

ALASKA LEGISLATURE COMMITTEE FILES 1985-1984 86/2

2868 SRES SB 461 - SB 473 2868

DEC, in cooperation with DNR and DF&G, will actively engage in research designed to

- a) verify settling pond discharge quality and permit limitations,
- b) determine effects of partial recycling upon turbidity impacts to streams,
- c) investigate mixing characteristics of placer mining discharges in streams to determine new procedures for establishing mixing zones,
- d) analyze innovative pollution control methods as they are developed,
- e) compile costs and effectiveness of recycling,
- f) re-examine the adequacy of the turbidity standard, and other measures and levels for measuring light penetration and effects,
- g) gather stream information to determine possibilities for future uses,
- h) analyze innovative gold recovery techniques for reduced pollution potential,
- i) preparing a "best mining practices" program, and
- j) investigating options for basin-wide water planning.

As information becomes available, DEC will convey it to EPA for incorporation into their rule-making, permit development, and other processes.

Staffing and Budgetary Needs

There is inadequate staffing and funding within the State's natural resource agencies to research, monitor, test, lend technical assistance, and enforce compliance with placer mining requirements to the extent that is necessary to meet long-term goals. Accordingly, DEC, DNR, and DF&G will develop a budget summary which identifies staffing and funding levels needed to implement the State's strategy for addressing its placer mining policies in an equitable and effective manner. This will be done in time for preparation of the FY 1986 budget.

Dated May \_\_\_\_\_, 1984

\_\_\_\_\_  
 Richard A. Neve  
 Commissioner  
 Department of Environmental Conservation

\_\_\_\_\_  
 Esther Wunnicke  
 Commissioner  
 Department of Natural Resources

\_\_\_\_\_  
 Don Collinsworth  
 Commissioner  
 Department of Fish and Game

POSITION PAPER

ON

SENATE BILL 461

BY

Richard A. Neve'  
Commissioner

Alaska Department of Environmental Conservation

March 22, 1984

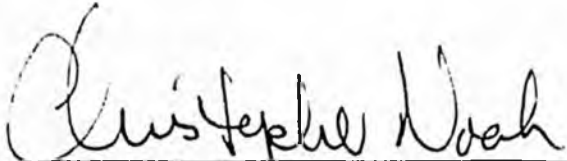
An Act Relating to the Management and Use  
of Water in Mining

The Department wholeheartedly, enthusiastically supports this legislation. This bill would demonstrate new ideas in pollution control and increased gold recovery, which suprisingly are often compatible. Archaic sluice box "technology" fails to capture fine gold particles and demands high water use, thus causing costly pumping and waste treatment problems. This bill provides incentive to focus research, money, miners' natural ingenuity, and state laboratory, engineering, and technical resources on broad, innovative schemes to increase gold recovery, reduce water consumption, reduce discharges to streams, and give new thought to decreasing waste generation.

This bill has a meritorious aspect deserving special note: it places the Alaskan miner, with admirable ingenuity and resourcefulness, in the lead role to develop his own ideas and make them work. Government bureaucrats and consultants take a secondary role: that of testing and writing evaluations. It also places DEC and DNR field staff in an enviable positive situation -- that of verifying water reduction and recycling successes and making loan forgiveness an easy matter for the miner.

It's much better to spend time and money on increasing gold recovery and reducing water consumption and discharge than on digging deeper settling ponds. New methods and technology and their applications offer the best solution for the future of placer mining. This bill provides for just that.

The department is unable, however, to support creation of an advisory board. We suggest incorporating the duties and powers of this proposed advisory board into an existing board or creation of a review committee and guidance therefor.

  
for: Richard A. Neve'  
Commissioner



# Alaska State Legislature

## Senate

Official Business

FOR IMMEDIATE RELEASE:  
February 13, 1984

Pouch V  
State Capitol  
Juneau, Alaska 99811

### FAHRENKAMP BILL WOULD AID

### ALASKA'S PLACER MINERS, SATISFY EPA

JUNEAU, AK -- A bill to provide state financial assistance to help Alaska's placer miners comply with the federal Environmental Protection Agency's (EPA) Clean Water Act requirements was introduced in the State Senate today by Sen. Bettye Fahrenkamp (D-Fairbanks).

The legislation would establish four separate loan programs, two each in the state Departments of Natural Resources and Environmental Conservation, designed to help the state's small placer miners pay for the cost of modifications that will bring their operations within the clean water limits established by the EPA.

"Without such assistance, the EPA could put many of our miners out of work and on the state's welfare rolls," Fahrenkamp said today.

"For the past four years, we have held numerous public hearings and have conducted countless discussions on the matter with local miners, state officials, and federal representatives of the EPA. Our initial thrust was to have the EPA waive or reduce the requirements for Alaska's small miners because the costs of complying with the federal regulations would put many of our miners out of business," Fahrenkamp explained.

"Though the EPA has refused to budge on this, we intend to keep fighting

(more)

placer miners, page two

for an equitable solution. In the meantime, and in the event we should fail in spite of our good intentions, we should help our miners by creating state loan programs which will allow them to comply with the federal Clean Water Act requirements in such a way that they don't go broke in the process," she said.

The Fahrenkamp bill would establish a state Mining Water Use Board which would be responsible for reviewing all grant and loan applications submitted through the loan programs promulgated by the bill.

Two of those programs would be established under the Alaska Department of Environmental Conservation. The first is a Placer Mining Water Recycling Loan Program which would apply to both individual placer miners and placer mining businesses. Under the program, loans would be granted to placer miners to purchase water recycling pumps and equipment. The program allows 50 percent of the loan amount to be forgiven for recycling 50 percent of water usage; 100 percent would be forgiven if 100 percent of the water is recycled.

The second program, termed the Innovative Pollution Control Demonstration Grant Program, would issue financial grants to placer miners to study and test innovative and economically viable pollution controls, mining and waste disposal techniques which could be used by the placer mining industry.

"In short, with this program we are trying to encourage what used to be called 'Yankee ingenuity'," Fahrenkamp said.

Her bill would also create two new programs under the state Department of Natural Resources (DNR). The first of these, Innovative Gold Recovery Demonstration Grants, is a direct grant program to placer miners and placer mining businesses to study and test new methods of gold recovery methods.

(more)

placer miners, page three

The second DNR program is known as the Placer Mining Water Reduction Loan Program. Under the program, loans would be made to placer miners for technology that reduces the amount of water used in their placer mining operations. Like the water recycling program under DEC, this program would also forgive 50 percent of the loan for a 50 percent reduction in water usage, and 100 percent of the loan for an 80 percent reduction in water usage.

The Mining Water Use Board, charged with reviewing all loan and grant applications made under the four programs, would consist of representatives of the departments of Environmental Conservation, Natural Resources, and Commerce and Economic Development. In addition, a representative from the University of Alaska's Department of Mining and two public members familiar with the mining industry, and appointed by the governor, would complete the review board's makeup.

"In this particular situation, our small miners are unable to help themselves, and the federal government refuses to cooperate to lessen the economic impact imposed by its own regulations," Fahrenkamp said. "The legislation I have introduced today may not be perfect, but I believe it is a step in the right direction."

-30-

For further information, contact:  
Jim Palmer, Tel.: 465-3762

021384



Page 2, Lines 25-26

(1) a proven history of successful placer mining in the state;

Page 3, Lines 5-22

Deleted section entitled Placer Mining Water Reduction Loan and Grant and renumbered following sections.

(1) a proven history of successful placer mining;

Sec. 46.16.080. PLACER MINING WATER REDUCTION LOAN AND GRANT.

(a) The placer mining water reduction program is established as a loan and grant program.

(b) A person whose primary source of income is derived from placer mining may apply for a loan to purchase and test equipment that reasonably offers the possibility of a reduction in the amount of water used in placer mining.

(c) If a loan applicant offers evidence reasonably believed by the review committee to indicate a 50 percent reduction in the amount of water used in the placer mining operation, the review committee may recommend to the commissioner of natural resources that 50 percent of the loan be considered a grant to the loan applicant.

(d) If a loan applicant offers evidence reasonably believed by the review committee to indicate an 80 percent reduction in the amount of water used in the placer mining operation, the review committee may recommend to the commissioner of natural resources that the entire loan be considered a grant to the applicant.

(e) A loan under this section may not

- (1) exceed \$50,000;
- (2) exceed a term of 10 years;
- (3) have an interest rate exceed 10 percent per annum;

or

(4) have a repayment schedule requiring payments within one year after the loan was disbursed to the applicant.

(1) a proven history of successful placer mining;

Page 3, Lines 13-14

(1) a proven history of successful placer mining in the state;

Page 3, Lines 23-29

Deleted section entitled Placer Mining Water Recycling Loan and Grant Program and renumbered following sections.

Sec. 46.16.100. PLACER MINING WATER RECYCLING LOAN AND GRANT PROGRAM. (a) The placer mining water recycling program is established as a loan and grant program.

(b) A person whose primary source of income is derived from placer mining may apply for a loan to purchase and test equipment that reasonably offers the possibility of recycling the water used in placer mining.

(c) If a loan applicant offers evidence reasonably believed by the review committee to indicate that the loan applicant has recycled 50 percent of the water used in the placer mining operation, the review committee may recommend to the commissioner of environmental conservation that 50 percent of the loan be considered a grant to the loan applicant.

(d) If a loan applicant offers evidence reasonably believed by the review committee to indicate that the loan applicant has recycled 80 percent of the water used in the placer mining operation, the review committee may recommend to the commissioner of environmental conservation that the entire loan be considered a grant to the applicant.

(e) A loan under this section may not

(1) exceed \$50,000;

(2) exceed a term of 10 years;

(3) have an interest rate exceeding 10 percent per annum; or

(4) have a repayment schedule requiring payments within one year after the loan was disbursed to the applicant.

Page 3, Lines 23-25

(a) All information generated as a result of grants made under this chapter is public information.

(a) The information gathered and obtained from loans and grants made under this chapter is public information.

Page 3, Line 29

(b) The contents of an application for a grant are available to

(b) the contents of an application for a grant or a loan are available to

Page 4, Lines 2-9

Sec. 46.16.100. PATENTS. A person who applies for a grant under this chapter shall assign to the state the right to ~~X~~ patent any patentable process developed as a result of a grant under this chapter. The department making the grant shall seek to patent any patentable process developed as a result of a grant under this chapter. The state shall license without cost to a person engaged in placer mining in the state the right to use in the state a patented process that was developed as a result of a grant under this chapter.

New section added to House Bill

*Governor signed 6-22-84*

SB 461 AN ACT RELATING TO THE MANAGEMENT AND USE OF WATER IN MINING.

OBJECTIVE: TO PLACE THE ALASKAN PLACER MINER IN A LEAD ROLE IN DEVELOPING NEW IDEAS AND TECHNOLOGY SO THE PLACER MINING INDUSTRY CAN CONTINUE WHILE PROTECTING THE QUALITY OF OUR STATE'S STREAMS. NEW METHODS AND TECHNOLOGY OFFER THE BEST HOPE FOR THE FUTURE OF PLACER MINING.

MAJOR PROVISIONS:

1. SETS UP TWO GRANT PROGRAMS.
  - A. INNOVATIVE GOLD RECOVERY DEMONSTRATION GRANTS (DNR) TO STUDY AND TEST NEW METHODS OF GOLD RECOVERY AND WATER USE REDUCTION.
  - B. INNOVATIVE POLLUTION CONTROL DEMONSTRATION GRANT (DEC) TO STUDY AND TEST INNOVATIVE AND ECONOMICALLY VIABLE MINING TECHNIQUES FOR WASTE DISPOSAL AND POLLUTION CONTROL.
2. ALL GRANTS MUST BE REVIEWED BY "REVIEW COMMITTEE". DNR/DEC WILL ADMINISTER PROGRAMS. REVIEW COMMITTEE CONSISTS OF COMMISSIONERS OF DNR AND DEC, DEAN OF UNIVERSITY SCHOOL OF MINERAL INDUSTRY, 2 INDIVIDUALS WITH PLACER MINING EXPERIENCE, ONE PUBLIC MEMBER.
3. LIMIT ON GRANTS OF \$100,000 PER GRANT.

BUDGET (SB 409) CONTAINS \$3 MILLION FOR THE GRANT PROGRAM.

# Alaska State Legislature

SENATOR BETTYE FAHRENKAMP  
CHAIRMAN, RESOURCES COMMITTEE

4016 EVERGREEN  
FAIRBANKS, ALASKA 99701

907-479-3550



WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
OFFICE 907-465-3763  
RESOURCES COMMITTEE  
907-465-3834  
HOME 907-789-9182

SB 461 "AN ACT RELATING TO THE MANAGEMENT AND USE OF WATER IN MINING"

OBJECTIVE: TO PLACE THE ALASKAN PLACER MINER IN A LEAD ROLE IN DEVELOPING NEW IDEAS AND TECHNOLOGY SO THE PLACER MINING INDUSTRY CAN CONTINUE WHILE ~~AND~~ PROTECTING THE QUALITY OF OUR STATE'S STREAMS.

NEW METHODS AND TECHNOLOGY OFFER THE BEST HOPE FOR THE FUTURE OF PLACER MINING.

WHAT THE BILL DOES:

(1) SETS UP TWO LOAN AND TWO GRANT PROGRAMS.

A. INNOVATIVE GOLD RECOVERY DEMONSTRATION GRANT (DNR)

-- TO STUDY AND TEST NEW METHODS OF GOLD RECOVERY AND WATER USE REDUCTION.

B. PLACER MINING WATER REDUCTION LOAN PROGRAM (DNR)

-- LOANS TO PURCHASE AND TEST EQUIPMENT THAT REDUCES THE AMOUNT OF WATER USED IN PLACER MINING.

C. INNOVATIVE POLLUTION CONTROL DEMONSTRATION GRANT

-- TO STUDY AND TEST INNOVATIVE AND ECONOMICALLY VIABLE MINING TECHNIQUES FOR WASTE DISPOSAL AND POLLUTION CONTROL.

D. PLACER MINING WATER RECYCLING LOAN AND GRANT PROGRAM (DEC)

-- LOANS TO PURCHASE AND TEST EQUIPMENT THAT REASONABLY OFFERS THE POSSIBILITY OF RECYCLING WATER USED IN PLACER MINING.

(2) ALL LOANS AND GRANTS MUST BE REVIEWED BY "REVIEW COMMITTEE"

DNR/DEC WILL ADMINISTER PROGRAMS

(3) ALL LOANS AND GRANTS WILL BE FIRST REVIEWED BY "REVIEW COMMITTEE"  
WHICH WILL MAKE RECOMMENDATIONS TO THE COMMISSIONERS OF DEC AND DNR.

THE REVIEW COMMITTEE CONSISTS OF:

COMMISSIONERS OF DNR, DEC

DEAN OF THE UNIVERSITY SCHOOL OF MINERAL INDUSTRY

TWO INDIVIDUALS WITH PLACER MINING EXPERIENCE

ONE PUBLIC MEMBER.

(4) LIMITS ON LOANS AND GRANTS:

LOANS UP TO \$50,000 PER LOAN

GRANTS UP TO \$100,000 PER GRANT

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



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

## Senate

### Committee on Resources

#### MINUTES

March 26, 1984  
3:04 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Eliason  
Senator Paul Fischer  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 366, An Act relating to protection of forested land.

SB 480, An Act relating to the establishment of certain commodity marketing commissions.

SB 461, An Act relating to the management and use of water in mining; and providing for an effective date.

SB 462, An Act making a special appropriation to the Mining Water Use Board for loans and grants concerned with the management and use of water in mining; and providing for an effective date.

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#### SB 366

Sandra Schubert, Aide to Senator Fahrenkamp, explained that the Committee Substitute leaves fire suppression responsibility with the State, and clarifies which lands the State must protect and how much protection must be provided.

Senator Mulcahy moved to adopt the Committee Substitute for SB 366. There was no objection.

Carole Wilson, Special Assistant to the Commissioner of the Department of Natural Resources, testified that the Department supported the Committee Substitute.

Senator Sturgulewski moved CS SB 366 from committee with individual recommendations. There was no objection.

SB 480

Richard Ramsey, Aide to Senator Kerttula, explained that commodity marketing commissions, common in the lower 48, are intended to function as self-help institutions to further agricultural potential through marketing research, education, and promotion.

Sharon Barton, Special Assistant to the Commissioner of the Department of Natural Resources, testified that the Department supported the bill as an important step for Alaskan farmers. The Department would be involved in the organization of the commissions but not in their ongoing operations. She proposed an amendment that would clarify that DNR would perform "shell egg" inspections.

Senator Mulcahy moved to adopt DNR's proposed amendment and to move CS SB 480 from Committee. There was no objection.

SB 461

SB 462

Jim Palmer, Aide to Senator Fahrenkamp, explained that these bills would set up a program for researching the problems of placer mining and the pollution of streams. He spoke in support of the Department of Natural Resources' proposed amendments.

Pedro Denton, Division of Mining, Department of Natural Resources, spoke in support of the bill as the programs will provide a source of needed information for making management decisions. He offered specific amendments to clarify the intent of the bill.

Senator Vic Fischer suggested language be added to the Committee Substitute that would clarify that the intent of the innovative gold recovery grant program is to reduce water usage and pollution.

Randy Bayliss, Water Quality Section, Department of Environmental Conservation spoke in support of the bills urging the development of new methods and procedures for gold recovery as the best long range solution to placer mining problems.

Phil Holdsworth, Alaska Miners Association, spoke in support of the bills, and the need for more data from miners on new recovery techniques.

Senator Ziegler moved to adopt the added language suggested by Senator Vic Fischer. There was no objection.

Senator Sturgulewski moved to adopt the amendments proposed by the Department of Natural Resources. There was no objection.

Senator Ziegler moved CS SB 461 and SB 462 from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:04 pm.

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SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 473*

BILL NAME: *Establishing an Alaska Fisheries Council*

SPONSOR(S): *Kerttula*

RELATED BILLS PENDING:

DATE INTRODUCED: *2/15/84*

REFERRALS: *Resources  
Finance*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR  
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE  
SUBSTITUTES DRAFTED:

• Bill Hall, SAC

3114

• United Fisherman Alaska - Cass Parsons 586-2820

• ADFG - 4100 - Paddy McGuire

• Kerttula - Rousey

UDCED

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: March 15, 1984

REQUEST

Bill/Resolution No.: SB 473  
 Title: "establishing Alaska Fisheries Council..."  
 Sponsor: Resources & Finance  
 Requestor: Kerttula  
 Date of Request: March 15, 1984

FISCAL DETAIL

Agency Affected: Fish and Game  
 Program Category Affected: NRMEC  
 BRU, Program or Subprogram(s) Affected: Fisheries Resource Conservation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		95.8	100.6	105.6	110.9	116.5
200 TRAVEL		59.1	62.1	62.5	68.7	71.8
300 CONTRACTUAL		162.9	171.1	179.6	188.6	198.0
400 SUPPLIES		3.0	3.2	3.3	3.5	3.7
500 EQUIPMENT		13.0	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		333.8	337.0	353.7	371.4	390.0
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		333.8	337.0	353.7	371.4	390.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Beverly Reame, Director Phone: 465-4120  
 Division: Division of Administration Date: March 15, 1984  
 Approved by Commissioner: R. W. Kerttula Date: 3-15-84  
 Agency: Department of Fish and Game

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

SB 473

Staff:	Executive Director at 24A	\$ 67.1
	Secretary I at 10A	<u>28.7</u>
		\$ 95.8
Travel:	Boards Members	42.0
	Staff	5.0
	10 3-day meetings	<u>12.1</u>
		\$ 59.1
Contractual:	Boards Annual Report	\$ 150.0
	Phones, postage, copiers, etc.	5.5
	Space	<u>7.4</u>
		\$ 162.9
Commodities:	Office Supplies	3.0
Equipment:	Furniture for two	4.0
	Displaywriters	<u>9.0</u>
		\$ 13.0
	TOTAL	\$ 333.8



# UNITED FISHERMEN OF ALASKA

319 Seward Street, Suite #10  
Juneau, Alaska 99801-1188  
(907) 586-2820

Cass M. Parsons  
Executive Director

April 10, 1984

To the Members of the Alaska Fisheries Task Force:

As you may be aware, the United Fishermen of Alaska have gone on record in support of a bill currently before the legislature that would establish an Alaska Fisheries Council.

As members of the Task Force, we want you to be apprised of our reasons for supporting the concept of a fisheries council. The UFA is not opposed to the present policy making structure. We believe the mini-cabinet and the Task Force can be made to work in the best interest of all parties.

We have objected, however, to what we perceive to be a lack of industry voice in the present structure. We are concerned as to industries recourse in a situation where the mini-cabinet makes a policy recommendation to the Governor that is incompatible with the views of industry.

We have been in communication with the administration on this matter and have suggested a solution. We have suggested that the presently existing Task Force be given the ability to present a dissenting opinion to that of the mini-cabinet in the cases where it is necessary. Some members of the administration believe the Task Force already has this authority, we hope this is true.

However, some members of the Task Force are not clearly aware that the ability to offer a dissenting opinion exist. We have therefore encouraged the administration to communicate with you on this matter.

The UFA is very willing to continue with the present structure, i.e., the mini-cabinet and the Task Force as long as we can be assured that you, as a member of the Task Force and a representative of industry, have a formal ability to make the voice of industry heard.

Sincerely,

Cass M. Parsons  
UFA Executive Director

Philip Daniel  
Lobbyist

cc: Governor Bill Sheffield  
Members of Mini-Cabinet  
Bettye Fahrenkamp, Chairman of Senate Resource  
President of Senate  
Speaker of the House  
Bill Hall

APR 12 1984

SB 473

ALASKA FISHERIES POLICY TASK FORCE  
RECOMMENDATIONS AND RESPONSES, March 13, 1984

RECOM. GENERAL-  
NO. ADMINISTRATIVE

1-1 Develop State fish-  
eries policy with  
statements of goals  
and measurable ob-  
jectives.  
  
p. 24

A state fisheries policy must be devel-  
oped, adopted and implemented, that in-  
clude a statement of goals that define  
the benefits which should be produced  
for the people of Alaska from the  
utilization of our fisheries resources.  
The policy should contain a list of  
measurable objectives against which  
the activities of State government can  
be evaluated.

The statement should also clearly articu-  
late the expectations that the people of  
the State hold in regard to the utiliza-  
tion of fisheries resources. The role of  
government would then be to work coop-  
eratively with private industry to  
ensure that, to the maximum extent pos-  
sible, the expectations are satisfied.

The Fisheries Policy Task Force recom-  
mends that criteria be drafted by the  
Governor to be applied by the Board  
of Fisheries when making a decision on  
a proposal that deals primarily with  
matters of long-term allocation between  
various users.

It is recommended that each agency dis-  
card existing goals, start from scratch,  
and define what they expect to accom-  
plish in compliance with the State

Adopted,  
work to-  
wards im-  
plementa-  
tion in  
progress

This certainly is a primary goal of  
the Sheffield Administration. It  
is not an easy task, since such  
policies will cover a large variety  
of issues in a complex industry.  
Such policies will also have to be  
capable of update and modification  
based on changing circumstances.  
The task of policy development and  
implementation has been assigned to  
the Fisheries Mini-Cabinet. In-  
dividual agency goals and objectives  
prepared for the FY '85 budget  
submission will be used to develop  
an overall coordinated statement of  
goals and objectives for fisheries  
as a first step to policy develop-  
ment. Policy statements can be  
drafted concurrently. The Fish-  
eries Task Force Report will serve  
as a useful guide for this work.  
It should become immediately ap-  
parent where goals are either  
coordinated or require coordina-  
tion. The cabinet will assign  
agency staff to perform this  
function with completion of  
drafts due early in the next legis-  
lative session. Review by industry  
representatives and various reg-  
ulatory bodies such as the Board  
of Fish and North Pacific Fishery

fisheries policy as developed by the Fisheries Policy Council and the Fisheries Policy Task Force.

It is recommended that representatives of the seafood industry participate in the formulation of a State fisheries policy that includes desirable objectives and activities which would be used to determine budget priorities and that a process to evaluate the performance of agencies be implemented.

Management Council will, of course, occur prior to final adoption. A draft policy concerning joint ventures is now being circulated for comment.

The Task Force Report does not give an appropriate weight to the needs of the recreational and subsistence fisheries of the State. Clearly, any policy statement development has to include determination of the role of the recreational fishery in Alaska and promotion the orderly growth and development of the sport fishing industry.

In the development of policies, goals and objectives, use of existing documents should be taken into account. Identification of these will be one of the first jobs facing the Fisheries Mini-Cabinet. For example, statutes require comprehensive salmon enhancement planning with regional users and regional associations. In those areas of the State where regional associations have been formed, short and long term harvest objectives have been established for both enhanced and natural stocks.

1-2 Public pledge by Governor to work for fisheries development.

p. 56

The new Administration should make a very strong and definite public pledge to work to ensure the existing fishing industry as well as to the expeditious development of our under-utilized fishery resources.

Adopted and implemented.

1-3 Design and adopt policy implementation plan.

p. 56

The statement of support (Recommendation 1-2) should be accompanied by the implementation of a program that will confirm publicly the Administration's pledge. A reorganization and upgrading of the various fisheries programs that are currently scattered through numerous departments would confirm the Administration's commitment.

Immediately following the adoption of a State fisheries policy, a plan of implementation must be developed that not only describes operational goals and objectives, but also identifies the modifications in governmental structure necessary to ensure the efficiency of actual activities and the realization of benefits to be derived therefrom.

Adopted, work toward implementation is in progress.

Responsibility for policy implementation has been given to the Fisheries Mini-Cabinet.

1-4 Apoint a Special Staff Assistant for fisheries in the Governor's office.

p. 35

A person of demonstrated leadership and management ability must be given a position of authority from which he/she can work to ensure the successful implementation of the State fisheries policy. That person must be able to interact with representatives of the seafood industry, provide the Governor with information on State fisheries activities, and coordinate the fishery-related activities of State Government so as to maximize the benefits accruing to the people of the State.

All State fisheries-related programs should be coordinated through the Governor's Special Staff Assistant for Fisheries.

Not adopted.

At the current time, it is felt that most needs can be met through a formally functioning Fisheries Mini-Cabinet with advisory groups called on an ad hoc basis as required. It is not apparent that the same advisors would be suitable for all the various issues that will face the Fisheries Mini-Cabinet. The Fisheries Mini-Cabinet is expected to provide for the Governor the type of services that would come from a special assistant.

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| <p>1-5 Establish permanent industry-based fisheries advisory group.</p> <p>p. 34</p> | <p>The Task Force recommends a permanent industry-based fisheries advisory group be established. This group would be on call to the Governor and other state officials to advise on fisheries policy matters of concern to the State. This advisory group would also participate in the budget planning process each fiscal year and would further participate in an evaluation process at the end of each management year.</p>   | <p>Not adopted.</p>             | <p>Please refer to the response to recommendation 1-4 above.</p>   |
| <p>1-6 Set up "fisheries cabinet."</p> <p>p. 108</p>                                 | <p>It is recommended that the Governor set up a Fisheries Cabinet, consisting of the Chairman of the Commercial Fisheries Entry Commission, the Chairman of the Board of Fish, the Commissioner of Fish and Game, the Commissioner of Commerce and Economic Development, and the Governor's Special Staff Assistant for Fisheries to promote interagency and intergovernmental cooperation and coordination in the conduct of fisheries programs.</p> <p>It is also recommended that the Chairman of the Board of Fish, the Commissioner of Commerce and Economic Development, the Commissioner of Fish and Game, the Chairman of NPFMC, the Governor's Special Staff Assistant for Fisheries, and the Chairman of the Commercial Fisheries Entry Commission should meet with the Governor on a regular basis to coordinate State fisheries policy direction. This group should meet frequently, including prior to and following the annual series of meetings, to establish Alaska positions on all important fishery matters for the purpose of discussing and evaluating the outcome of their activities.</p> | <p>Adopted and implemented.</p> | <p>Governor Sheffield has formally appointed a Fisheries Mini-Cabinet and provided a set of specific charges. Cabinet membership includes the Commissioners of the Departments of Fish and Game, Commerce and Environmental Conservation and the Special Counsel for State/Federal relations. The cabinet is chaired by a Special Staff Assistant to the Governor.</p> <p>Additionally, the Chairman of the Commercial Fisheries Entry Commission, and the Executive Director of the Alaska Seafood Marketing Institute serve as associate members and from time to time other departments will be requested to provide support and assistance.</p> <p>Governor Sheffield's directions to the Mini-Cabinet are contained in a memorandum dated January 10, 1984 which is available for distribution.</p> |

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| <p>1-7 Add a fisheries person to the Governor's office staff in Washington, D.C.</p> <p>p. 86</p> | <p>That a strong fisheries presence be created in Washington, D.C., by adding a fisheries person on the staff of the Alaska Office under John Katz.</p> <p>The Task Force recommends that the Governor's Office in Washington, D.C., include a person knowledgeable in domestic and international fisheries.</p> | <p>Adopted and implemented.</p> | <p>A specific individual has been assigned to work with fisheries issues in the Governor's Washington, D.C. office.</p>   |
| <p>1-8 Establish central fisheries data and research bank.</p> <p>p. 64</p>                       | <p>It is the recommendation of the Task Force that a central fisheries data and research bank be established for use by all government agencies.</p> <p>A comprehensive data bank program should be designed, using monies currently earmarked for fisheries development.</p>                                    | <p>Review continuing.</p>       | <p>It is an attractive idea to have a central place where industry, agencies and general public can go to extract pertinent fisheries data. The Fisheries Mini-Cabinet will give careful consideration to under what auspices and to what degree such centralization should take place. Each agency produces data regarding its own mission in an amount and detail that is not economically or logistically feasible, or even desirable, to centralize. Each agency uses that type of information in a way that the general public or other agencies would not utilize it; therefore, the utility of storing information in a central location must be carefully considered.</p> <p>There is also significant difference beyond storing information for general public use as opposed to a research data bank. It would seem there would not be much utility to putting a detailed research data bank in a central location. Agencies, both internally and with other agencies, need to know where</p> |

to go to get information in the detail that they require. It is not apparent that individual agencies at this moment have the type of internal coordination that allows the public or other agency representatives to go to a specific spot to acquire such information. For example, within the Department of Fish and Game, an individual should be able to acquire current catch and stock status information, hatchery status, and pertinent regulatory information from either a single source or at least very specific sources within the appropriate divisions. In the interface between agencies in terms of making sure that the appropriate information from each agency is brought to bear in a coordinated fashion, it should be clear where this data can be obtained and made certain that it can be easily obtained.

There is a need for a centralized fisheries research library. Currently, most agencies and even divisions within agencies, have their own library function. The State central library also maintains periodicals and journals, as do several Federal agencies. It is recommended at least in Juneau that the University of Alaska, the Alaska Department of Fish and Game, and the National Marine Fisheries Service, combine their resources into a single, central library

1-9 Allocate a larger portion of the State budget to fisheries programs.

p. 88

It is recommended that the State allocate a larger portion of the capital and operational budgets to fisheries programs since such expenditures constitute investments that generate considerable returns to the State.

Review continuing.

which could make appropriate articles, literature searches, journals, data reports, etc., available to professional people or to the public at large. This function also could be used to assist in training and education recommended elsewhere by the Task Force.

One of the specific charges by Governor Sheffield to the Fisheries Mini-Cabinet calls for an evaluation of the costs and benefits of existing State fisheries appropriations and programs. Such an evaluation is the necessary first step in any attempt to justify an increase or reallocation in fisheries appropriations.

There are numerous examples of cost effective improvements that could be made in the Department of Fish and Game's management program. In the area of resource regulatory management, it can be clearly shown that significant harvest increases are possible with better data analysis on resource population dynamics, allowing the opening of appropriate fishing areas and times to allow harvest of identified stock surpluses while doing a better job of protecting the required brood stock for future production. In the case of the hatchery program, many facilities have been developed to the point where it is a relatively

1-10 Use meaningful goals and measures of performance in the development of fishery agency budgets.

p. 90

Budgets for each fisheries agency should have meaningful goals and objectives stated. Instead, goals should state that which is expected to be accomplished, i.e., higher average income for Alaskan fishermen, maximizing the benefit of the fisheries resource to Alaskans, maximizing the participation of Alaskans in fish harvests and fish processing.

It is also recommended that measures of performance be expressed in terms of progress toward goals and not exclusively in quantifying activities. For example, the Enforcement Division of the Department of Public Safety does a good job of reporting quantitatively and states precisely the several thousand contacts they made with potential violators. However, no qualitative judgment was made about whether these contacts were beneficial to the State of Alaska. In the eyes of the Task Force, it is probably of more benefit to the State of Alaska to make ten contacts and arrests with major foreign vessels than it is to make 10,000 contacts with sport fishermen on the Kenai River.

Adopted, work towards implementation in progress

small capital investment to jump production significantly. For example, the present value of the program after the next proposed \$5 million capital investment would increase some \$47 million.

Meaningful goals and objectives are currently used, although improvement in this area is needed. The problem comes with quantifying how much better you are going to do in achieving these goals and objectives for a certain percentage of increase in agency fiscal resources. This is an area that will be examined during the process of using FY '86 budget submissions to provide initial steps toward a coordinated fisheries policy. Some of the examples given in the Fisheries Task Force Report are excellent and will be reviewed as part of the process of examining agency budget goals and objectives.

MARKETING

- 2-1 Increase ASMI funding in 1984 and future years.  
p. 97
- ASMI funding must be increased in the coming years to ensure an adequate effort for products produced by both the existing and developing fisheries.
- The State of Alaska and the Alaska fisheries industry should devote more dollars for generic promotion of Alaska seafoods through ASMI. The Task Force recommends the State's allocation to be increased to \$4.5 million for Fiscal Year 1984.
- Review continuing.
- The Governor's proposed budget for FY '85 is \$3,813,400 or 98.7% of the FY '84 adjusted base. The question of increased appropriations for ASMI is linked to the larger question of increased or reallocated appropriations to fisheries programs in general and requires the same response as #1-9 above. In ASMI's case, increased appropriations are also tied directly to the volume and value of seafood landings through the ASMI assessment paid by the industry.
- 2-2 Increase ASMI budget allocation for developing fisheries.  
p. 97
- The Task Force sees the need for increased emphasis within ASMI on white fish marketing. Funding for an expanded white fish marketing campaign has been identified in the attached budget recommendations, Appendix B.
- A review of the dollar allocation system by species should be conducted with the intention being to encourage promotion of developing fisheries production.
- Referred to ASMI Board of Directors.
- This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors and their functioning Marketing and Quality Assurance Committees.
- 2-3 Maintain ASMI independence.  
p. 97
- The Task Force is of the strong opinion that the industry composition of ASMI must be maintained, i.e., that ASMI must not be absorbed by bureaucracy and that even while functioning as a State entity, ASMI must be allowed to continue its independence from the bureaucracy itself.
- Adopted and implemented.
- Governor Sheffield continues to support independent program development by ASMI. However, because of the Administration's duty to ensure that State appropriations are spent legally and responsibly, it is important that clear and well developed administrative ties be maintained between ASMI and the Department of Commerce and Economic Development.

2-4	Continue ASMI emphasis on high quality.  p. 97	The committee urges continued work by the Alaska Seafood Marketing Institute (ASMI) on its voluntary premium quality label concept and supports the on-going efforts of ASMI and the Dept. of Environmental Conservation in preparing, in cooperation with fishermen and processors, handling guidelines for all Alaska seafood from the water to the consumer table and on developing industry and consumer quality assurance education and training programs.	Referred to ASMI Board of Directors.	This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors and their functioning Marketing and Quality Assurance Committees.
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ASMI should continue its emphasis on promoting Alaska seafoods with the highest-quality image.

FISHERIES  
DEVELOPMENT

3-1	Establish Division of Fisheries Development in DCED.  p. 47	Replace the Office of Commercial Fisheries Development with a Division of Fisheries Development. The division would have equal status with the Division of Tourism and would be responsible for coordinating fisheries activities within that department.  The role of fisheries development is so important to Alaska's future that the Task Force strongly recommends it be conducted from a "Division," rather than through an "office."	Not adopted.	Division vs. office designation is largely a question of perceived status as there is very little inherent operational or functional advantage of one over the other. Divisions of State Government generally encompass a greater number of people and scope of activity. given the level of staffing in UCFD, the "office" concept fits the present organizational scheme of the department. The task force recommendation that UCFD coordinate fisheries related activities within DCED is a matter of function rather than structure and the office will be performing that function within the context of its current organizational structure.
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| <p>3-2 Acquire and report wholesale prices if requested.</p> <p>p. 134</p>                           | <p>The State, in the past, has commissioned market studies in an attempt to provide final product forecasts that would be useful by those engaged in fish price negotiations. Such studies have not proven helpful in the negotiation process. The State should continue to provide the vehicle for the voluntary reporting of average wholesale prices where the affected parties request such.</p>   | <p>Adopted and implemented.</p> | <p>Currently, the Department of Revenue collects and reports wholesale price data for canned salmon. The Department of Commerce and Economic Development and other relevant agencies were directed by the Legislature to study the costs and benefits of collecting and reporting price information for all salmon products. The results of that study have been organized in a report that was presented to the Legislature in January.</p>  |
| <p>3-3 Wait for Task Force recommendation before committing OCFD contractual funds.</p> <p>p. 95</p> | <p>That the Office of Commercial Fisheries Development should withhold committing existing contractual funds for Fiscal Year 1983 until the final recommendations of the Task Force are presented to the Governor. The Task Force has considered recommending "sunsetting" the division, but instead, the preliminary recommendation is to reorient the many programs into just a few which directly address the priority needs of the industry.</p> | <p>Adopted and implemented.</p> | <p>UCFD funds were not committed until the task force completed its report and virtually all professional services contracts are closed out or being closed out. The goals and objectives of the office are being reoriented and its role in fisheries development redefined. Generally for the remainder of FY '84 and for FY '85, small projects and professional service contracts will be kept to a minimum. A current summary of objectives and services provided by the office is available for distribution.</p> |
| <p>3-4 Concentrate and improve relevancy of OCFD program.</p> <p>p. 95</p>                           | <p>That the Office of Commercial Fisheries Development should withhold committing existing contractual funds for Fiscal Year 1983 until the final recommendations of the Task Force are presented to the Governor. The Task Force has considered recommending "sunsetting" the division, but instead, the preliminary recommendation is to reorient the many programs into just a few which directly address the priority needs of the industry.</p> | <p>Adopted and implemented.</p> | <p>UCFD funds were not committed until the task force completed its report and virtually all professional services contracts are closed out or being closed out. The goals and objectives of the office are being reoriented and its role in fisheries development redefined. Generally for the remainder of FY '84 and for FY '85, small projects and professional service contracts will be kept to a minimum. A current summary of objectives and services provided by the office is available for distribution.</p> |
| <p>3-5 Apply FY '83 operating funds saved by OCFD program reduction to ASMI.</p> <p>p. 78</p>        | <p>The committee recommends that the two projects proposed to be undertaken jointly with ASMI with a budget of \$202,000 also be reviewed by the industry committee. The committee also recommends that any dollars saved from the \$269,000 and/or from the operating appropriation budget noted above be added to that pool of money to be used by ASMI this year for its proposed projects.</p>   | <p>Adopted and implemented.</p> | <p>ASMI's summer salmon barbecue promotion was supported by a \$202,000 RSA from UCFD. Other funds were returned to the State General Fund or obligated to the Division of Finance and Economics for the procurement of a seafood market information system.</p>  |

3-6 Drop one planned OCFD project, continue with four others.

p. 77

1. The Resource Library Project should proceed;
2. World Food Patterns Project should be done by staff;
3. The Ozone/Quality Project has the endorsement of the Department of Environmental Conservation. We recommend proceeding;
4. The Process Cost Model Project ought to be dropped completely.

The Small Projects Program should proceed. An industry review team should be set up to critique the projects proposed and to aid in the selection of those to be funded.

Adopted and implemented.

OCFD's ozone/quality project and the small projects program were continued while the other projects were dropped as suggested by the task force.

3-7 Review all regulatory and taxing policies that affect the seafood processing industry. Encourage climate for growth.

p. 134

State regulatory and taxing policies can adversely affect the processing segment of the industry. The committee recommends a thorough review of all such activities with the objective of creating a regulation and taxing climate that will encourage the growth of the processing industry within the State.

Adopted, work toward implementation in progress.

The OCFD routinely monitors the taxing and regulatory posture of the State and will question policies that may discourage private commercial enterprise. Work on two component parts of the issue is underway. In conjunction with the study conducted regarding wholesale price reporting (recommendation 3-2), the question of duplication of forms and reports required by the State was examined and recommendations are contained in the report. Additionally, OCFD is cooperating with the Department of Revenue and others to investigate the potential of a fisheries business tax credit incentive program to stimulate investment in groundfish production, equipment for value added processing, and product quality assurance.

3-8	Continue use of Department of Labor commissioner to mediate price disputes when requested.  p. 132	The committee recommends against any additional government involvement in fish price disputes. However, the ability of the commissioner or deputy commissioner of labor to serve as an informal, nonbinding mediator should be continued as a means whereby the State can properly assist in keeping lines of communication open between the disputing parties.	Adopted and implemented.	The Commissioner of the Department of Labor will continue to mediate price disputes when requested.
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MANAGEMENT

4-1	Increase salmon run forecast accuracy.  p. 51	In the area of salmon run forecasts, there is a significant need for increased research to improve methods and accuracy. ADF&G must increase its forecast accuracy.  The State should allocate research funds for the purpose of improving forecasting accuracy.	Adopted (in principle), work towards implementation in progress.	This has been an objective of the Department of Fish and Game for some time, although meaningful progress has been slow and, in some cases, not apparent. The track record does not indicate that forecasts in general are becoming better. One of the primary problems is the inability to control or evaluate the influence of variable marine survival. There are also very few salmon runs around the State for which accurate data exists over a significant period of time to relate total escapement and freshwater production with resultant returns, including catch and total escapement by stock.  Forecasts are used by industry, the Board of Fisheries, and the general public in planning for their seasons and in determining allocation plans. The resource manager uses the forecast as part of an updating procedure. Preseason forecasts are viewed as preliminary indications to
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develop management strategies, but, due to potential inaccuracies and the fact that it is not possible to forecast all of the major runs, the manager relies on an inseason updating process. Various indicators of stock abundance are used inseason to continually update the forecast until finally the total run is accounted for. The forecast, therefore, serves as a first yardstick. Obviously, if forecasts were completely accurate, they would provide a very valuable management tool; with declining funding, it has been judged more important to be able to assess stock abundance during the season so that fleets can be steered to harvest of stock surpluses while protecting runs that may not meet brood stock requirements than to spend significantly greater resources on forecasts per se.

The department does want to increase forecast accuracy and, within the present level of funding, is addressing the issue by improving the data base on escapement and catch by stock, improving biometrics analysis of existing forecast related data and, in a very few cases, expanding measurement of important life history stages such as outmigrating smolt in Bristol Bay. Much of the same data that goes into a forecast is generally used to evaluate escapement requirements and

4-2 Take ecosystem approach to biological management.

p. 52

The Task Force recommends an "ecosystem" approach to biological management. It is biologically accepted that the rise and fall of particular fish species is directly related to the corresponding rise and fall of other species. It is therefore in the industry's, and the State's best interest to manage fishery harvests recognizing the relative impact of such management upon other fisheries so as to minimize resource fluctuations and maximize the stability of the industry as a whole.

The Task Force also recommends that ecosystem management replace single-specie management wherever possible.

Adopted (in principle), work towards broader based management implementation in progress.

the available harvestable surplus by stock and where these needs coincide, forecasts will be improved over time.

It is apparent that fishery managers need to spend more time communicating the reasons for their programs and management objectives to the public. It is apparent that the Department of Fish and Game should have spent more time with the Task Force on this topic. Ecosystem management could mean as much or as little as finances and practical ability dictate. In its most global sense, it may never be possible to ecosystem manage, simply because we cannot usually predict the effects of harvest of prey species on predator populations (or vice versa) until that harvest becomes very large. An example of this is the harvest of herring in the Bering Sea. Herring constitute an important part of the food chain in the Bering Sea and, for this reason, ADF&G harvest policies are conservative in light of those applied to some other species. This is not done because they are specifically trying to manage food for, say, pollock, but rather because it is known that the total stress on the herring population is such that it will not sustain that large an additional predation by man. It doubtful that this will ever be quantified

exactly, since to do so would require good data on the food habits and absolute population abundance by size and year class for an improbable number of species. There is no way currently even to collect this type of information.

A more realistic type of "ecosystem" management concerns whether you manage single species or multiple species in direct harvest. This is an area where managers can have very direct impact. For example, in its simplest form, how do you manage mixed stock and mixed species salmon fisheries to harvest a particular run that may be in overwhelming abundance while protecting other, less abundant, less productive stocks which may be important to some segment of the public? A good example is sockeye management in Cook Inlet where king salmon mixed in very small numbers are very important to the sports fishermen. Another example is in Southeastern Alaska where management has concentrated on pink salmon in the seine fisheries to the detriment of summer chum salmon runs. Still another example is the development of groundfish fisheries which may incidentally harvest stocks of halibut or salmon important to another user. These things are taken into consideration and more so all the time.

The Task Force criticism is valid since, in the past, the manager of one fishery did not always communicate on how his management objectives might interface with that of another fishery. This is less the case now than it may have been because of the Board of Fish and North Pacific Council review of fisheries and management strategy conflicts. Nevertheless, further work is required. Better data on the stock mixtures in various fisheries and on the gear and methods available to harvest stock surpluses while minimizing some of these problems is needed. The Department of Fish and Game must also improve its internal program review and communication to ensure that management does take these problems in account and that the best possible research and expertise is brought to bear in solving them.

4-3 Review and evaluate all ADFG management practices and personnel.

p. 110

The Task Force recommends a thorough review and evaluation of the fishery management practices and personnel of the Alaska Department of Fish and Game in all areas of the State.

It is recommended that the Alaska Department of Fish and Game review the professional capabilities of its fisheries managers.

The Task Force recommends that an evaluation be conducted of fisheries management

Adopted, work towards implementation to be accomplished as resources allow.

There is no such thing as too much program evaluation and performance review. Often such review does get lost in the day-to-day crisis of managing major fisheries. The Department of Fish and Game is working toward a project oriented program where reporting and review is accomplished on a more systematized basis than currently exists. All projects and all management programs in the department receive some level of annual review currently, and much

programs at the end of each cycle which includes industry participation and that the evaluation include measuring performance against the stated goals of the divisions and department.

of it is quite critical.

The Board of Fisheries process ensures that major management programs and decisions are reviewed annually and in public forum. This is probably one of the few agency programs that does receive this type of review. There is definite ability for public input through both the Advisory Committee and Regional Council systems directly to the board where problems with management programs are perceived. The department, in recent years, has gone to some lengths to assure that reporting to the board is done in a consistent fashion that considers the biological objectives of the department and the allocation objectives of the board and reflects how well these were achieved. In the past, these reports have been made available only to the board members and selected agency people. While expensive, it may be useful to achieve broader distribution of these reports.

The question of personnel training is a difficult one. The Division of Commercial Fisheries recently undertook a comprehensive evaluation of the education and training of all its permanent employees. This was done to assist the regional supervisors and the Director in choosing which employees would receive the benefits of limited training and

4-4 Increase basic research activities conducted by ADFG.

p. 100

The Task Force recommends that the Sheffield Administration instruct the Department of Fish and Game and each of its divisions to reorient their existing budgets to include a greater amount for hard scientific research which will increase the knowledge of our resources. This does not refer to monitoring-type research, such as counting escapements and other related activities.

The Task Force recommends additional research in the following areas:

1. Migratory research, including coded wire tagging;
2. Ocean condition research;
3. Habitat research; protection of the resource should also include protection of the habitat resource.

travel funds by evaluating which ones might need this training the most and which employees had simply not received such training in the past. All fisheries divisions with the department will be completing a similar review.

It is probable that the department cannot afford to pay for formal education and this may not even be desirable. The department can coordinate attendance at workshops and technical meetings or organize such workshops itself. Managers, researchers, administrative people, etc. all need improved training.

Adopted (in principle), work towards implementation to be accomplished as resources allow.

Additional research is needed. Research needs to be primarily concerned with determining the character and level of brood stock required to maintain fisheries at some optimum level and the determination of the character and abundance of the populations that are available to us to provide for human use. Biological investigations, then, must center around defining the total abundance of individual stocks, including harvest and escapement.

The Task Force appears to feel that too much fiscal resources go into monitoring harvest and escapement but, if these parameters are not known, it is not possible to take

4. Stock origin research; stock origin is important to make allocations among nations, states and even regions of our state.
5. Reproduction and life cycle research.

If more were known about reproduction and life cycles of shrimp and crab, chances are these fisheries would have been managed differently in recent years.

It is recommended that additional effort and funding be expended for research that expands the resource knowledge of fisheries managers which is necessary to their responsibility for maximizing resource benefits for the people of Alaska.

the next stop of describing why populations fluctuate in the way they do. More data is needed on absolute abundance of total fish stocks, which includes catches and escapement. It is also necessary to better define stock origins and migrations, reproduction, life history, habitat requirements, and relationships between species (as indicated by the Task Force). The problem is simply that ADF&G has not been able to quantify the abundance of the individual resources being harvested, let alone getting to the second step of saying why they vary the way they do. Some program reorganization is probably warranted in certain areas, but significant improvements in the important areas outlined by the task force will require increases in funding. "Management" that consists of counting fish, be it in harvest or escapement, is not something that can be reduced, although with better program design, perhaps more could be gotten out of the data that is collected.

It is not possible to ignore ongoing fisheries. Every fishery that occurs in the State must be monitored to some degree. For the more productive fisheries such as Bristol Bay salmon, the ADF&G research and resource inventory program is quite extensive. If each salmon fisheries, for example, could be upgraded

in management capability to the level of Bristol Bay, it still might not be possible to explain all the ecosystem relationships between species, but it would help ensure that effective use of stock surpluses was made and allow close definition of stock reproductive requirements. That is not the level management is at in most fisheries and it is not simply a question of reorienting management programs to accomplish that level of research.

ADF&G has increased research in certain areas such as stock separation and quantified fisheries data analysis by setting up a special Stock Biology Section within the Division of Commercial Fisheries. This section has tackled individual fisheries problems on a priority basis and currently a major part of its activity has been in Southeastern Alaska to address US/Canada Salmon Treaty Negotiation problems. The number of issues this section can handle on an annual basis, however, is small compared to the size and variability of the resources statewide. The section has primarily addressed salmon resources and a similar approach is probably needed in shellfish but is beyond the current level of funding. Contributions from the Fisheries Rehabilitation,

Enhancement, and Development Division program in terms of migratory patterns, marine survival, and fishery contribution are increasing as the number of tagged hatchery fish in select fisheries is increased.

One area where ADF&G does spend a considerable amount of money that does not contribute to the direct areas of stock knowledge and resource management is in public contact and public relations. Many management staff members spend a great deal of their time either in meetings or on the phone or in personal contact with fishermen talking about the resources and about the program. Probably this aspect of management could be reduced at no loss in direct management, but perhaps a great loss in the ability to manage given to us through better public understanding of the requirement to manage.

4-5 Clarify relationship between Governor's Office, Board of Fish and Commissioner of Fish and Game.

p. 107

It is recommended that the Governor's office clarify the relationship between the Board of Fish, the Commissioner's Office of Fish and Game and the Governor's office. The Task Force recommends that the Board of Fish maintain its independent status, yet be informed regularly and in detail of the Governor's fisheries policy positions. We strongly recommend that the chairman of the Board of Fish report directly to the Governor, jointly with the Commissioner of Fish and Game.

Adopted and implemented.

The Governor's policy on this issue is quite clear. The Commissioner of Fish and Game, as a Cabinet Member, is the primary contact the Governor has with management of fish and game resources. The Board of Fish is an extremely important part of this process. The Commissioner serves as Secretary to the Board and it is appropriate that he be the primary formal contact for the board activities with the Governor's office.

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| <p>4-6 Chairman of Board of Fish and Commissioner of Fish and Game report jointly to Governor.</p> <p>p. 108</p>  | <p>Although it is understood that as a practical matter, not all boards and commissions can report directly to the Governor, it is also obvious that the Board of Fisheries is perhaps the single most important board of the State of Alaska. For this reason, we recommend that the chairman of the board report directly to the Governor, with the Commissioner of Fish and Game.</p>   | <p>Not adopted.</p>                                      | <p>Please refer to the response to recommendation 4-5 above.</p>   |
| <p>4-7 Limited Entry Commission and DCED provide economic information for use by Board of Fish.</p> <p>P. 108</p> | <p>It is recommended that the Board of Fish be provided formal economic input from State Government, just as it is provided formal biological input from State Government. At issue here is the lack of balance in fisheries management, between biological and economic factors.</p> <p>It is recommended that the Limited Entry Commission and the Alaska Department of Commerce and Economic Development jointly prepare economic information for use by the Board of Fish.</p> | <p>Adopted, work towards implementation in progress.</p> | <p>For some time now the Subsistence Division within the Department of Fish and Game has provided socio-economic information regarding the use of fish and game resources to the Boards of Fish and Game to assist them in their allocative decisions. The department and the boards have long felt that economic information regarding fishermen and the fishing industry also need to be provided to the board. Their ability to judge the impact of various allocative decisions and even to develop some of the more specific allocative criteria, or at least judge whether their regulations match those criteria, has been hampered by this lack of information. The Commercial Fisheries Entry Commission has started to provide, on request, economic information regarding fishermen's earnings by area and gear type, to the board where allocation controversies are serious. Such information is not yet available for other sectors of the seafood industry.</p> |

Problems have been experienced in the past in judging the impacts of different harvest management strategies by the ADF&G in terms of getting the best possible use out of the resource. Such economic information would assist the fishery manager. An area not covered in the Task Force Report is the economic value of recreational fisheries and who should provide this type of information to the board. Social considerations also are not taken into account, although they are more difficult to deal with.

Better data is needed on the economic value of various resource uses. While reasonably accurate information exists as to the direct value to fishermen and the first wholesale value to the industry of the commercial harvest of fisheries resources, good information does not exist on the secondary values generated to the State, local communities, and businesses from this industry. Further study is also needed as to the relative economic value of recreational and subsistence fisheries. This data could be quite important in formulating policies to guide fisheries development, devising resource allocation schemes, and considering the benefit of increasing investments in fisheries management and research, including rehabilitation and enhancement. If there is more than

4-8 Base management decisions on economic as well as biological factors.

p. 117

It is recommended that the State's economic participation in fisheries be expanded to contribute to the same extent as its biological counterpart.

Adopted, in part, work towards implementation in progress.

one way to allow harvest of a stock surplus, it is the Administration's desire to allow that method which would promote the maximum social and economic benefit from the harvest.

This is an area that does require improvement, although in essence pre-season regulations passed by the Board of Fish are generally based on economic allocative criteria. There is nonetheless a need for better information to be given to the Department of Fish and Game on how its management could improve the economic value of fisheries harvest. For example, if there is more than one way to allow the harvest of a stock surplus, it would be desirable to allow that method that would promote the best social and economic benefit from the harvest within, of course, the allocative guidelines specified by the board. This information is not always available to the department or may be of conflicting nature.

The department's management is viewed as biological, but, in essence, is economic in both the short and long term sense. While the department may provide resources for nonconsumptive uses, the department primarily provides opportunity for human use of fisheries resources. The department attempts to allow the maximum harvest possible from a resource in a given year while

4-9 Establish resource allocation criteria that maximize benefits to Alaskans, are legally valid and address long-term conditions.

p. 112

The Task Force recommends that allocation decisions should maximize benefits to Alaskans, where possible. Examples of allocation criteria might include traditional fisheries, fisheries which are predominantly resident, fisheries in which the participants have a higher degree of economic dependency, fisheries which harvest the same species for higher value than other fisheries, and the economic benefits or harm of the allocation decision.

It is further recommended that the State seek a legal opinion on allocation criteria such as those just listed.

Adopted as recommendation to the Board of Fish.

still preserving the required brood stock to ensure future economic benefits from that resource. There may be times when the overwhelming good may be served by a short term gain, even if it costs the resource in future productivity but these are decisions which are very difficult to make. In the absence of different guidelines provided by bodies such as the Board of Fish, who can better judge through the public forum conflicting priorities for resource use in the short and long term, the department is generally forced to manage for "optimum escapements, while providing maximum use of stock surpluses."

This is a difficult but worthwhile goal. As the Board of Fish is the body primarily responsible for making allocative decisions, the Department of Fish and Game stands ready to provide its assistance in formalizing such criteria. The Governor's intention to "Alaskanize" the seafood industry through the development of a comprehensive fisheries policy should be done in conjunction with the formalization of the allocation criteria.

The State should initiate a process to address long-term changes in resource allocation. In most cases, changes in allocations are simply short-term changes of resource availability. But, in a few instances, some allocation changes are long-term. It is these few cases which we feel the State needs to address in setting up a process.

4-10 Consistent with good management practices, allow harvesting of fish and shellfish when stocks are in prime condition.

p. 133

The committee recommends that the Alaska Department of Fish and Game in regulating harvests, attempt, insofar as it is consistent with proper management techniques, to allow harvesting when stocks are in prime condition.

Adopted, work towards implementation in progress.

The Department of Fish and Game and, generally, the Board of Fish have completely concurred with this objective as long as the seasons suggested fall within parameters that will not be harmful to the stocks. The department does not oppose shifting of seasons to promote maximum public benefit. Again, better information is needed on quantification of how much economic return from the resource is improved through one strategy or another. For example, in terms of crab recovery rates, very little quantified information has been available to the board from industry to judge improvement in recovery with one season over another. In the absence of such data, seasons have been set for public convenience based on public testimony.

5-1 Develop "fish and chips" policy for the State.

p. 59

It is recommended that a team of State personnel and industry representatives begin immediately to develop a long-term "Fish and Chips Policy" position for the State.

Adopted, work towards implementation in progress.

The Fisheries Mini-Cabinet has been charged with the responsibility of developing and implementing a fish and chips policy for the State. New regulations governing the permitting of foreign processing operations in

5-2 Develop policies to guide "joint venture" activities in the FCZ and internal waters of the State.

p. 62

It is critical that the State and the NPFMC develop a policy with respect to joint fishing venture activities and foreign processing operations in internal and FCZ waters as soon as possible.

Such a policy would be directed toward gaining greater benefits from joint ventures and foreign processing operations to the domestic industry and should include requirements that the foreign participants: engage in, or offer to engage in, cooperative marketing arrangements with their domestic counterparts, purchase a corresponding poundage of white fish from domestic operations and utilize American labor on their processing vessels. The Task Force recommends a joint venture policy which clearly delineates the range of joint venture operations in order of preference be established by the NPFMC.

Adopted, work towards implementation in progress.

the internal waters of the State have been drafted and are being circulated for public comment. Governor Sheffield has, in several communications to applicants for permits to process in State internal waters specified that: "All Alaska internal waters joint ventures will actively promote the development of Alaska shore-based processing of seafood products and that the specific activities intended to promote Alaska's seafood industries will be negotiated and agreed upon prior to the issuance of any permit to operate."

A draft joint venture policy for internal waters is currently being circulated by the Fisheries Mini-Cabinet. Please also refer to the response to recommendation 5-1 above.

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| <p>5-3 Place seafood expert in Alaska State Asian Office and provide with support.</p>               | <p>A seafood expert should be placed in the Alaska Asian office and this office should be provided with full-scale seafood promotional materials. The Asian office needs to have a significant travel budget.</p>   | <p>Review continuing.</p>                                |  |
| <p>p. 70</p>   |   |  |  |
| <p>5-4 Develop strong seafood promotion programs in Europe.</p>                                      | <p>The State must revitalize its effort and presence in Europe. Most importantly, a strong and well-focused seafood promotional program must be developed and coordinated from Alaska. This could be accomplished by either opening an Alaska office in Europe, or by contracting with firms to provide the services desired.</p>   | <p>No specific response is possible.</p>                 | <p>This recommendation refers to ASMI program development which is solely the responsibility of the ASMI Board of Directors.</p> |
| <p>p. 70</p>   |   |  |  |
| <p>5-5 Establish joint international trade program with U.S. International Trade Administration.</p> | <p>The State should continue to work to accomplish the joint international trade program with the U.S. International Trade Administration that would set up an export office in Anchorage.</p>  | <p>Adopted, work towards implementation in progress.</p> |  |
| <p>p. 70</p>   |   |  |  |
| <p>5-6 Increase tax on foreign fish harvests in FCZ.</p>   | <p>The tax on foreign fish harvests in FCZ water should be significantly increased. Not only would this serve to decrease the competitive economic advantage held by foreign and domestic underutilized species production, but it would provide a significantly expanded funding base through which the projects contained in these recommendations could be funded.</p> | <p>No specific response is possible.</p>                 | <p>This recommendation can only be carried out by the Federal Government.</p>  |
| <p>p. 69</p>   |   |  |  |

5-7 Develop with industry, a State position concerning any international treaties being negotiated that affect Alaska fisheries.

p. 86

The Task force recommends that the State formulate a firm Alaska-negotiating position in every treaty situation;

That fishing industry members should be directly involved in developing Alaska positions and in monitoring treaty negotiations;

That the State's policy in treaty negotiations should be to maximize the benefits accruing to the Alaska seafood industry, particularly in regard to the U.S.-Canada Pacific salmon treaty, which threatens to eliminate a large and high-quality salmon fishery.

Adopted and implemented.

Delegations from user groups in most recent international negotiations have been large and data and information have been shared openly between State Government officials and industry representatives. The Board of Fish and the North Pacific Fishery Management Council also have participated in these discussions and their public hearing processes have been used to obtain input on various issues. Regarding the current US/Canada Salmon Interception Negotiations, the Administration has taken care to see that a large group of industry advisors is available to advise the Governor on the position the State should take on various issues. Unfortunately, many of these issues are so complex that no single gear group or user group may agree on the overall benefits or losses to be accrued from such agreement and at some point the Administration, Board of Fish, North Pacific Council, and other groups may have to choose some middle ground.

More formal development of positions on issues prior to negotiation may be desirable, but the process of negotiation requires some flexibility. Industry input during the actual negotiating process is certainly sought.

In regard, particularly to the US/Canada Salmon Interception Negotia-

tions, coastwide poor management practices and poor habitat conservation may threaten Alaska fisheries if the State cannot bring those elements under some control. The State will not support any treaty that, as an objective, tries to eliminate one of our historic fisheries. The Task Force Report states that the troll fishery in Southeast "during a period of good fishing years" has been severely restricted and that the treaty has never been identified any potential benefits that might come to the troll fishery. These are areas in which the Administration has sought further information from both professional staffs and the public. Nevertheless, it is apparent that while our fleet may have felt that fishing off Alaska was good, most of the contributing natural stocks, including those in Alaska, are in a sorry state of depression. The degree to which the Alaskan troll fishery bears a responsibility to help conserve these stocks must be negotiated. Obviously, Canadian overfishing and poor environmental practices in British Columbia have played major roles in stock depression. Restrictions in Alaska have been warranted in light of conservation needs. A treaty is desirable only if it brings appropriate regulation to the Canadian fisheries, increased chinook enhancement by all parties, and better environ-

mental practices in spawning areas, measures which would benefit our fishery. The Administration took a strong stand this summer in not restricting our fishery to levels desired by other jurisdictions which would simply transfer fish to less restricted fisheries farther to the south. This stand was taken even in the face of threats of Federal preemption of State management. We did not, however, feel that in the face of the conservation problems along all areas of the coast that we were warranted in prosecuting a wide open fishery. In fact, while our harvest was more than had been desired by many entities, our fishing season was actually shorter than it was in 1982. In this way, we tried to achieve a balance between resource conservation and potential reallocation.

5-8 Communicate the Alaska position on treaties and similar matters to the Congressional Delegation and other appropriate people. Provide for explanation to the public.

That the Alaska position on treaties and other international matters be strongly communicated to councils, commissions, boards, and other Alaska fisheries entities which can impact the final decision.

Adopted, work towards implementation in progress.

More coordination in this area is obviously needed. Better informational packets should be prepared for the general packet then have been available in the past. This is an area the Department of Fish and Game will assist in coordinating. Congressional staff people have been invited to advisory meetings and negotiations.

That Alaska's Congressional Delegation sit down with State and industry officials and agree on and support the Alaska position.

Benefits resulting from compliance from treaties should be clearly defined for Alaskans.

p. 86

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| <p>5-9 Treaties should be handled by Special Assistant to the Governor.</p> <p>p. 87</p>   | <p>Treaties should be processed through a central position such as a Governor's International and Domestic Fisheries Advisor.</p>   | <p>Not adopted.</p>                                      | <p>The Governor has asked his chief fisheries cabinet member, Commissioner of the Department of Fish and Game, to serve as his representative in US/Canada treaty discussions. The department also is charged with advancing the State position in other forums such as INPFC.</p>   |
| <p>5-10 The State should establish regular communication with INPFC and seek to influence federal appointments.</p> <p>p. 88</p> | <p>The State of Alaska should establish either regular communications and a working relationship on a formal basis with the INPFC.</p> <p>The State of Alaska should make informal recommendations on federal appointments to this body.</p> <p>The Governor's Domestic and International Fisheries Advisor should discuss the desired Alaskan positions with members of the INPFC prior to their meetings.</p> | <p>Adopted, work towards implementation in progress.</p> | <p>The State does regularly attend and contribute to the INPFC deliberations. The State of Alaska was actually instrumental in obtaining the renegotiation of INPFC to remove the majority of the influence of directed Japanese high seas salmon fisheries off of Alaskan stocks. Further improvements are needed in this area and the Department of Fish and Game have been asked to coordinate the formulation of State positions and the coordination of these positions with INPFC industry advisors and Commissioners.</p> |
| <p>5-11 Achieve 100% observer coverage on foreign vessels in FCZ.</p> <p>p. 115</p>  | <p>The Task force recommends 100 percent observer coverage on foreign fishing vessels in American waters off Alaska. In most cases, boarding of foreign vessels off Alaska's coasts has revealed underlogging of catch, or other violations.</p>  | <p>No specific response is possible.</p>                 | <p>Action on this recommendation must be carried out by the Federal Government. However, the Administration supports this recommendation. 100% observer coverage may be possible for the National Marine Fisheries Service by 1985. A policy is also needed regarding a State position on observer coverage and fishery monitoring in general on domestic groundfish operations in State waters and the FCZ. Many questions exist as to how best to</p>  |

5-12 Seek to immediately eliminate foreign interception of Alaska salmon in the Bering Sea and North Pacific and by renegotiation of INPFC convention; eliminate all high seas salmon fisheries.

p. 88

It is further recommended that the INPFC be requested to immediately formulate regulations to eliminate the interception of Alaskan salmon stocks by the Japanese mothership fleet and land-based gill net fleet in the Bering Sea and the North Pacific Ocean, and to request the removal of the foreign squid and albacore fisheries from waters or where the incidental harvest of Alaskan salmon stocks is probable.

It is further requested that the State of Alaska ask the U.S. State Department to renegotiate the INPFC Convention for a total ban on foreign high seas salmon fisheries in the Bering Sea and North Pacific Ocean within a three-year time span.

5-13 Support five-year phase-out of all foreign fishing and processing activities in FCZ.

p. 134

The committee recommends that the Governor support a five-year phase-out of all foreign fishing and processing within the FCZ and state waters to allow domestic fishermen and processors the opportunity to fully utilize the available resources.

Adopted, work towards implementation in progress.

Review continuing.

minimize the impact of these operations on incidentally caught species while, at the same time, promoting the economic development of the domestic fishery.

It is the State's long term objective that all high seas offshore salmon fisheries be eliminated. The State has worked hard toward achieving this objective, but it is not always easy since some of these fisheries occur outside of direct United States jurisdiction. The State position this year is to reduce Japanese high seas salmon fisheries influences in the Central Bering Sea through the INPFC. Also through the INPFC, we will be demanding additional observer coverage and better research in the new, expanding squid fisheries. Unfortunately, two of the countries, Taiwan and Korea, are not signatories to INPFC and the State will have to work through the U.S. State Department and its Congressional Delegation to achieve better controls on these fisheries. We are in the process of doing so.

The Fisheries Mini-Cabinet will address the impact of this recommendation on Alaska fisheries development and decide whether to and how to incorporate it into overall State fisheries policy as an objective.

5-14 Alaska appointees to the NPFMC should communicate regularly with State fisheries officials, the Board of Fish and the Governor.

p. 105

The Alaska appointees to the NPFMC should communicate regularly with state fisheries officials, the Board of Fish and the Governor. Though the Council's formal duty is to promote fisheries development on the federal level, it is clear that the states of Alaska and Washington are the primary beneficiaries of the Council's activities. In this light, it is proper for Alaskan members of the Council to communicate with State officials and to understand clearly the Alaskan and American position of fisheries matters in the FCZ.

Adopted, work towards implementation in progress.

The Governor has asked the Commissioner of Fish and Game to ensure that Alaska appointees to the NPFMC are kept updated on issues and State policies regarding those issues prior to council meetings. Since the Commissioner also serves as the ex officio Secretary of the Board of Fish and regularly meets with that body, he is in a good position to ensure such communications.

5-15 The NPFMC should identify certain species for domestic harvest and processing only.

p. 106

The Council should identify specific species for domestic harvest and processing. This will overcome the "Catch 22" problem of Council allocation which calls for American harvest only when the capability is already there to harvest and process.

Review continuing.

The Fisheries Mini-Cabinet will address the impact of this recommendation on Alaska fisheries development and decide whether to and how to incorporate it into overall State fisheries policy as an objective.

#### INFRASTRUCTURE

6-1 Begin capital construction projects, especially in western Alaska, that will encourage and serve shore-based fisheries development. Consider all industrial needs at identified major port sites.

p. 66

The State, in conjunction with the Federal Government and private industry, should immediately place significant emphasis on infrastructure development, particularly in Western Alaska. In this case, infrastructure consists of docks and harbors, reduction facilities, fuel storage tank farms, etc. This should be accomplished through outright capital construction projects funded by the State, possibly in conjunction with the Federal Government, and through long-term, low-interest loans to private industry.

Adopted, work towards implementation in progress.

In responding to the three specific recommendations in this category, the Department of Transportation and Public Facilities suggested eight related policy statements as follows:

1. Infrastructure to support fisheries development consists of docks and harbors, waste disposal facilities, warehouse/cold storage facilities, fuel storage tank farms, etc.

We suggest that the State of Alaska adopt a policy that will encourage harbor development and siting that will serve developing fisheries and bring the maximum amount of activity to shore. For example, the Pribilof Islands harbor sea-ports are proximate to the vast pollock, shrimp, cod and other Bering Sea fisheries. This situation offers an opportunity to site shore-based processing facilities that promise to be economically viable.

The State should identify major port sites. The port concept not only includes harbors for boats, but also uplands for both processing, distribution and service. If the

State plans its port development with this in mind, then Alaska is likely to displace some of the Seattle-based distribution system in Alaska's billion dollar fishery industry.

It is recommended that the planning process for fisheries development should include identifying water and sewer needs and resources.

6-2 Consult with local people during the process of harbor planning.

p. 103

Department of Transportation planners should communicate with local people prior to design and location of harbors. This will avoid some of the problems of past developments.

Adopted, work towards implementation in progress.

2. Providing the necessary infrastructure should be accomplished by outright capital construction projects funded by the State.
3. New infrastructure should be cited so as to serve developing fisheries in a manner which will attract processing and support activities to shore.
4. The concept of port (as opposed to harbors) includes the uplands needed for processing, storage, transfer, and support services as well as boat harbors.
5. The planning for port/harbor developments should include identifying the needs for water and sewer facilities and services, as well as for marine facilities.
6. The Department of Transportation and Public Facilities (DOT/PF) port planners should communicate with local people prior to making design and location commitments for port/harbor projects.
7. Selection from among competing harbor projects should be based at least in part on the results of cost/benefit analysis.

6-3 Harbor projects should be selected for State funding on the basis of cost benefit analysis. Provide for existing communities first.

p. 104

The State should conduct a cost-benefit analysis of competing harbor projects. Those projects which provide the most benefit in terms of employment, income to Alaskans, safety and shore-based development, should be selected over others. It is recommended that the State should take the lead in planning and funding harbor developments that promote the production of benefits for existing communities.

Adopted, work towards implementation in progress.

8. Emphasis for new projects should foster the creation of benefits in existing communities rather than creating new communities.

Some legislative changes may be necessary for implementation of these recommended policies. For example:

- o The Port Development Act, AS 30.15.030 limits State funding of port projects to 90 percent for communities under 5,000 population and 80 percent for larger communities.
- o AS 30.15.020 requires a feasibility study for each port project receiving State funding; selection from among competing port projects could be predicated on comparative feasibility and benefits.

The Department of Commerce and Economic Development and Transportation and Public Facilities are committed to cooperating on a wide range of issues including the area of port development.

#### REVENUE

7-1 Provide tax incentives to encourage a greater

There is room for Alaska to adopt a tax scenario which would provide tax incentives to companies to more fully process

Adopted, work towards im-

As indicated in the Fisheries Development Section, the Departments of Commerce and Economic Development

degree of processing in Alaska.

p. 68

the product within Alaska. The Task Force recommends that the Raw Fish Tax be redesigned to provide economic incentives to private industry to diversify and develop new fisheries and fishery products. In this recommendation, the Task Force envisions a graduated tax, ranging from tax credits to tax increases based on the degree of processing that occurs within Alaska.

The State should consider a tax incentive program for developing fisheries, planned improvements in existing fisheries and new investment in Alaska-based operations. In other words, it is suggested that Alaska's taxing program should encourage increases in shore-based operations of all kinds.

7-2 Provide loans and tax incentives for equipment purchase and plant modernization to permit processing of underutilized species and "value-added" products.

p. 68

Long-term, low-interest loans and tax incentives should be provided to Alaskan seafood processing and marketing companies for the express purpose of modernizing their facilities, where necessary, and for the purpose of purchasing equipment necessary for expansion into underutilized species, or for diversification into "value-added" products.

7-3 Provide loans and fuel tax credits to encourage the harvest and onboard processing of underutilized species.

p. 69

Tax incentives through Marine Fuel Tax credits should be provided to harvesters engaged in the harvest of underutilized species. Additionally, long-term, low-interest loans should be made available to harvesters for the purchase of shipboard primary processing, such as bleeding, heading and gutting machinery.

plementation in progress.

Adopted, in part, work towards implementation in progress.

and Revenue are currently analyzing the types and value of tax incentives as a means of encouraging development and growth in all sectors of the seafood industry.

As indicated in the Fisheries Development Section, the Departments of Commerce and Economic Development and Revenue are currently analyzing the types and value of tax incentives as a means of encouraging development and growth in all sectors of the seafood industry.

- 7-4 Evaluate existing fisheries related taxing programs on all government levels.
- p. 94
- It is recommended that the State evaluate the existing fisheries-related taxing programs on the state, local and federal government levels. This evaluation should include an overall look at the income derived by these government agencies from fishermen and fisheries businesses. The evaluation should include distribution of the raw fish tax, sales tax, federal income tax, ASMI processors' tax, and others.

### EDUCATION

- 8-1 Expand the variety and depth of U of A fisheries programs. Organized curriculum to be more supportive of the seafood industry.
- p. 98
- The Task Force recommends that the University offer a greater variety of programs on the academic, technological, research and applied levels in the form of a curriculum that integrates the disciplines of scientific biological research, fishery management and business management programs specifically directed at the seafood industry. The Task Force would like to see more economic analysis of fisheries, more science and technology, and more fisheries industry management emphasis. As an example, nowhere in the State of Alaska can the contents of a can of salmon be examined for botulism.
- Adopted and implemented.
- In 1981, the University of Alaska developed a plan for the improvement and expansion of all university fisheries and fishery-related programs. That plan specifically addresses these two recommendations. In response to the plan, since 1981, the university has improved and expanded its fisheries program at the University of Alaska-Juneau and has established the Fishery Industrial Technology Center at Kodiak. Both of these organizations have advisory boards which are made up of industry and agency personnel. The university budget process has placed emphasis on building these two programs.
- 8-2 Expand University training and research and development programs. Coordinate activities with other government agencies.
- Existing training along with research and development programs need to be coordinated and expanded throughout the State university and community college system. Such programs need to be coordinated with the Alaska Fisheries Development Foundation, the National
- Adopted and implemented.
- The university is currently updating its fisheries development plan. Within budget constraints, it plans to maintain fisheries programs as a high priority area. Therefore, the

Increase funding especially for Fisheries Industrial Technology Center.

p. 72

Marine Fisheries Service, and the proposed Fisheries Technology Center in Kodiak. Training and research and development programs needs to be developed, funded and implemented as soon as possible. Special attention should be paid to increase funding of the Fisheries Industrial Technology Center as soon as possible. The University should make a concerted effort to win a larger share of the Sea Grant monies distributed nationally.

university is planning to continue to address these two recommendations.

It should be noted that the federal Sea Grant Program has been targeted for termination by the current administration. Congress has been able to maintain the program at a reduced level and the University of Alaska has been able to maintain its level of funding. The report indicates that the University of Washington received a "majority of Sea Grant monies nationwide." This is simply not true; federal funds go to over 30 Sea Grant institutions. The University of Alaska's level of funding is not that much different from the University of Washington's. We do not expect to be able to expand our grant from the federal Sea Grant Program in the near future.

8-3 Reorient U of A research programs to include food technology, industrial, economic and marketing research.

p. 102

The Task Force recommends that the University of Alaska improve, reorient and expand its research programs to include food technology research; industrial research, such as plant design; economic research and marketing research.

Adopted, work towards implementation in progress.

The University of Alaska has established research programs which include food technology and economic and marketing research. The food technology research is being undertaken at the newly established Fishery Industrial Technology Center while research oriented toward economics and marketing is undertaken at the School of Management, University of Alaska-Fairbanks. Although these research programs have been established, limited funding will prevent them from expanding. Please see comments under RESEARCH.

8-4 Promote consistency between U of A programs and State fisheries policy. University administration coordinate with industry-based fisheries advocacy group in program planning.

p. 99

It is important to promote consistency between the educational and research programs of the University of Alaska and the statewide fisheries policies. It is, therefore, recommended that University administrators work closely with the Fisheries Policy Council in planning their research programs.

Adopted, work towards implementation in progress.

The University of Alaska would be pleased to work closely with any fisheries policy group that is formed. One of the major problems that was identified during the establishment of its current programs is the lack of recognition by the State of the role that education and research plays in the development and conservation of the State's fisheries resources. The University believes that any State policy must recognize the need for education and research and that the University of Alaska will play a role in the implementation of that policy.

Currently, there is little structured coordination between University fisheries research and educational programs and other State fisheries management and development activities. One of the responsibilities of the Fisheries Mini-Cabinet is to review fisheries related research and educational programs for consistency with State management and development goals and to offer organizational alternatives that will assure on-going coordination.

#### FINANCIAL ASSISTANCE

9-1 Redefine role of ARC. Limit the ability of ARC to hold equity/ownership position.

That ARC cease the practice of taking over and operating failing companies and that ARC's selection process be tightened to prevent the high failure rate. Serious

Adopted, in part, work towards im-

Proposed legislation, HB 685, is attached.

Reduce failure rate of ARC investments.	consideration should be given to re-defining the role of ARC, which should include limitations on ARC's ownership and management of private enterprise in Alaska. Further, ARC should be required to phase out their ownership of companies once the viability of the enterprise is established.	plementation in progress.	
p.84	The State loan program should have two goals of paramount and equal importance. The first goal is to make available to qualified Alaska residents a financing program that provides them a source of long-term loans for the purchase of limited entry permits and commercial fishing vessels in a manner that can best assist them in the conduct of their businesses.	Adopted and implemented.	The present commercial fishing loan program is administered in strict compliance with existing statutory provisions. AS 16.10.310 establishes eligibility for the program. Expansion to encompass broader goals would require amendment of the statutes.
9-2 Goal of State loan program to make long term loans to residents for entry permits and fishing vessels.	The second goal is to ensure that the financial interests of the State are protected by a program staffed by competent professionals who are highly skilled in the areas of credit analysis and evaluation and who are knowledgeable in the complexities of the Alaska commercial fishing industry.	Adopted and implemented.	Present staff in the two divisions (Investments/Accounting and Collections), including 14 new employees hired within the year to fill vacancies, are entirely competent to administer the loan programs. Employees are hired from State eligibility registers and are subject to State personnel rules.
p.138	There are two possible means for accomplishing these two goals. One means would involve continuing the present state program with the commitment to improve its level of professional competence and the quality of service extended to Alaskans. Another means would involve terminating the present	Adopted and implemented.	As mentioned under recommendation 9-3, present staff is fully competent to administer division policies, and given loan to staff ratios, is doing a commendable job. Both division directors are committed to ongoing performance measurement. Opportunities for im-
9-3 Goal of State loan program to protect State interests by employing competent staff.	9-4 Accomplish goals (9-2, 9-3) by improving level of staff competence and quality of service or terminate program and provide service through	5/87	

<p>private institution. p. 138</p>	<p>program and providing for the services to be made available to Alaskans through private lending institutions.</p>	<p>proving service will continue to be given full consideration as they arise.</p>
<p>9-5 Allow State loan program applicants to be prequalified for entry permit loans.  p. 139</p>	<p>A system for prequalifying applicants, or for accepting and processing loan applications that do not include purchase agreements, should be initiated for the purpose of placing Alaskan residents in a more competitive position in the entry permit marketplace.</p>	<p>Not adopted.  Prequalification of applicants for loans under the commercial fishing loan program would be expensive and time consuming as many applicants would not ultimately take out a loan. A better response, and the focus of present efforts, is to provide timely processing of applications. This is a stated objective of the Division of Investments and is reflected in the division's budget documents and individual employee performance evaluations. The current emphasis on stronger regional offices and the addition of the Dillingham office also contribute to this effort. Prequalification cannot address constantly changing variables in the loan evaluation process, such as the applicant's financial standing, fluctuations in limited entry permit values, and changes in eligibility standards.</p>
<p>9-6 Establish specific criteria for handling loan extension requests.  p. 139</p>	<p>Specific criteria for loan extension requests should be adopted for the purpose of insuring a uniform consideration of problem loans.</p>	<p>Adopted and implemented.  Specific guidelines handling extension requests were adopted last fall as a result of meetings between State agencies and the public. It is important to note, however, that financial underwriting of risks will always necessitate some element of subjective professional judgment.</p>

9-7 Obtain current entry permit valuations from the entry commission.

p. 141

The Division of Business Loans should request from the Commercial Fisheries Entry Commission current entry permit valuations when the State's collateral valuations differ significantly from market values expressed in loan applications.

For purposes of the Commercial Fishing Loan Program, it is important that the collateral values of entry permits reflect current market conditions. Any improvement that can be made to the system by which these values are determined should be made. It is also important that the Commission continue to make available to the Division of Business Loans current permit valuations on request as well as on a quarterly basis.

Adopted, work towards implementation in progress.

Commercial Fisheries Entry Commission is in the process of adopting, by regulation, a policy calling for the monthly updating of limited entry permit values. Once the commission provides that data, the Division of Investments will utilize it.

9-8 Detail specific personnel to have responsibility for commercial fishing loans.

p. 141

Specific personnel in the division should be delegated the primary responsibility for commercial fishing loans.

Not adopted.

Designation of specific loan examiners to process commercial fishing loan requests would actually slow processing times for the program and weaken administrative efforts. The Division of Investments presently has ten loan examiners to administer nine active loan programs of which commercial fishing is one.

These loan examiners staff four regional offices of the division. Designation of specific loan examiners for the fishing loan programs poses three drawbacks. First, some offices may be deprived of the ability to process any fishing loans;

9-9 Review State loan program collateral requirements.

p. 143

Collateral requirements should be reviewed to ensure that they are not excessive.

Adopted and implemented.

second, vacancies among loan examiners assigned to commercial fishing loans would cripple the program until replacements were hired; and third, peaks in loan demand could not be handled.

Administration of the Commercial Fishing Loan Program requires the Division of Investments to balance the purposes of promoting the commercial fishing industry and protecting the investments of the State. This balancing process necessitates an ongoing review of collateral requirements, utilizing a prudent-man standard.

Recent statistics reveal that as many as 31.7 percent of commercial fishing loans were in default. While the granting of extensions has reduced this rate to approximately 17 percent, circumstances suggest that present collateral requirements are not excessive or unreasonable. Of those vessel loans that have gone into foreclosure, recently the State has been able to recover approximately 24 percent of its outstanding loan balance.

9-10 Establish ongoing program to evaluate quality of service provided by State loan program.

p. 142

A method for an on-going program evaluation should be instituted that measures the quality of service. This could include service questionnaires mailed to borrowers and periodic program reviews by approved groups representing consumers, i.e., UFA.

Adopted, work towards implementation in progress.

Ongoing program evaluation is essential to the professional management of the loan programs. Customer service questionnaires have gone out to more than 8,000 borrowers requesting feedback on quality and timeliness of service. This has

given the Division of Accounting and Collections staff important information which is being used to correct areas of weakness. (Although the responses have not been formally tallied as of this date, it is obvious that borrowers under the commercial fishing loan program do have significant concerns which will be receiving attention.) Customer service questionnaires will continue to be mailed to borrowers as they contact the division in the coming months.

In addition to this effort, both divisions (Investments/Accounting and Collections) are implementing internal performance monitoring systems, and are committed to keeping the lines of communication open between themselves and the public.

Creation of an explicit instruction manual for the commercial fishing loan program would now appear to be unnecessary. The present application has recently been rewritten to simplify the forms and provide additional instructions. This application seems to be gaining widespread acceptance from Alaska fishermen.

9-11 Provide an explicit instruction manual to State loan program applicants.

p. 142

An application instruction manual similar to the one developed by CFAB should be written and enclosed with every loan application package. This manual, similar in concept to IRS income tax preparation instructions, will help those Alaskans who are not sophisticated borrowers to properly complete their loan applications, thereby avoiding delays in processing.

Not adopted.

9-12 Reestablish program to send loan officers around the State on a periodic basis.

p. 143

The circuit rider program which sent loan officers around the State on a periodic basis should be reinstated to the extent of at least two circuits of the State per year.

Not adopted.

Creation of stronger, more autonomous regional offices and a branch office in Dillingham have greatly reduced the need for the circuit rider program. Loan examiners now travel periodically within regions to more efficiently utilize scarce funding for this purpose. With loan officers in the two divisions servicing on an average of 555 loans per year, time for travel is not abundant. This compares to The Commercial Fishing and Agriculture Bank's average of 71 loans per year. The Department of Commerce and Economic Development is also working closely with the Department of Community and Regional Affairs to develop an outreach program for State loan programs. This cooperative effort will see various offices throughout the State supplied with loan applications for all loan programs coupled with a network of initial information for prospective loan applicants.

#### ENFORCEMENT

10-1 Ensure the absence of threats of violence in situations of price dispute.

p. 112

The committee recommends that, in any price dispute situation where there is a possibility of violence, that the Department of Public Safety all steps necessary to assure the public and the participants in the dispute that negotiations can be held in the absence of threats of violence.

Adopted and implemented.

10-2 Set new goals for Enforcement Division that seek to maximize benefits of fisheries to Alaska.

p. 114

It is recommended that the Enforcement Division of the Department of Public Safety set new goals and relate them to maximizing the benefit of fisheries to Alaska.

Adopted and implemented.

The reformulation of goals and objectives by the Division of Fish & Wildlife Protection as submitted with the budget documents for FY '85 has already fulfilled the intent of this request. However, as well written and formulated as any set of goals may be, the measurement of the degree of fulfilling those goals has always been an extremely elusive target for a law enforcement agency, especially a fish and wildlife enforcement agency. How, for example, can one measure how many crab or fish are not taken illegally because of any action the enforcement agency may or may not take? How can we measure how many crab or fish are are taken illegally because of our presence or absence? The answers to these questions are central to determining the attainment of the goals set for enforcement programs. Yet, they are nearly inmeasureable.

A prime example of the difficulty in evaluating an enforcement program is contained in the Task Force Report. Mention is made of a program by Fish and Wildlife Protection in 1981 where a great deal of money and manpower was spent inspecting the type of hooks used by commercial trollers. This example demonstrates two of the problems encountered in measuring our effectiveness. First, the lack of

public feed-back on our programs. No one complained of the ineffectiveness of enforcement efforts or even complained to our commanders that the division was spending time and efforts in a program which was meaningless in light of much more serious violations being committed. Second, the fact that one enforcement activity has many objectives of varying priority. The division did not make checking hooks a priority program; officers were incidentally checking hooks (the regulation regarding hooks had just changed from treble hooks to single hooks) while they were pursuing routine fishery patrols for fishing during closed periods and in closed waters, fishing without Limited Entry permits, etc. Since it is so difficult to measure the effect of Fish & Wildlife Protection programs and the attainment of goals, commanders have stressed to their officers the need for high numbers of contacts, especially in high priority areas, in the belief that these contacts will foster a sense of enforcement presence and thus provide a deterrent to a potential violator. Thus, though it may have appeared that the division was stressing the quantity aspect of our activities, it was with the intent of deterring violations. The reformulation of Fish and Wildlife's goals was made with the intent of stressing even more the quality of

the division's activities over the mere quantity of people contacted. Commanders stress to their officers the importance of common sense and discretion in the enforcement of regulations and the need for looking at the intent of regulations and offenders before any action is taken. Those people in law enforcement understand, probably more than most, the need for respect and public support for their actions.

10-3 Prioritize enforcement activities to reflect potential degree of loss to State and citizens.

p. 114

It is strongly recommended that the division prioritize their enforcement activities according to the degree of loss to the State and its citizens and to the intent of the offender.

Adopted, work towards implementation in progress.

In order to further direct enforcement activities toward the priority areas where they are most needed, the Division of Fish and Wildlife Protection has requested input from the Department of Fish and Game as to the areas and times they, as managers, think an enforcement presence will be most important to the resource. Mere dollar value of the resource being taken cannot be the sole criterion, since there are many sides to the issue of loss to the citizens of the State.

10-4 Cooperate with Federal law enforcement authorities.

p. 114

It is recommended that a cooperative relationship be developed between Federal and State law enforcement authorities to ensure the proper enforcement of all applicable fisheries laws and regulations.

Adopted, work towards implementation in progress.

Fish & Wildlife Protection realizes the need for close cooperation with federal law enforcement activities. In fact, the division maintains close cooperation with the federal Fish & Wildlife Service and the National Marine Fisheries Service. However, it is very difficult to cooperate in enforcement programs

when State regulations and federal regulation are in conflict. The goal of increased communication between state and federal agencies mentioned earlier can only help in the attainment of this goal of increased cooperation between State and federal law enforcement agencies.

#### AQUACULTURE

- |   |  |                          |   |
|---|--|--------------------------|---|
| 11-1 Improve coordination and communication between agencies and between agencies and participants involved in enhancement matters. | Coordination and open communication between agencies involved in enhancement matters and between agencies and participants of the program in the private sector should be improved.  | Adopted and implemented. | Efforts are underway by the Department of Fish and Game to provide for greater coordination. A scoping meeting was held in the spring with all the regional aquaculture associations to determine how private and public sectors could better coordinate their efforts for aquaculture in Alaska. A follow-up meeting, which also included private non-profit operators, was held on October 21, 1983. The Commissioner of Fish and Game has ordered the private nonprofit hatchery coordinator to develop a charter to help define the role of the regional associations. The department and aquaculture participants have formally agreed to meet at least quarterly. |
| p. 122  |  |                          |   |
| 11-2 Emphasis rational enhancement program development, stop personal power struggles.  | Program managers and staff, both public and private, should be concerned above all else with the overall rational development of the enhancement program as a whole. Their first obligation must be to the resource and to the people who utilize the resource. They | Adopted and implemented. | Planning efforts both within the Department of Fish and Game and in cooperation with regional aquaculture associations and clearing of allocation issues through the Board of Fish, are all intended to assure a rational development of our  |
| p. 122  |  |                          |   |

should not waste their efforts in turf battles and political activities aimed at establishing personal power bases.

11-3 Regain public support for FRED program. Do not reduce State support. Undertake internal review to insure that facility performance is in line with current needs and objectives.

p. 122

Public support and understanding of FRED program needs to be regained. The FRED program should not be reduced or otherwise crippled. However, an internal review of each individual facility and program should be conducted to determine operational performance in line with strategic plans, resource and user needs and adjustments needed to accommodate desired production objectives that may have altered since facility start-up. Brood build-up to design capacity should be accomplished as rapidly as facility status and donor stock availability permit.

Adopted (in principle), work towards implementation to be accomplished as resources allow.

enhancement program. Increased emphasis on fisheries cover program development between the three fisheries divisions within the Department of Fish and Game is also taking place to ensure that a coordinated program that does address the various users' needs is achieved. The Fisheries Mini-Cabinet has initiated a study on aquaculture development leading to formulation of a policy for consideration by the Governor.

For the past two years, the Department of Fish and Game has contracted with the Dittman Company to determine public opinion of the Fish and Game programs in Alaska. The second most cited program with which the general public is satisfied is the fisheries enhancement program. All State facilities have been reviewed in the contract cost and benefits, based on present and projected production. Production goals and objectives for all the State's hatcheries are determined by regional comprehensive salmon enhancement plans, and performance is measured against standard assumptions developed in the FRED Division several years ago. Accomplishment of the goals and objectives is measured each year. Objectives for the production of fish are given annually. Reconsideration of the goals and objectives for the enhancement

11-4 Conduct review of capital needs to bring hatchery facilities to design capacity. Develop valid capital construction plan.

p. 123

11-5 Modify operating budget allocation formula to account for hatchery facility needs as they progress from start-up to full production.

p. 123

A thorough review of capital needs to bring all facilities to either existing or proposed design capacities should also be conducted to provide valid data for a capital construction plan.

The current allocation formula (base plus x percent), which is used to determine funds needed to pay for the operational costs of the state hatchery system, does not adequately meet the needs of the facilities as they progress from start-up to full production.

Adopted and implemented.

Adopted, work towards implementation in progress.

facilities is an ongoing process. Original design capacity of the facilities is no longer an obtainable objective because of the lack of capital improvement dollars to complete the facilities.

Capital construction plans are available for all facilities that are not now completed. Engineering cost estimates are revised annually.

Current budget ceilings do not take into account expanded production from the State's hatcheries. Operational costs for these hatcheries are less during start-up years than what is required when the facilities reach full capacity. Without additional operational funds being provided, other portions of the rehabilitation and enhancement program must be sacrificed to provide additional operational funding for the hatcheries as they expand, or some hatchery operations are suspended to make money available for remaining hatchery operations. Since 1979, the buying power of the FRED operational budget has remained essentially static. In the meantime, since 1980, 11 new hatchery facilities