevens and the Honorable Frank Murkowski, U. S. Senators, and the Honorable Don Young, U. S. Representative, members of the Alaska delegation in Congress.

CS SCR 48 (RES) RELATING TO JOINT VENTURES BETWEEN ALASKA COMMERCIAL SALMON FISHERMEN AND FOREIGN PROCESSORS.

ORIGINAL RESOLUTION SPOKE OF THE ANTICIPATED LARGE RUNS OF SALMON THIS SEASON, WHICH ARE LIEKLY TO EXCEED PROCESSORS CAPACITY WHICH HAS RESULTED IN A FINANCIAL LOSS OF $20-$40,000 TO THE FISHERMEN AND A WASTE OF SLAMON DUE TO THE PROCESSORS IMPOSING LIMITS.

RESOURCES COMMITTEE CHANGES:

CORRECTED NUMBERS OF FISH

INSERTED "SOME" PROCESSORS ESTABLISHED DAILY LIMTS

DELETED $20-$40,000 LOSS TO FISHERMEN

DELETED "WASTE OF SALMON" AND REPLACED WITH "AN ECONOMIC LOSS TO FISHERME

DELETED THAT FISHERMEN WAITED IN LINE "UP TO 36 HOURS" AND REPLACED WITH "EXTEDNED PERIODS OF TIME"

DELETED THAT JOINT VENTURES WERE THE "ONLY FEASIBLE" MEANS OF USING THE SALMON AND REPLACED WITH THEY ARE "A" MEANS.

DELETED THAT THE COMMISSIONER IS RESPONSIBLE FOR DEVELOPING FISHERING

DELETED THAT JOINT VENTURES WITH FOREIGN VESSELS IS THE ONLY OPPORUTNITY FOR DEVELOPING SPECIES.

DELETED THE RESOLVES DEALING WITH PERMITS.

With millions of cans of salmon still in warehouses and a record season expected this year, the affects of the current botulism scare could be "serious" at best, "a disaster" at worst.

Canned salmon recall sends industry reeling

By Bruce Scott

A Belgium man's death from botulism last month prompted the recall of millions of cans of Alaska salmon by the Food and Drug Administration (FDA) and sent industry and state officials scurrying to cope with a potential financial disaster.

In the wake of the death and resultant recall, Gov. Jay Hammond set up a task force composed of industry and state officials, and the state legislature established a select committee made up of four members each from the House and the Senate. The groups have been meeting almost daily, monitoring the recall, devising ways to avoid similar occurrences in the future, and developing contingency plans to help the salmon industry weather the storm.

The recall was prompted by the Feb. 6 death of L. Eric Mathay, 27, of botulism food poisoning, allegedly contracted after the Brussels, Belgium, resident ate some pate' made from Alaska canned salmon. Mathay's 26-year-old wife, Michele, was hospitalized for botulism poisoning after eating the pate', a spread made of finely-mashed, seasoned meat. She recovered.

The eight-ounce can, part of a 504-case lot containing some 51,000 cans sold to the John West Co. of Liverpool, London, was packed in the Southeastern Alaska community of Ketchikan at the Ocean Beauty Seafoods-Whitney Fidalgo processing plant. The lot was part of the plant's July 24, 1980, pack of 1,738 cases.

Within three days after Mathay's death, the FDA had sent an investigator to Belgium and begun a can-by-can examination of all the half-pound cans packed by the Ketchikan processor during the 1980 and 1981 packing seasons; Great Britain embargoed all eight-ounce cans of U.S. salmon; and Belgium, the Netherlands, and South Africa embargoed most U.S. canned salmon.

As of Feb. 25, the FDA had inspected 300,000 cans, finding 21 damaged containers packed at six of the 58 canneries located in Alaska, including the Ocean Beauty-Fidalgo facility. FDA spokeswoman Ellen Miller of Seattle said none of the cans had yet been found to be contaminated.

On Feb. 26, Miller said the agency was centering its investigation on "reformers" manufactured by the American Can Co. of Greenwich, Conn. Cans shipped to Alaska arrived in three separate flat pieces — the body and the two lids — which are reformed during packing. The FDA said the machine may have caused the defects — V-shaped holes ranging in size from a pin-point to a quarter of an inch across.

A puncture lets in air that allows botulism organisms to grow. Tiny quantities of the deadly toxin, which is odorless and tasteless, can cause paralysis and eventual death.

Agency spokesmen said they had not tallied the total number of cans involved in the recall, but a top FDA official in Seattle said the list of shipments to be recalled was "an inch and a half thick," and other officials estimated the Ketchikan plant packed some 17 million cans during the 1980 and 1981 seasons, perhaps 8 million of which were of the size (7¾ ounces) involved in the recall.

Firm numbers are difficult to come by, said Mike Dean, a statistician in the Department of Fish and Game's (DFG) Division of Commercial Fisheries catch and production office. "Due to the confidentiality of the processor's report, I couldn't even get a look at (the production figures)," he said.

Early this month, the FDA announced the recall would be expanded to include some canned salmon produced by other Alaska processors, although it had not yet determined the extent of the expansion. The costs of such recalls are borne by the company that produced the recalled product. Those costs and the sales lost as a result of the European and South African embargoes will severely damage the state's estimated $1.47 billion salmon industry. Accounting for more than half of Alaska's fishing industry, salmon is second only to the oil and gas industry in its contribution to the state's economy.

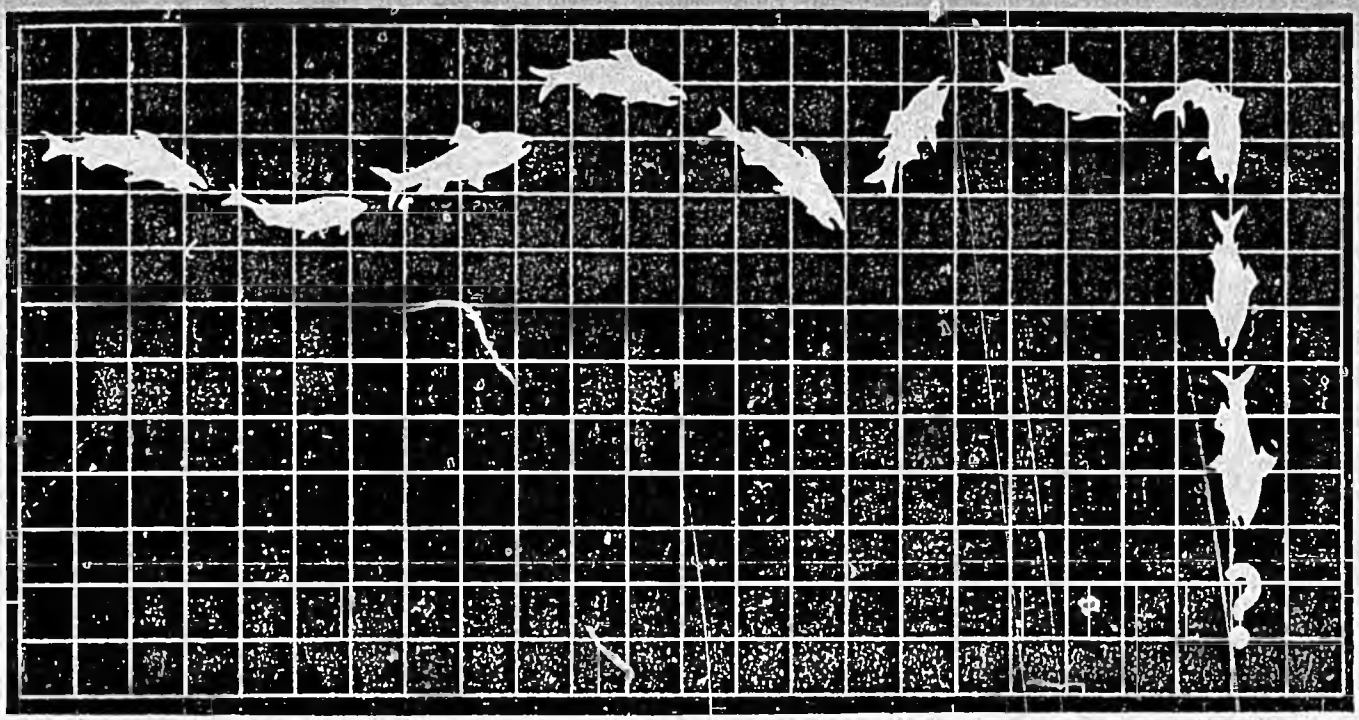
The embargo imposed by Great Britain on the half-pound cans, the most popular size with consumers, is particularly damaging, as the United Kingdom is the world's largest importer of U.S. canned salmon, and last year imported about 30 million pounds of the delicacy.

Several processors have declared bankruptcy within the past few years and industry spokesmen say the cumulative affects of the recall could force more to go belly-up. The Ketchikan plant now operated by Ocean Beauty Seafoods, a subsidiary of the Juneau-based Sealaska Native corporation, was one of the recent casualties. The plant had been run in partnership by the New England Fish Co. (NEFCO) and the Japanese-owned firm of Whitney Fidalgo until NEFCO declared bankruptcy shortly before the start of the 1980 packing season.

"There are a lot of fishermen (who) think that fish processors just got their bottom drawers full of gold doubloons," said Rick Lauber, executive director of the Seafood Processor's Association. "There aren't many fish processors that have got a decent income...The word is there's only been one or two companies that have made any money."

"It's like some of these guys (processors) are teetering on the fence with bankruptcy on one side and you could knock them over with a snowball. We hardly needed the wrecking ball to come in on a chain and knock them off," he said.

What affect the European embargo will have is "a $64,000 question — and that may be understating the value by a longshot," said Lewis Queirolo, an economist with the National Marine Fisheries Service (NMFS) in Juneau.



Erik Eckholm, executive director of the Alaska Seafood Marketing Institute, said the institute's spring campaign to sell Alaska salmon to consumers nationwide, scheduled to begin in early March, has been postponed because of the bad publicity arising from the Belgian's death and the resulting recall. "This changes everything in the marketplace," he said. "We're looking at perhaps 60 days (delay) before we come out with an organized market response."

Eckholm said he and other industry representatives are asking for help from the legislature to see the industry through its current troubles. What kind of help? "Money," he replied, "for developing a campaign." He noted the tuna industry went through similar problems in the early 1960s when concern arose about the mercury content of some fish. "What it takes is an intense marketing campaign to win back the consumers," he said.

The institute currently receives annually about $2.1 million from the state and $1 million from the seafood industry for its marketing activities.

Ernst Mueller, Commissioner of the Department of Environmental Conservation and head of the governor's task force on the salmon industry's problems, said it "is a little early really to even know what the extent of the problem is." He said the task force needs to know if there is going to be "a substantial loss of consumer confidence in Alaskan salmon. If there is (such a loss)...we need to have a targeted campaign to reinstill that consumer confidence."

Hammond also addressed the issue of consumer confidence. "It is vital that all of us do everything possible to assure public confidence in the quality of Alaska canned salmon," he said.

"The health of the public is our paramount concern," Hammond said.

He added that the recalled salmon represents less than two percent of the salmon packed in Alaska during the past two years, and warned against an "overreaction," such as the withdrawal from the market of salmon not included in the recall. (The recalled cans contain a marking, "KK13," "HK13," "RK13," "CK13" or "MK13" on the top line of a two-line code stamped on their lids.

Mueller, whose department is responsible for state quality control, said the task force has been discussing giving the state a more active role in the salmon canning process. FDA officials said the federal agency intends to increase the number of inspectors at canneries. The National Food Processors Association also is investigating the salmon processing procedures.

"No matter what happens, it's going to cost somebody a lot of money," Mueller said, adding that even if the Belgian's death by botulism poisoning did not cause consumers to buy less salmon, "the costs of the recall are fantastic," as Alaska salmon is shipped virtually all over the world.

He said that in addition to the expense of recalling the salmon, the industry must bear the expense of putting the cans "back on the shelf," providing they pass FDA inspection, a process "that may take half a year — three to six months — as well as costing a lot of money."

When the processors go out to buy fish at the start of the season, they use the profits earned the previous year to purchase the fish, Mueller said. If the processors lose money, either from the recall or slumping sales, the state may have to step in with loans similar to the Fish Pack Loan Program it has operated in the past, he said.

Queirolo said that because the 1980 and 1981 salmon seasons were nearly record ones, "warehouses are still bulging with salmon," and this season is predicted to break the all-time salmon harvest record, set in 1936, which will further add to the stock on hand.

"We're projecting a 1982 statewide total salmon catch of 135 million fish," said Ken Parker, deputy director of the Division of Commercial Fisheries. "It could be the largest commercial catch ever recorded in the state."

The 1981 salmon catch totaled an estimated 111.4 million fish, eclipsing the 1980 harvest of 110.3 million fish and rivaling the 1936 record catch of 126.4 million salmon.

The bountiful harvests within the past two years have left millions of cases of salmon sitting in the warehouses, according to Carl Rosier, chief of the NMSF's fisheries utilization and development division in Juneau.

"We've got a fairly sizeable inventory at the present time — a carryover from '80 and '81," he said.

Rosier said "normally" the processors' inventory — which he said amounted Dec. 1 to some 3.5 million cases (each equivalent to 48 one-pound cans) — drops to about 1 million cases by the end of June, when the new season gets underway. But the embargo and the

Continued on page 22

Continued from page 19

resulting negative publicity is reducing the processors' ability to unload their backstock, and "the 1982 harvest could add 4 (million) to 4.5 million additional cases" to that inventory, he said.

Rosier, a former director of the Department of Fish and Game, said Alaska annually has produced roughly 4 million cases of salmon during the past two years, accounting for about 80 percent of all U.S. salmon exported.

That exported fish last year — 40 percent of the total pack — weighed 63.5 million pounds, according to the NMFS's statistics and market news office. Most of the salmon, 38 million pounds or 69.2 percent, went to Europe; and 30 million pounds of that went to the United Kingdom. Canada imported 11.3 million pounds of canned salmon last year, making it America's second-largest customer.

The embargoes, the huge inventory of canned salmon sitting in warehouses throughout the West Coast, and the record harvest expected this year all could combine to drive the price of fish down — as well as the profit margin of fishermen and processors alike.

There has been speculation that some processors may not open this season. Lauber of the Seafood Processor's Association said, "I've been told there's a strong likelihood that some plants might not open." But spokesmen for some of the major seafood processors said they are planning business-as-usual; and none of their competitors have announced plans to bail out of the upcoming season's operations.

"I can't tell you what our competitors are going to d , but we have every intention of canning fish this summer," said Alec Brindle, president of Ward's Cove Packing Co. of Seattle, which operates eight seafood processing plants in Alaska.

"I don't think you're going to get a canner to say they're not going to open," Lauber said.

"You ca speculate all you want," he said, "but it's too early to tell" what affect the recall will have on the seafood industry. "It's serious at best; and the worse case (is) it's a disaster." ■

SCR 48

ALASKA DEPARTMENT OF FISH AND GAME
DIVISION OF COMMERCIAL FISHERIES

PRELIMINARY 1982 PROCESSING CAPACITY REPORT TO THE ALASKA BOARD OF FISHERIES

Anchorage, Alaska
December, 1981

PRELIMINARY 1982 PROCESSING CAPACITY REPORT

Introduction

Based on forecasts developed by Department of Fish and Game biologists, the 1982 Alaskan commercial salmon fisheries may well experience the largest harvestable surplus ever documented. Potential harvest of 135 million salmon from the State's commercial fisheries, if realized, would continue a seven year trend of increasing catches and surpass the previous record harvest of 126 million salmon established in 1936.

The 1982 statewide forecast is also unique, with 81 million (or 60 percent) of the total 135 million fish harvested projected to be pink salmon. Pink salmon harvest of that level would surpass the old record of 77.8 million pink salmon harvested in 1941. Record pink salmon surpluses in the major fisheries around the Gulf of Alaska may have profound effects on market availability and price paid to fishermen in many of the more remote pink salmon fisheries in Norton Sound, Nushagak Bay and along the Alaska Peninsula.

While a total statewide harvest of this magnitude provides important opportunities and great potential benefits, it also presents great challenges to the State and industry to ensure proper utilization of the valuable resource available. In recent past seasons large salmon harvests in some areas have stressed domestic processing capabilities which have resulted in some harvestable surpluses lost to the fisheries. The 1980 Bristol Bay sockeye salmon fishery provides an example where fishing activities delayed by price disputes and processing capacity shortfalls resulted in approximately 13.5 million fish, worth $43 million to fishermen alone, lost to the harvest.

To seek a solution for these situations the Department of Fish and Game and the Alaska Board of Fisheries, with the aid of industry and fishermen, have attempted to document existing domestic harvesting and processing capacities and identify potential shortfalls in a series of annual processing capacity reports. The first report published in the spring of 1978 aided government and industry officials in developing plans to deal with the processing problems identified. Similar reports were also published in 1979 and 1980 to document problems anticipated as a result of record level forecasts.

Like the preceding reports, this report is intended to serve as a first step in the planning process for the anticipated record 1982 salmon runs by identifying fisheries where significant processing capacity deficiencies may well occur. Comparisons of actual processing performances observed during the past two seasons or potential capacities based on facilities available are made to the size and timing of the 1982 forecasted harvests by area and serve as basis for capacity determinations. Clearly, it is difficult if not impossible for this report to address actual processing capacities domestic processors may plan for the 1982 season as that will largely depend on price and marketing factors still largely undetermined. Government and industry officials should evaluate the material presented in this brief analysis and focus further analysis and planning efforts on the problems identified.

Capacity information provided in this report was compiled by Commercial Fisheries Division personnel in early November through direct contact with local area processors and/or assessment of industry performance in 1980-81 (Tables 2 and 3).

Statewide Overview

The 1980 and 1981 commercial salmon fisheries in Alaska provided total annual harvests of 110.3 and 111.4 million fish respectively. Many local salmon fisheries documented new record harvests during the two years and provided new challenges to the fishermen and processors alike. Harvest levels observed during those years provide one quick way to gauge how well fishermen and processors may respond to the record level salmon runs anticipated for the 1982 fisheries. A simple comparison of the 1980 and 1981 commercial salmon harvests by region or area to the estimated 1982 harvest levels identifies three fisheries (Southeastern, Prince William Sound, and Bristol Bay) that may face harvests significantly greater than those recorded in recent years (Table 1 and Figure 1). The other areas show anticipated reductions in salmon harvest and infer that harvesting and processing capacities may not become a problem in these fisheries, provided area capacities remain similar to what they were in 1980 and 1981. The three areas showing significant potential harvest increases warrant further discussion.

Southeastern

The 1982 Southeastern Alaska forecasts show dramatic increases in the harvests over that of 1980 or 1981 although the 1978 harvest of 25 million salmon compares closely. The mid-point forecasted pink salmon harvest for Southeastern is 25.5 million fish. Other species are anticipated to provide an additional 3.7 million fish to the catch. While pink salmon are taken by all gear groups, the region's purse seine fisheries will clearly dominate the harvest. Adequacy of domestic processing will be determined during the pink salmon fisheries. At the 25.5 million fish forecast level peak harvest levels should occur during the first two weeks of August when daily catches of 1.0 to 1.5 million fish can be expected (Figure 2). Regional processing capacity estimated at 1.0 million fish per day, together with a daily export capacity similar to that observed during the peak of the 1978 fishing, should be adequate to handle the situation. If the pink salmon run develops at the upper end of the forecast range where harvests are projected to be 33.5 million fish, domestic processing shortfalls may occur unless the export capacity increases above 1978 levels or additional canning lines are activated. At the upper end of the forecast range, daily catches in excess of 1.5 million fish could occur during the two peak harvest weeks.

Run timing, location of harvest, and fish size will also influence the ability of domestic processors to handle the harvest. Even year pink salmon run timing in Southeast is normally drawn out over a longer period of time than odd year runs. It is anticipated that major run strength should occur in early and late run areas in District 1 and late run areas in District 3, thereby providing large harvests near processing facilities. Even year pink salmon are also commonly small, enabling processors to handle large volumes. In 1978 the 20 million pinks processed averaged only 3 pounds, well below the more normal 4 pound average seen in most seasons.

In summary, the projected harvest of 25.5 million pink salmon would closely approach or exceed the capacity of domestic processors depending on tender availability, fish size, and run timing. Salmon returns above the mid point forecasts could also cause harvests to exceed domestic processor capabilities. Preseason planning and inseason activities should be directed at ensuring the availability of adequate tender support to the fishery to move unprocessed salmon to facilities outside the region. Biologists should closely monitor early season pink catches to determine fish size and assess run strength.

Prince William Sound

The 1982 Prince William Sound forecast indicates the potential for harvests to exceed the record 1981 levels by 3.4 million salmon. Attention should be limited to harvests of pink and chum salmon since 90 percent of the other species harvest occurs before and after the normal high volume period of July 20-August 10. This reduces the difference between the 1981 season harvests and 1982 projection to slightly over 2 million fish. Like Southeastern, fish size will have a large bearing on the significance of the 1982 harvest projections. In 1981 both pink and chum salmon were significantly larger than average (4.3 lbs average for pinks and 8.5 lbs for chums). If more average fish weights are observed in 1982 the resulting poundage of the harvest will likely be less than 1981.

Run timing based on average even year pattern should place the peak harvest period during the two weeks July 26 through August 8 (Figure 2). Daily catch of 1.0 to 1.5 million fish anticipated during this period would exceed the estimated daily processing capacity of 700,000 fish and minimum 260,000 fish daily export capacity. If the midpoint forecast proves accurate, 1.5 to 2.5 million fish short fall in processing capacity can be anticipated during the two week period based on the information now available. At the lower end of the range it is anticipated that local processing capacity would be adequate to handle the situation.

Area's salmon hatchery returns are projected to contribute 5.8 million fish of the total forecasted 25.7 million salmon harvest in the common property fishery. Most of the harvest will occur in conjunction with wild stock harvest but the terminal area fishery may result in some localized fishing immediately following the area wide peak harvest period. This may serve to lengthen the harvest period and spread out peak catch. Even so, hatchery harvest in the terminal area may be frustrated by reduced fish quality and nonavailability of markets.

Processing capacity in Prince William Sound may be exceeded by as much as 2.5 million fish during the July 26 to August 8 period, based on information now available. Export capacity will largely determine whether the projected harvestable surplus is handled. Above average fish size can potentially aggravate any processing shortfall. Domestic processors will have to provide increased export capabilities to processing facilities outside Prince William Sound to handle the available surplus if the run is at or above midpoint forecast.

Bristol Bay

The 1982 forecast of salmon harvest in Bristol Bay shows the greatest difference from the 1980 and 1981 catch levels presented in Table 1. If realized, the 1982 harvest will continue the exceptional salmon production first manifested in 1978. Annual commercial catches since 1978 have averaged 24.0 million fish. As a consequence the Bristol Bay salmon fishery has been the focus of all earlier processing capacity reports in an effort to forestall harvesting and processing problems. Even so, in 1979 and 1980 price disputes delayed fishing activities and resulted in harvests lost to the fishery and further aggravated domestic processing problems. In 1979 and 1980 exceptions were granted under the authority of 5 AAC 39.198, a regulation governing commercial fishing and related operations by aliens not lawfully admitted to the United States. The intent was that foreign vessels and aliens be allowed limited participation in the Bristol Bay salmon fishery in order to supplement domestic processing capacity.

In the 1982 season the 38 million salmon harvest projected for the Bristol Bay fishery should surpass all prior recorded harvests. Sockeye and pink salmon fisheries, the two most crucial, are expected to contribute 29.1 and 8.2 million fish respectively to the harvest. Due to the nonoverlapping run timing of the two species, consideration of their harvest impacts on processing capacity is best accomplished separately.

Sockeye salmon harvests normally peak during the first week to ten days in July (Figure 2). In 1980 and 1981 daily catches of 1.0 to 2.0 million salmon were recorded from June 30 through July 12, while daily catches of 2.0 to 2.5 million were recorded between July 3 and 7. At the forecasted run level similar catch rates are expected during the 1982 sockeye fishery. Certainly this may vary as a result of changes in run timing or onshore migratory patterns and may drastically affect the ability of fishermen and industry to "stay on top of the run." Timing in both 1980 and 1981 was normal, consequently the sockeye salmon run was well spread over time and enabled the fishery to process the number of fish handled seasonally in both those years.

Size of fish can drastically affect the processors' ability to handle a run of this magnitude. The 1982 forecasted 29.2 million fish harvest would equal 161 million pounds at a 5.5 pound average and would increase or decrease 3 million pounds for every tenth of a pound change in average weight. Biologists are anticipating the run to consist of 63 percent 2 ocean fish, which may lower the average weight from the 6.5 pound average recorded in 1981.

The observed average daily sustained processing capacity of the Bristol Bay fishery in 1980 and 1981 provides the best perspective of processing capacity that may be available in 1982. Records show at peak harvest levels Bristol Bay processors were able to sustain an average 2.0 million fish daily processing capacity in 1980 and 1.6 million fish in 1981. Based on information available now, processors should be able to sustain at least a 1.8 million fish daily capacity during the 1982 season.

In summary, if similar capacities are on line for the 1982 sockeye salmon fishery as were observed in 1980-81, fishermen and industry have the ability to adequately handle the 1982 forecasted harvest. If price negotiations delay fishing activities, harvestable surpluses will be lost to the fishery. Fish size and run timing can also greatly impact the processing capacity picture and should be closely monitored by Department staff.

The anticipated pink salmon run in 1982 and processors' capacity to handle the harvest is a problem exclusive to the Nushagak District. The anticipated 9.2 million pink salmon run could potentially provide a harvest of 8.2 million fish and establish a new record catch.

Several factors will present major obstacles to the complete harvesting and processing of Nushagak District pink salmon in 1982. First, pink salmon returns have been extremely variable (from 126,000 in 1972 to 13.7 million fish in 1978) and the Department has not been able to accurately forecast returns, making it difficult for industry to plan operations. Secondly, the generally small size of the fish (average 3 pounds) slows processing and inhibits frozen production. Also, the soft nature of the Nushagak District pink salmon requires quick processing and inhibits transportation to distant plants for processing. Lastly, run timing coincides with both South Peninsula and Kodiak pink salmon fisheries, thereby reducing the availability of processing capacity outside Bristol Bay.

Large pink salmon runs were recorded in three previous years in Nushagak Bay: 3.8 million fish in 1966, 13.7 million fish in 1978, and 5.1 million fish in 1980. Based on those seasons, runs of 3 to 5 million fish are generally easily handled by what fishing and processing effort remains after the sockeye salmon fishery. Total runs in the magnitude of 1978 (13.7 million fish) created severe harvesting and processing problems, resulting in fish dumping and lost harvest. It is anticipated that the 1982 pink salmon run, if it occurs as forecast, would create similar problems. It is impossible to predict at this time what processing capacity will be on line for the 1982 pink fishery.

The projected pink salmon harvest level presents many problems to the fishery which may not be resolved. Market conditions and fishermen and industry interest will largely control whether the harvest is achieved.

Fisheries identified earlier as not strong candidates for processing capacity problems in 1982 as a result of projected harvests not exceeding prior levels may heavily influence the successful operations in the three key questioned fisheries as well as other minor fisheries. This is especially true in Prince William Sound, where successful handling of the anticipated 1982 surplus will largely be controlled by availability of processing capacity in adjacent areas.

As in past seasons Kodiak and Lower Cook Inlet facilities should provide a major outlet for surplus Prince William Sound pink and chum salmon harvests as well as for Bristol Bay sockeye salmon fishery surpluses. Further, Kodiak should continue to provide supplemental capacity for the important fisheries

on Chignik sockeye salmon, Alaska Peninsula June sockeye and chum salmon, and August pink salmon. It is doubtful that any of these areas would be situated to lend supplemental capacity to Nushagak District pink salmon processing due to run timing conflicts with their own principle fisheries.

The Norton Sound pink salmon fishery shares many of the same problems identified for the Nushagak Bay pink salmon fishery. Though no formal forecast is made for Norton Sound pink salmon stocks, fisheries biologists anticipate the 1982 run may approach the 5 million fish level recorded for the 1980 parent run. Escapement requirements estimated at 1.5 million fish could provide a 3.5 million fish potential harvestable surplus. Records show that pink salmon runs of this magnitude are common to the Norton Sound fishery. Even so, the minimum fishing and processing effort is not anticipated to change from that observed during the 1980 fishery when 277,000 pink salmon were harvested. Logistic problems, limited processing facilities, and high transportation costs have all contributed to low prices paid for Norton Sound pink salmon and prevented proper exploitation of surpluses available. Improved markets and additional export capacity would be needed before substantial harvests gains could be realized.

Status of State's Foreign Processing Regulation

On the 13th of February, 1981, the Bristol Bay Herring Marketing Cooperative and others sued the State of Alaska to prevent enforcement of the provisions of 5 AAC 39.198 and allow them to sell unprocessed herring to the North Pacific Longline-Gillnet Association, a group of Japanese fishermen. On March 27, 1981 Federal District Court Judge James H. Fitzgerald issued his findings, conclusions and opinion on the suit. The judge concluded that the State's regulation was "an unlawful burden under the commerce clause of the United States Constitution;" that the Coop would suffer irreparable injury as they would be precluded from honoring their contract with the Association and that the State had the ability to protect the resource. The judge restrained the State from enforcing its foreign processing regulations, but made the restraining order applicable only to the Coop's actions. Other groups could not engage in similar activities.

Federal Legislation

To remedy the implications of the U.S. District Court ruling, Alaska has actively pursued Federal legislation that would assure State authority to determine the need for and the regulation of supplemental foreign processing.

Several bills already exist in the Senate and House with the next action probably occurring by the House in late January.

Commissioner Skoog leads a work group of fishermen and processors which has been working since September at preparing legislative recommendations to reflect the interests of the State. This work group is currently preparing a draft bill that addresses the following points:

a) A remedy is necessary prior to the start of 1982 fisheries.

b) It is necessary to allow controlled utilization of foreign processing vessels for certain fisheries in the State's waters.

c) The determination of the need for foreign processing in Alaska's waters should be made by the State.

d) Foreign vessels should comply with all existing applicable laws.

e) The need for foreign processing should be based on the evaluation of the capability (capacity and intent to use such capacity) of domestic processors to handle the expected harvest, coupled with an evaluation of impacts of foreign processing on both the processing and the harvesting sectors of the U.S. fish industry.

The work group intends to provide final recommendations by the end of the year.

Recommendations

Considering the industry capacity demonstrated in 1980 and 1981 it would seem that if the runs materialize at or below the point forecast the vast majority of the available surplus would be harvested. The Department has pointed out that runs in Southeastern, Prince William Sound, and Bristol Bay are most likely to exceed past demonstrated capacity. We can obviously not guarantee at this point where the runs will fall within the forecast range. We also cannot predict industry intent due to our lack of firm knowledge of market conditions which will prevail this season. Nevertheless, we do know that pink salmon make up some 60 percent of the statewide total and would be a historical record if they materialize as forecast. The three fisheries identified as having possible surpluses in excess of capacity all would have surpluses of pink salmon. This may make the potential for surplus more credible.

We would also point out that, given the potential for a surplus of available pink salmon, there may be a lack of interest in harvest of this species in more remote areas or where quality is less than in the more usual fisheries. Unharvested surpluses of pink salmon have commonly occurred in Norton Sound and in recent years in Bristol Bay. Terminal area harvests at hatchery facilities may also produce lower quality fish of lessened demand.

We have highlighted certain area/species problems. None are so clear as to demand action without further consideration of industry intent. Nevertheless, the potential for unharvested surpluses clearly exists and we suggest this trigger the need for further study and possible action by appropriate bodies.

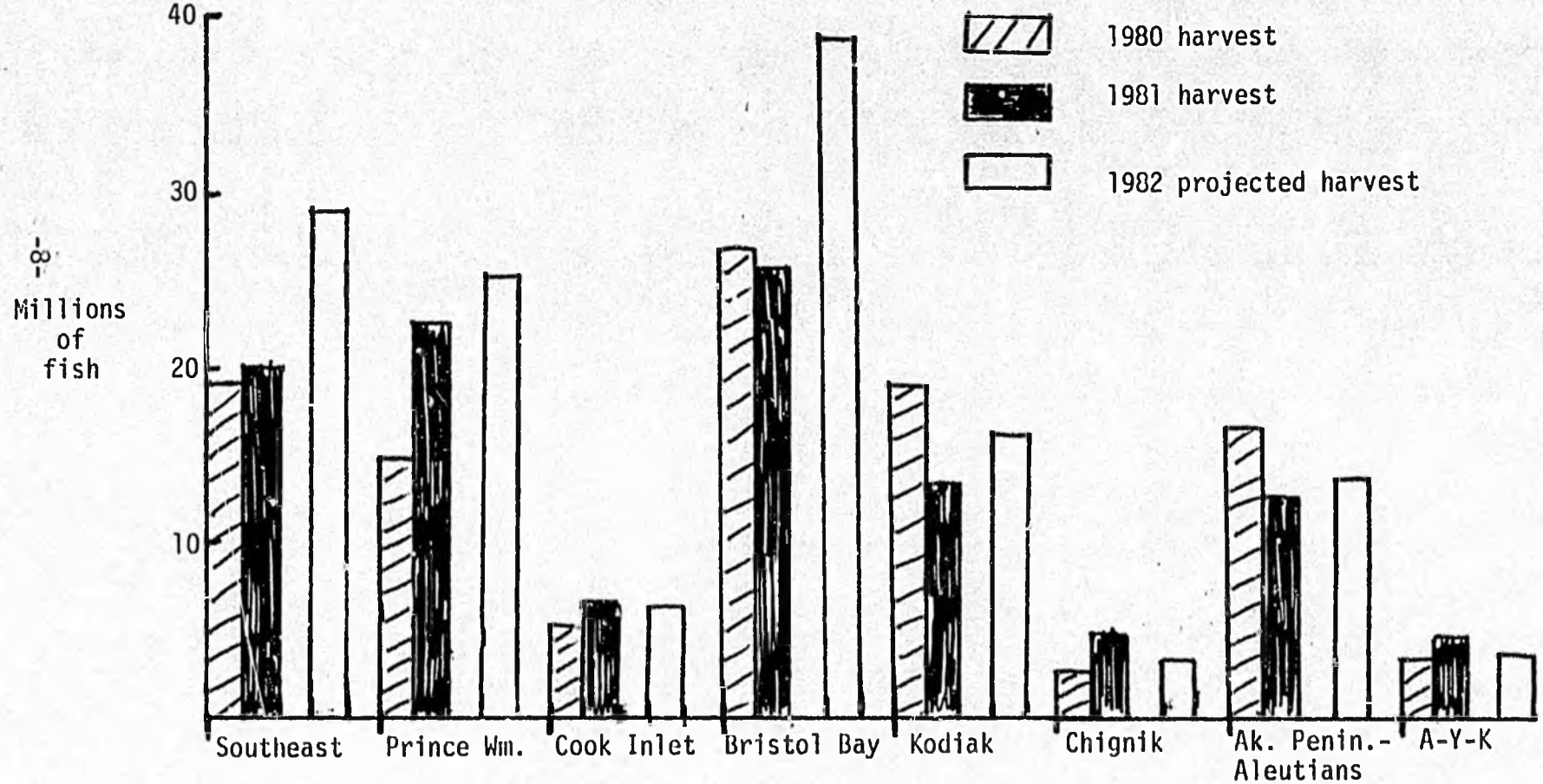


Figure 1. Comparison of 1980 and 1981 commercial salmon harvests to harvestable surpluses projected for major Alaska fisheries in 1982.

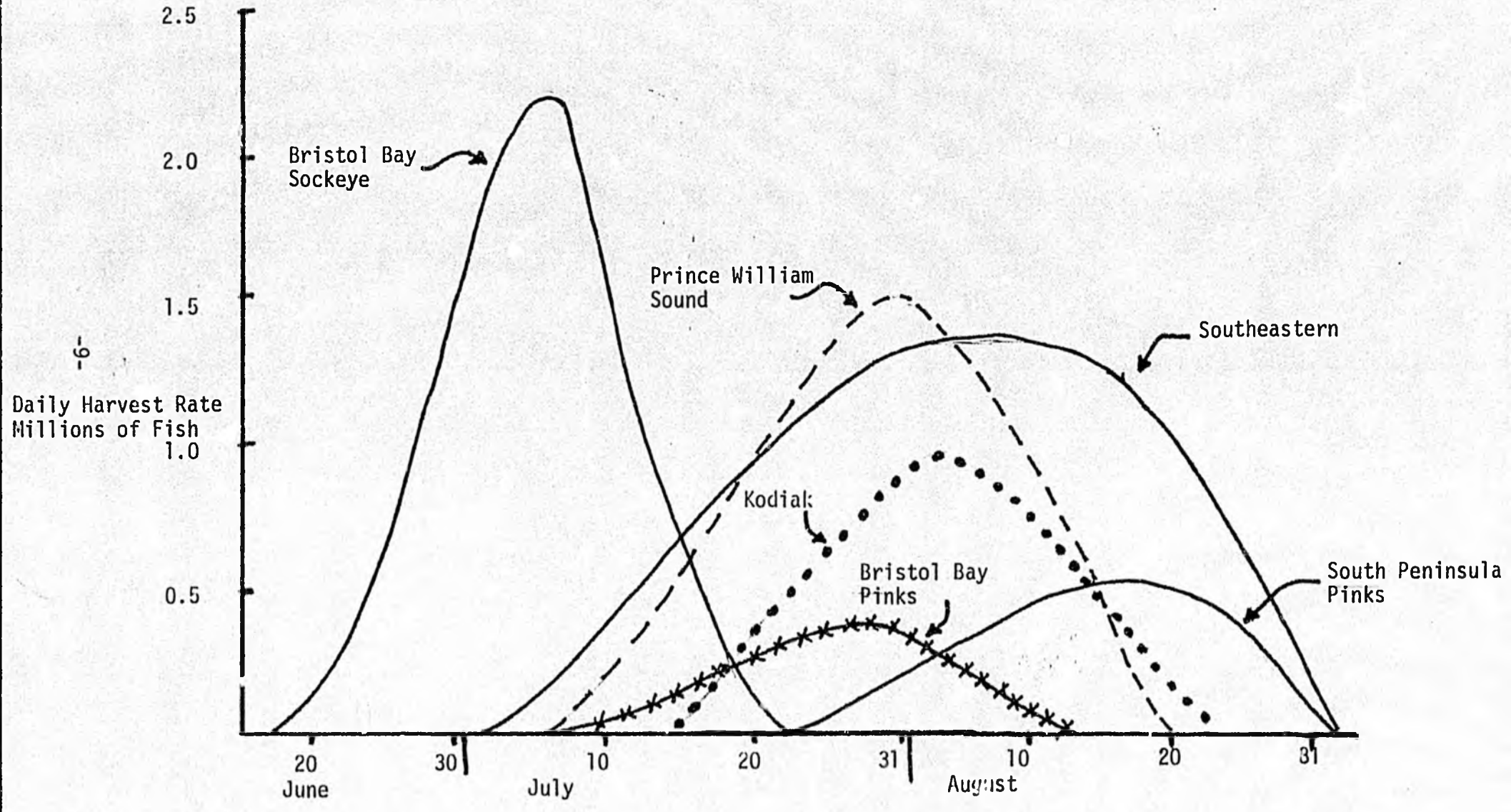


Figure 2. Projected daily harvest rates for selected 1982 Alaskan commercial salmon fisheries.

Table 1. Comparison of 1980 and 1981 commercial salmon harvests to harvestable surpluses projected for 1982 Alaska fisheries.

Fishery	Commercial Harvest in Millions of Fish		
	1980	1981 1/	1982 Projected
Southeastern	18.7	21.0	29.2
Prince William Sound	15.2	23.3	25.7
Cook Inlet	5.2	6.7	5.8
Bristol Bay	28.1	27.7	38.9
Kodiak	10.2	13.1	15.9
Chignik	2.3	3.6	3.0
Alaska Peninsula-Aleutians	18.3	12.1	12.9
Arctic-Yukon-Kuskokwim	3.3	3.9	3.6
State Total	110.3	111.4	135.0

1/ Preliminary, compiled November 23, 1981.

Table 1. Comparison of 1980 and 1981 commercial salmon harvests to harvestable surpluses projected for 1982 Alaska fisheries.

Fishery	Commercial Harvest in Millions of Fish		
	1980	1981 1/	1982 Projected
Southeastern	18.7	21.0	29.2
Prince William Sound	15.2	23.3	25.7
Cook Inlet	5.2	6.7	5.8
Bristol Bay	28.1	27.7	38.9
Kodiak	19.2	13.1	15.9
Chignik	2.3	3.6	3.0
Alaska Peninsula-Aleutians	18.3	12.1	12.9
Arctic-Yukon-Kuskokwim	3.3	3.9	3.6
State Total	110.3	111.4	135.0

1/ Preliminary, compiled November 23, 1981.

Table 2.
Projected daily processing capacity estimates for selected Alaskan salmon fisheries in 1982.

Area	Daily Processing Capacity (numbers of salmon) Canning	Fresh-Frozen	Export	Combined
Southeastern	750,000	274,000	350,000 1/	1,374,000
Prince William Sound	597,000	100,000	260,000 2/	957,000
Bristol Bay	684,000	648,000	468,000	1,800,000
Kodiak	715,000	171,500	3/	886,500
South Peninsula-Aleutians	400,000	100,000	3/	500,000

1/ The 1978 estimated export level.
2/ Considered a minimal level.
3/ Unknown.

Table 3.
Summary of plants and operational canning lines available for the 1982 salmon season in selected areas.

Area	Plants	Operational Canning Lines Available				
		1/4 lb.	1/2 lb.	1 lb.	4 lb.	Total
Southeastern	9	2	8	13	2	25
Prince William Sound	5	3	6	6	1	16
Kodiak	8	0	7	8	1	16
Chignik	1	0	1	2	0	3
Alaska Peninsula-Aleutians	3	0	3	6	0	9
Bristol Bay	12	2	18	18	0	38

ALASKA DEPARTMENT OF FISH AND GAME
DIVISION OF COMMERCIAL FISHERIES

1982 PROCESSING CAPACITY UPDATE
TO THE
ALASKA BOARD OF FISHERIES

Anchorage, Alaska
April 1982

1982 PROCESSING CAPACITY UPDATE

Introduction

The 1982 Alaskan salmon processing picture continues to demand serious attention by fishermen, processors, and government officials. Central to the success of what could represent a record commercial salmon season for Alaska is the ability of the salmon industry to catch and process the surpluses as they become available for harvest. The Alaska Board of Fisheries and the Department of Fish and Game has attempted to anticipate potential harvesting and processing difficulties so that unplanned under utilization or wasteage of Alaska's important renewable fish resources may be avoided. The Department of Fish and Game compiled a preliminary evaluation of the potential 1983 domestic processing capacity for presentation to the Board of Fisheries in December 1981. It was recognized that important additional information would come available as industry plans solidified and that an updated evaluation of the processing picture would aid the Board of Fisheries in further considering possible regulatory solutions during their spring meeting. This update is intended to serve in that capacity by reporting what limited new information has come to light since December 1981.

The information contained in this report is intended to supplement the Preliminary 1982 Processing Capacity Report. Only those fisheries identified as strong candidates for processing shortfalls are addressed. It is also hoped that additional information will be brought to the Board's attention as a result of the public hearing.

It must be stressed that processing capacities described in this report as well as that of the Preliminary 1982 Processing Capacity are potential processing capacities based on either past observed actual capacities or estimates of capacity obtained through direct contact with local processors unless otherwise stated.

While it is difficult if not impossible to judge precisely what level of potential capacity will actually be utilized by individual operators, the information permits pre-season identification of likely problem areas. The following narrates new information concerning selected fisheries and provides recommendations for further consideration. Tables 1 and 2 list the revised harvest projections for the State's commercial salmon fisheries and projected daily processing capacity estimates derived for selected salmon fisheries.

Fishery Updates and Recommendations

A resurvey of Southeastern Alaska salmon processors did not detect major differences in the region's overall processing capacity situation as reported earlier. There is a possibility of two 1/4 pound canning lines being added to one processors capability, but it is not expected to significantly increase the region's canning operations.

Tender capacity remains an important uncertainty and will be a prime factor in deciding the region's successful handling of the anticipated

record harvest. While the Department believes adequate numbers of tenders will be available to processors to move fish both within the southeast region and to areas outside for processing, it cannot be verified. One company has indicated plans to move a considerable number of pink salmon outside the State for processing. Other southeast companies with affiliation to Canadian or Washington processors may elect to follow suit.

In light of the importance of tendering support to region processors and to provide adequate export capabilities, it may be desirable to adjust the management strategy by spacing fishery openings to enhance the even supply and transportation of harvests to processors. This approach was successfully used during the 1977 purse seine fishery when one day openings were evenly staggered through the peak fishing weeks instead of the more normal three to five day consecutive fishing periods. The staggered daily opening fishing pattern must be applied cautiously as it does increase fleet harvesting effectiveness and not all southeast pink salmon stocks may be able to withstand the pressure.

Lastly, it remains evident that domestic processing shortfalls would likely occur if the harvest exceeds the 25.5 million pink salmon projection. In this event consideration should be given to permitting the use of foreign tenders to move fish outside southeast for processing.

Prince William Sound remains high on the list of fisheries potentially in need of additional processing capacity. Resurvey of all major salmon processors indicated only slight changes in individual plant processing capacities leaving the area wide picture as reported earlier.

A 2.5 million fish shortfall in potential domestic processing capacity is projected to occur during the two peak harvest weeks (July 26 to August 8). Like Southeastern, the Prince William Sound fishery must rely heavily on export capacity to processing facilities outside the area. In this regard several companies reported firm commitments with Cook Inlet plants to handle Prince William Sound catches. While Kodiak has in past years processed up to 50% of the fish exported from Prince William Sound that capacity may be needed to handle Kodiak harvests.

Certainly, the Prince William Sound pink salmon fishery stands as a prime candidate for foreign processing. Interest in accessing foreign processing capacity has been expressed by some domestic operators.

Though the Kodiak salmon fishery was not initially identified as a candidate for capacity problems based on past area harvests it is now apparent that Kodiak capacity may be stressed by fish imported from other fisheries that coincide with its peak harvest periods (Figure 1). Specifically, the 4.5 million weekly processing capacity estimated for Kodiak area operators while adequate for the expected maximum weekly harvest rate of 4 million fish may be inadequate to also cover a potential half million fish weekly export from Prince William Sound [illegible] from other area exports. Comparison of pink salmon run timing shows similar peak harvest periods for both Kodiak and Prince William Sound fisheries. Clearly, the most direct resolution of this potential problem is to address the capacity deficiencies in Prince William Sound thereby reducing the potential burden on Kodiak.

No new information has been obtained from Bristol Bay salmon processors that would alter the preliminary capacity evaluation of the areas sockeye salmon fishery. Department biologists have revised the Kvichak River escapement goal from 2.0 to 4.0 million sockeye salmon spawners for the 1982 season to strengthen the normally weak mid-cycle year production. This lowers the anticipated sockeye salmon harvest to 27.2 million and may further ease the processing picture in the Naknek-Kvichak fishing district. Overall, Bristol Bay processors have demonstrated adequate capacity to handle the 1982 forecasted sockeye salmon harvest.

The situation may be considerably different during the Nushagak District pink salmon fishery which could potentially provide a record harvest of 8.2 million fish. Recent contact with processors show limited interest in this late July early August fishery. Although adequate processing capacity does potentially exist to handle the harvest it is now evident processing capacity shortfalls are likely. Unfortunately the Department cannot now quantify what the shortfall may be nor can the normally variable Nushagak River pink salmon forecast be expected to be precise. Certainly, the lack of processor commitment is related to confidence in the forecast; it is difficult to plan a processing operation for a fishery that may not materialize as predicted. The Nushagak District pink salmon fishery may be a strong candidate for foreign processing unless processors show considerably more interest.

The Norton Sound pink salmon fishery continues to share many of the same problems identified for the Nushagak District pink salmon fishery. Presently, no major processing effort is expected for the 1982 fishery,

which could potentially produce a 3.5 million harvest. Logistic problems, limited processing facilities, high transportation cost, and low price paid to fishermen is expected to prevent proper exploitation of surpluses available.

Foreign Processing Legislation Update

A bill is now before the U.S. Congress to prohibit foreign processing in State waters (Territorial Sea and Internal Waters) unless the Governor of the State invites them in. The bill is still going through a series of modifications, but the current language gives the Governor rather wide latitude on the criteria for allowing foreign processing and the procedures to be used. Lack of processing capacity is given as one basic criteria.

It is anticipated that this legislation will be in place before the 1982 Alaskan salmon season and will govern the State's use of foreign processing.

Table 1. Comparison of 1980 and 1981 commercial salmon harvests to harvestable surpluses projected for 1982 Alaska Fisheries.

Fishery	Commercial Harvest in Millions of Fish 1980	1981 1/	1982 Projected 2/
SOUTHEASTERN	18.7	21.0	29.2
PRINCE WILLIAM SOUND	15.2	23.3	25.7
COOK INLET	5.2	6.7	5.8
BRISTOL BAY	28.1	27.7	36.9
KODIAK	19.2	13.1	15.9
CHIGNIK	2.3	3.6	3.0
ALASKA PENINSULA-ALEUTIANS	18.3	12.1	12.9
ARCTIC-YUKON-KUSKOKWIM	3.3	3.9	3.6
State Total	110.3	111.4	133.0

1/ Preliminary, compiled November 23, 1981.

2/ Revised March, 1982.

Table 2. Projected daily processing capacity estimates for selected Alaskan salmon fisheries in 1982.

Area	Daily Processing Capacity (numbers of salmon) Canning	Fresh-Frozen	Export	Combined
SOUTHEASTERN	750,000	274,000	350,000 1/	1,374,000
PRINCE WILLIAM SOUND	545,000	97,000	290,000 2/	932,100
BRISTOL BAY	684,000	648,000	468,000	1,800,000
KODIAK	725,000	170,000	3/	895,000
SOUTH PENINSULA-ALEUTIANS	325,000	100,000	3/	425,000

1/ The 1978 estimated export level, although a 250,000 lbs./week export capacity is planned by one processor for 1982.

2/ Considered a minimal level.

3/ Unknown.