

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4930 HRES HB 108 (FILE 1)

502

way, who are ready and eager to move in and set up pen-rearing in Alaska. Is this because they are quickly using up available sites in their own country? They have already had to destroy 22 facilities due to disease and are in the process of converting others for rearing cod and halibut.

Fishing, especially here in Southeast, represents a traditional way of life and is inextricably interwoven in our communities. I see how budget cutting strained our local Fish and Game offices last year and these next few years won't be much better. The Stikine River project was forced to shut down after 6 weeks instead of running for its original 4 months. I don't know if I'll have a job this summer. It would be foolish to thrust even more responsibility in the departments lap.

House Bill 103 (and Senate Bill 106) is full of holes and I urge you to not only vote against it but to lobby actively in committee for its defeat.

Sincerely,

Jean Shannon

*[Faint handwritten notes, possibly bleed-through from the reverse side of the page]*

Dear John,

MAR 19 1987

MAR 23 1987

I hope this letter will give you a few topics that need to be discussed & facts that must be brought forward before we can consider approving fish farms in Alaska. This is the time of year for us to get out and make some money as fishermen and I hope you will point this out to the Resources committee members when the teleconference comes around the 1<sup>st</sup> of April. Many of us will be out working and may not be able to vocalized our misgivings about H.B. 108

I hope more of the Haws

members will start giving some  
serious thought to this bill,  
thank you very much for your  
support & work on this issue.

Chas Shapster

Julie Hursey  
Box 213  
Petersburg, Alaska

Dear Representative Sand,

I am a commercial fisherman from Southeast Alaska, and I am very concerned about the passage of House Bill 108 and its counterpart Senate Bill 106. Before outlining my arguments against the passage of these bills, I would like to say that I am not opposed to aquaculture ever being developed in Alaska. In fact, shellfish aquaculture could be an economically viable industry here, and co-exist well with the existing fisheries. However, the development of any kind of aquaculture must follow a careful management plan, so that our existing fisheries resources are not adversely effected. My main argument with these bills is that they do not outline a careful or specific plan for development of aquaculture, and they leave too many crucial issues unresolved.

I have worked at several hatcheries around the country, and also helped establish a shellfish hatchery and management program back in Massachusetts. I have seen what thoughtful planning and development of aquaculture can be. In order for it to be successful, a management plan must be in place prior to development, to oversee site selection and to monitor water quality. This program must also be responsible for conducting inspections of the sites to maintain health standards and to ensure the protection of the environment, as well as control any problems with disease.

My particular concern is the effects that uncontrolled development of salmon farming could have on our wild stocks. It is a fact that if salmon farms are not carefully sited, fish wastes and excess feed can cause a pollution problem. Also, if the site is not carefully located, salmon populations become stressed and subject to disease. The effects of the disease problem on our wild stocks is not known. There were very few natural stocks in Norway to worry about. Eventually they developed "green zones" though, which were aquaculture-free, to protect what few stocks they had. No "green zones" are mentioned in these bills. Canada is already experiencing problems with the improper siting of salmon farms, and they now have a moratorium on new permits.

Neither of these bills mention a specific management plan for the development of aquaculture. Much of the responsibility for health inspections and the permitting procedure will be given to the Department of Fish and Game, but there is no indication as to where this money will come from. With the state's declining revenues, there is no extra money in the budget to fund this essential management program. It would be expensive to run such a program too. It would require quite a staff to oversee permitting, and also run a pathology lab, not to mention the costs of transportation to remote sites for inspections. This could not be funded at this time without diverting funds from our existing fisheries management programs. This is not an option.

Another issue that is not addressed in these bills is how disputes over an area will be resolved between conflicting user groups. Salmon farms could be located in areas that have been traditionally used as anchorages, fishing grounds, recreational areas, or even as marine transportation corridors. Canada is already having problems with these kinds of conflicts now, and it has reached serious proportions, according to Vince Goboyan, a Canadian delegate from the Canadian Standing Senate Committee on Fisheries. According to these bills, there would be no opportunity for fishermen to have any input into the decision-making process of site selection, since the Board of Fish is specifically precluded from participating. This hardly seems fair.

Julie Hursey  
Box 213  
Petersburg, Alaska

There has not been adequate research done on the resources available to develop a successful aquaculture industry. I have seen no mention of studies that show an inventory of the areas that are available to support aquaculture projects. This is not sufficient preparation for developing a viable new industry, and more research must be done on the feasibility of aquaculture before money is earmarked for its development. Research is necessary to determine how many places are appropriate for aquaculture, and whether there will be a conflict between user groups for that area. Another essential consideration is whether an area being considered for aquaculture already serves as a spawning or nursery grounds for wild stocks of fish.

Proponents of aquaculture say that it will create new jobs. Salmon farming in particular could eventually displace at least as many people as it would employ. However, not enough research has been done to determine the economic impacts that salmon farming could have on the existing commercial fisheries. More research is needed in this area. Fishermen and fishing communities have invested heavily in their boats, their gear, their permits and in related service industries. When fishing no longer provides a viable livelihood, will fish farming fill those gaps?

Fish farming is extremely expensive. The high costs of feed, brood stock and labor will make the costs of running these farms exorbitant; whether or not they could produce a competitive product for market is problematic. Countries like Chile have much cheaper labor costs. Norway subsidizes much of their salmon farming industry, including the transportation costs of getting fish to market. None of those factors will come into play up here. Even if we started fish farming today, by the time that the fish got to market, they would be competing against countries that can produce fish cheaper, and would probably be facing a glut on the market. The production of pen-reared salmon from existing facilities is predicted to increase between 250% and 500% by 1990, while seafood consumption in this country anyway, is only expected to rise 25%. That spells over-production and market glut to me.  
over to raising cod.

Since salmon farming is so expensive and capital-intensive, it is unlikely that the individual Alaskan will be able to participate as an owner/operator of a fish farm. There is no mention in the bills of any loan fund or financial resources to ensure that Alaskans are able to get into this industry at the management level. Any person can buy an Alaskan business license and get into aquaculture here, so it would be very easy for large corporations and/or foreign investors to monopolize the industry. Individual Alaskans may then only play a minor part in this industry, which may have far-reaching effects on the marine environment, and the existing fisheries resources, which are such an important economic base in Southeast Alaska. This makes no sense.

So I strongly disagree that we should rush through the "window of opportunity" offered by developing aquaculture at this time. It looks like Alaska could drop ten flights down to the pavement by jumping headlong into fish farming in particular. I do not believe that we should start an industry, and then develop a management plan as we go along either. That is extremely short-sighted, and could offer only band-aid solutions to the major problems that could arise.

Julie Hursey  
Box 213  
Petersburg, Alaska

Alaska has a legacy of a boom and bust economy. It is time that we learned from our mistakes. Rushing into something for quick gains, without an eye on the future has gotten us into trouble before. In fact, the commercial fisheries were almost destroyed earlier in this century by over-fishing. Now we have fairly effective management plans, and healthy wild stocks. It is our responsibility to protect these. All fishermen sacrifice in some way to these management programs, either through giving up fishing time, or areas, or even through restrictions in the kinds of gear that can be used. Many of us have paid the high costs of limited entry permits. Much time, work and money have gone into the research and enforcement of our fisheries management plans. I cannot see why another new industry should be developed without careful study of impacts it might have on the existing fisheries resources, the commercial fishermen, and the marine environment. We stand to lose too much.

Please consider these arguments carefully. I think one day that aquaculture will be developed in Alaska but it must be done right. I oppose these two bills, House Bill 108, and Senate Bill 106, because they do not provide adequate planning for the development of aquaculture, and they do not outline safeguards against adverse impacts to the existing fisheries resources. Even if they did outline an adequate management plan, we cannot afford to fund it at this time, in the face of declining state revenues.

Thank you for taking the time to read and consider this.

RICK G. BRAUN, L.S.  
Land Surveying  
Construction Planning  
207 Sixth Street P. O. Box 211  
PETERSBURG, ALASKA 99833

(907) 772-3986

Memo

LETTER

Date 3/15/87  
Subject PUBLIC RADIO  
MANICULTURE

LENN SUND  
P.O. BOX 4  
- JUNEAU, AK 99801

DEAR MR. SUND:

It was a pleasure to express my opinion on two issues that are dear to my heart. The first is funding for public radio. Our local radio station KFSK provides an essential service to our community. If KFSK's funding was reduced to such a level that local news and community activities and events could not be aired, we in Petersburg would suffer a significant loss in our quality of life.

The second issue that concerns me is the Maniculation Bill HB 0133 / SB 108 (etc). I feel it is essential that you work hard to ensure that this bill is passed in some form this year. I feel that the environmental and economic issues can be resolved. This country has never addressed these problems and so can we. Salmon farming in Alaska will strengthen our coastal fisheries industry and could provide a much needed boost for coastal communities.

Please reply     No reply necessary

SIGNED

Rick G. Braun

3/17/87

Rep. JOHN SUND:

I'm WRITING TO YOU CONCERNING HOUSE BILL 108 "AN ACT RELATING TO AQUATIC FARMING". I WOULD URGE YOU TO CONSIDER THIS BILL VERY CAREFULLY. ITS FAR-REACHING EFFECTS WILL LOOM LARGE, BOTH ECONOMICALLY & ENVIRONMENTALLY.

THIS PROPOSED BILL HAS ABSOLUTELY NO PROVISION FOR OVERSIGHT BY THE BOARD OF FISH.

NORWEGIAN FISH-FARMS, WHICH HAVE INSPIRED RECENT ACTIVITY WERE PLANNED & IMPLEMENTED OVER MANY YEARS, CAREFULLY, & WITH A HIGH REGARD FOR NATURAL STOCKS & ECONOMICS OF TRADITIONAL FISHERMEN. THE NORWEGIAN FARMS ARE HIGHLY REGULATED & SUBSIDISED TO ACCOMPLISH THIS.

PLEASE DO NOT LET THIS BILL BECOME LAW IN ITS PRESENT FORM.

SINCERELY, WILLIAM FLOIR  
Box 262  
PETERSBURG.

March 15, 1987

David Barth  
Box 304  
Petersburg

Senator Jones, Representatives Sund and Taylor  
Fifteenth Alaska State Legislature

Dear Sirs;

Even if you support salmon farming in Alaska you should not support HB-108 and SB-106. The repercussions should these bills pass could be devastating, both economically and environmentally.

Without proper safeguards, and these bills contain few, foreign investors would likely walk away with most of any profits the new industry might yield. This problem notwithstanding, the State quite simply can not afford the financial burden implied by HB-108 and SB-106.

When we consider the possible effects pens of fish might have on our environment, more questions arise than can yet be answered. Will a new disease be spread to wild stock Alaskan salmon? How many stocks of crab and other shellfish will be impacted or destroyed by these floating farms? We should not even consider salmon farming legislation until these questions and more like them can be answered.

Now I would like to tell you why I will never support pen rearing in Alaska. Quite frankly, Alaska may contain more first class pen sites than any other state or country in the world. We also lead the world in something else: wild salmon! In fact, "Alaska produces 43% of the world harvest of salmon." This is why I was astonished when I heard Ted Stevens announce to the United States Senate our "need" in Alaska for salmon farming... "to ensure a future supply of salmon."

I have been convinced for some time Alaska is our last hope to learn from past mistakes in how we treat our environment. The state of Washington, for example, is past saving as the world's great salmon producer. Twenty-seven dams on the Columbia River may be the least of the problem. Consider Elwell Creek for a minute. My wife's parents live on a bluff above this large tributary to the Skykomish River, northeast of Seattle. By coincidence Neil Peterson, who parks his boat next to mine in the Petersburg harbor, grew up on a farm across the Skykomish from the mouth of Elwell Creek. He can testify to the teeming hordes and herds of salmon, steelhead, and deer once present, when he was a kid, in and along Elwell Creek. There are still deer in the woods, but there are no fish left in the creek. The entire Skykomish system took a huge nosedive years ago when the first pulp mill opened up downstream on the Snohomish River. And I have visited my inlaws' enough to know Elwell Creek is a raging brown torrent within hours after rain hits the logged-off hills above.

And consider Redmond Creek. My sister lived on the stream in 1984

and 1985. Each fall she and her family were delighted to witness salmon spawning in their own backyard. And each fall they were horrified to wake up one morning to discover every fish belly up in a backeddy, dead on a sand-bar, or gone. It seems the farmer upstream would periodically dump large loads of cow manure into the creek, effectively suffocating every swimming thing. My sister called everyone she could think of, but what little action she got was much too late. These stories go on and on in Washington and the rest of the country. Will we let this happen to Alaska?

The catchphrase in the business world is "growth." The reality of life is "balance." When is growth enough? Before or after all of the old growth forests are cut? Before or after all rivers are dammed? Before or after every state in the union is developed? Alaska is and should remain the undeveloped state. Here in Southeast we have a rural economy unlike any other in the world. We don't pay much attention to the stock market because we are too busy earning a living. Our air is clean, our water is clean, the animals are in the woods and the fish in the rivers like they have been for eons. We have traditional native villages and immigrant Scandinavian towns coexisting peacefully as we earn our living from the sea. We have a salmon treaty with Canada, both to rebuild depressed wild stocks and to ensure future catch allocations. We also have made huge investments in the enhancement of wild salmon through NSRAA, SSRAA, FRED, and Fish and Game hatcheries. We do not need salmon farms and there is no good argument for them.

If pen rearing worldwide presents major competition to our own salmon markets, why should we even consider contributing to the problem? If salmon farms will provide jobs it will only be through displacement of existing jobs. If they will produce large profits these profits will mostly be lost to foreigners. And if no environmental disaster has happened yet elsewhere, where wild salmon are mostly non-existent, how can we know what future organism may arise from the muck beneath some corporation's pond? Can we afford to take the chance? No!

Please put down HB-102 and SB-106. And please do not ever support salmon farming in Alaska. Thank you.

Sincerely,

David Barth

Dear John Sand,

I am writing you today concerning H.B.108 and S.B.106 which are presently before the legislature. I have been reading "Aquaculture in Alaska" and as a fisherman am appalled by this "unbiased" report authored by Brad Pierce trying to sell Mariculture and specifically salmon farming to the legislature. Out of 105 pages there is one page devoted to "Negative Impacts", it is extremely hard to believe that an objective report compiled by a qualified researcher and paid for with state money would include only a bare bones statement of Negative Impact.

I am a fisherman residing in the state of Alaska and yes I do like my "Autonomy and Individual freedom", by exercising this I would like to add a few observations that were obviously overlooked by Mr. Pierce in his report. You have read 104 pages urging you to rush through the "window of opportunity" into salmon farming, I only wish to point out a few pitfalls that may lay just beyond the sill and strongly urge a cautious approach.

Number one in my mind as a resident of Alaska is who is going to pay for the permitation, regulation, inspection and control of the proposed new industry. H.B. 108 will put will the above burdens on the Dept. of Economic Development, Dept of Fish and Game and the Dept. of Environmental Conservation. Where is this money going to come from in a time of shrinking budgets without cutting already under funded

programs? The cost will not be born by the salmon farms in the form of fees, all one has to do is look at other state regulatory agencies and compare state money required to run the agency with fees collected. Is an analysis of the potential cost of this program to the state before the legislature?

In Alaska we produce 43% of the world salmon harvest and we are working to maximize our wild stocks while supplementing this production with various hatchery enhancement programs. What will happen to our natural resource if a bacterial disease infects the salmon farms? Remember there is an unavoidable 1 to 2 percent pen escapeage, in 1983 such a disease struck the Norwegian farms requiring the destruction of 2,900 metric tons of fish. This type of disease or an even more virulent form produced by antibiotic resistant strains could wipe out enormous populations of wild salmon. Is there a research paper before you outlining these risks and listing the proper precautions against the possibility of this occurring?

In these bills before you I do not see any consideration given to historical use of a potential salmon farm site. Sites could be permitted that would render unusable ① A traditional foul weather anchorage ② Present juvenile stock rearing grounds ③ Shellfish fishing grounds ④ Release sites for our existing enhancement programs. Before site permits can even be

considered this type of information must be completed, has a study been completed and are these facts before the potential permitting agency?

My letter is getting a bit long but I hope my point is coming through. I am not against salmon farming because I have a "xenophobic" attitude, we live in a wonderful state with beautiful natural resources and a historic economic dependency on the harvesting of that resource. I do not want to see us "going uncontrolled, without really looking at it carefully" as they are doing with salmon farming in B.C. according to Ulfert Gobeyer of the Canadian Standing Senate Committee on Fisheries. H.B. 102 and S.B. 106 are of that approach. By contrast the Norwegians started slowly and carefully on their farming endeavor, studying closely their habitat with protection and full use in mind. This effort was also highly subsidized by the government and occurred in a portion of the world with almost non-existent wild stocks. I trust this legislature will not be glittered into jumping on the wagon "before it's too late"; rather than gathering all pertinent facts required to form solid legislation.

These are some additional areas that may require in depth research so that a good mariculture bill can be drawn up:

① Potential environmental damage due to feces and un-used fish food.

② The effect of the possible forecasted glut of Pen salmon by 1990 on newly created

Alaskan farms (Dec. 1980 co. Fish Farming International)

③ Salmon Farm job breakdown - will Alaskans really obtain these newly created jobs.

④ Will small local Alaskan investors and residents be able to participate "A significant portion of the investment capital driving salmon-farming development in British Columbia is coming from foreign, mainly Scandinavian banks" Aquaculture in Alaska.

⑤ Potential economic damage to Alaskan Fisherman by setting up in-state competition. Possible job loss in the fishing industry and support industries

⑥ Impact on wild stock streams near pen sites

⑦ Cost effectiveness of feed prices and transportation in Alaska. Will the State end up subsidizing these farms until they become potentially profitable as was done in Norway?

I want to thank you for taking the time to read my letter and hear my concerns. I also want to assure you that I am not anti-mariculture but feel we should not proceed on such a wide open scale until more facts are before us. Please do not be pressured by fancy felders, persistent lobbyists, Big companies and promises of jobs and economic gain for Alaskans into passing a loosely structured bill like H.B. 108 or S.B. 106.

When drawing up Mariculture legisla-

tion the Governors Mariculture Advisory Committee policy recommended that "every effort be made to assure that the developing Aquaculture industry: ① be complementary to and not in conflict with the existing fishing industry ② be economically viable and self-sustaining ③ provide opportunities for family and other small scale businesses ④ provide an overall enhancement to the marketing image of all Alaskan seafood products and ⑤ give due consideration to wild stocks"

Thank you  
Chris Sharpston  
P.O. 1255  
Petersburg, Alaska  
99833

MAR 31 1987

Julie Hursey  
Box 213  
Petersburg, Alaska  
99833

Dear Representative Herrmann;

This is a petition that was circulated here in Petersburg, over a period of about two weeks. Actually, petitions were placed at the hardware store, and the Harbormaster's Office, and people signed as they passed through those places. Not all of these people are fishermen either. I realize now that we should have had a space for people to put down their occupations. I recognize the names of people who are boatyard workers, store owners, surveyors, fish buyers, and cannery workers. I am sorry that I did not have this included, as I think it would have been more meaningful in showing the breadth of people who expect that House Bill 108 could affect their lives. Well, I am learning.

It also would have been useful for people to note the fisheries they are involved in. This list represents seiners, gillnetters, crabbers as well as trollers.

I am hoping that you have been receiving letters from our community, and other communities throughout the state, telling you how the passage of this bill will affect their lives. We will have a few people from the community testifying next week during the teleconference, but many of them will be out fishing. I hope that those of us who do testify will be able to represent the others who share our opinions.

Thank you very much for your concern over this bill. I listened to the testimony all last week, and appreciated your focused questioning of the people who testified before the Resources Committee. Your questions showed that you were quite concerned about the issue, and are thinking about it very carefully. That is what is needed now. Please keep up the good work!

Sincerely yours,  
Julie Hursey















Petition to the Legislature of Alaska

Concerning House Bill 108 "Acts relating to aquatic farming"

- WHEREAS The introduction of a pen-reared salmon industry in Alaska would negatively impact existing fisheries and
- WHEREAS Such an industry would compete with and possibly preclude customary uses of bays and estuary areas and
- WHEREAS This industry would pose a serious biological threat to healthy stocks of wild Alaskan salmon and
- WHEREAS The existing foreign pen-rearing salmon industry is already going to over-produce, making a fledgeling Alaskan industry untenable and
- WHEREAS The pen-reared salmon industry will require substantial new funding to allow regulation and
- WHEREAS House Bill 108 fails to properly address these concerns:

The undersigned urge the Legislature of Alaska to VOTE DOWN House Bill 108.

DATE:	NAME:	SIGNATURE:	ADDRESS:
3/21/87	Bonnie Westlund	<i>Bonnie Westlund</i>	Box 945 Petersburg, AK
3/21/87	MARCIA A-FARRELL	<i>Marcia A Farrell</i>	BOX 1456 Pt Adair
3/21/87	Jeff McFarland	<i>Jeff McFarland</i>	Box 592 Petersburg
3/21	Wanda Parks	<i>Wanda Parks</i>	Box 285 Petersburg, AK
3/21	Mike Tilling	<i>Mike Tilling</i>	Box 305 IEG AK

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DATE:	NAME:	SIGNATURE:	ADDRESS:
	Robert Haltnier	Robert Haltnier	Box 1025 PSU
2/18	John McCall	John McCall	Box 1724 P.O. #
2/19	Kim McFarlane	Kim McFarlane	Box 592 P.O. #
2/19	Christy Rusten	Christy Rusten	Box 304 PETERSBURG
	Crane Curtis	Crane Curtis	Box 1012 PSU
2/19	Robert Haltnier	Robert Haltnier	Box 818 PSU
2/19	Michael Madalen	Michael Madalen	Box 1547 P.O. #
2/19	Michael Madalen	Michael Madalen	Box 1547 P.O. #



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DATE:	NAME:	SIGNATURE:	ADDRESS:
3/16	Bill George	William George	<del>305</del> Lumber St Petersburg
	James Stromoahl	James Stromoahl	1207 S Nordic Drive Box 1326
	Curtis R. Noewck	Curtis R. Noewck	Box 1165 Petersburg
	Michael C. ...	Michael C. ...	Box 1737 ...
	...	...	Box ...
3/17	James E. Mock	James E. Mock	Box 1558 Petersburg
	Joseph G. Doerr	Joseph G. Doerr	Box 67 Petersburg
	...	...	Box 1410, Petersburg
	...	...	...
	...	...	...
	Suzanne Fuqua	Suzanne Fuqua	Tokson, Alaska 99950
5/22	Christopher Pace	Christopher Pace	Box 146 Petersburg







NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

103 Monastery Street Sitka, Alaska 99835 (907) 747-6850

MAR 31 1987

March 27, 1987

Representative Adelheid Herrmann  
Alaska State Legislature  
Pouch V (HS 3100 )  
Juneau AK 99811

Dear Representative Herrmann:

Enclosed you will find a copy of a resolution adopted at a recent meeting of the Northern Southeast Regional Aquaculture Association Board of Directors. Since you are now considering HB 108 we felt that our opinion should be conveyed to you at this time.

If we can be of any assistance to you in making the best decision for Alaska's fisheries resource, please feel free to contact me at 747-6850.

Sincerely,

Pete Esquiro  
General Manager, NSRAA

PE/sp

ENCLOSURE



Resolution  
of  
The Board of Directors  
Northern Southeast Regional Aquaculture Association

Whereas; NSRAA opposes the inclusion of finfish farming in Senate Bill 106 and House Bill 108 entitled Aquatic Farming, and

Whereas; Passage of legislation allowing the farming of finfish, particularly salmon, will have an affect on existing fisheries programs, and

Whereas, Alaska already has in place a very effective salmon ranching program with participation of the State, Regional Aquaculture Associations, as well as other private Non-Profit operators, and

Whereas; The affects upon the State, its existing programs, and the State's fishing industry have not yet been fully defined, and

Whereas; NSRAA's Board of Directors believes that allowing the farming of salmon in the State's waters will have long term affects on the industry as it exists today in terms of available enhancement sites, the ability to protect wild stocks, pathology, genetics as well as the marketing of fish currently being produced.

Now Therefore Be It Resolved That; the State of Alaska secure funding for a real socio-economic study of the effects of pen-rearing of salmon on the Alaska commercial fisheries, subsistence fisheries, communities, businesses, environment, and existing ocean salmon ranching programs.

Be It Further Resolved That; the State of Alaska impose, at a minimum, a two-year moritorium on issuing finfish farming permits until studies have been funded and completed, and

Be It Further Resolved That: the State of Alaska must consider the present and future economic values of tideland, bay, and coastal water resources and should require something comparable to an environmental impact statement (EIS) which evaluates the effect on existing fisheries prior to issuance of permits.

Be It Finally Resolved That, the State of Alaska as custodian of the State's resources has the responsibility to provide protection for existing resources and must be prepared to provide pathological, genetic, inspection and permitting services if these bills are enacted.

This resolution was unanimously approved by the Board of Directors at its annual meeting held on February 28, 1987.

*[Signature]*  
\_\_\_\_\_  
Per: [Name], Secretary/Treasurer

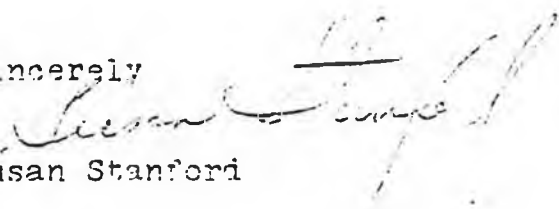
MAR 3 1968

Susan Stanford  
Bare Island  
Fort Bailey Alaska

Dear Rep Herrmann and Rep Cotton,

I am a fisherman and am very upset by the proposed House Bill 108  
I strongly urge the quick defeat of this bill and any more that  
address the same issue. I support fisheries reinforcement for  
the wild stock but do not under any circumstances support the  
house bill 108 for mariculture. This bill directly threatens  
the small fishermen like myself and sets up Meza Corporations  
to furnish the fish from Alaska. I will be watching this  
very closely.

Sincerely

  
Susan Stanford

MAR 31 1987

March 24, 1987

Rep. Adelheid Herrmann  
Rep. Sam Cotten  
Co-chairmen House Resources

This letter is to urge your opposition to  
HB 108.

I am a limited Entry Permit Fisherman in the  
Kodiak area. As such I support and  
recently voted to impose a 2% tax on  
our fish for rehabilitation work and all  
forms of enhancement of wild fish stock.

But I strongly oppose the fish farming in  
HB 108. We do not need the large  
mega buck corporations -- that are now  
waiting -- to jump into local fish farming.  
This has happened already outside.

Thank you for your opposition  
Walt Cunningham  
Base Island  
Point Barrow Alaska 997697

MAR 31 1987

March 24, 1987

Co-Chairman - House Resource Committee

Rep. Adelheid Hermann:

In regard to House Bill 108 and Senate Bill 106. We feel it is imperative that you do not allow these bills to pass, unless you amend them for shellfish and plant mariculture only. We strongly oppose fish farming in Alaska. This bill would only benefit a few people, mostly non Alaskans, at the expense of many Alaskan people. We would hope you would better spend your time promoting State hatcheries, non profit aquaculture and wild natural Alaska salmon for the benefit of the vast majority of Alaskans.

Please do not pass any bills in regards to mining or logging, which would damage any salmon spawning streams. Thank you.

Sincerely,



Peter and Robin Blake  
Box 1792  
Cordova, Alaska  
thirty seven year Res.

MAR 31 1987

March 23, 1987

Rep. Adelheid Herrmann  
P.O. Box V  
Juneau, AK 99811

Dear Adelheid Herrmann,

We would like to bring up House Bill 108 and Senate Bill 106 on the Aquatic Farming in Alaska. Our feelings on these Bills are for support for the Shellfish and Plant Mariculture under a Controlled development, but we "Oppose Fish Farming" in the Senate and House Bills. My wife 29 years old and myself 30 years old have two children and have lived our entire lives in Alaska all of which has been in Cordova. Our only means of livelihood and financial support is from commercial fishing and has been that and that of many generations of our families in Alaska.

We feel that if Fish Farming is allowed in Alaska it will threaten our livelihood and our traditional fishing grounds non the less will be in direct competition with the commercial fish markets. There are other misconceptions by the general public that Fish Farming will be a cheap and inexpensive investment to get into. Wrong, with studies already completed the average starting cost is 180 - 220 thousand dollars for a small Fish Farm.

Since there is a several year wait for any return of any income this brings a question to me - Who can afford to invest into Fish Farming?

Is the State of Alaska going to loan 220 thousand dollars to the average Alaskan who wants to get into a new business, and has no experiance in this feild ? NO !!

So what do we have left but huge corporations and investment firms, but not the average Alaskan. So there goes more easy money taken from Alaska, but does the money stay in Alaska ? Where does the money go ? Who gets it ? How many jobs does Fish Farming create for Alaskans at the same time , how many jobs does it ruin and take , how many businesses and fisherman lose do to the effect of Fish Farming in Alaska ? Has there been any research on this subject ? What about the disease problems or the contamination of our wild stocks ? Where are these Fish Farms going to go, and are they going to take over beaches and shorelines used by traditional Sports, commercial and subsistence user groups ?

What about the impacts on our natural environment from the use of Toxics (THT) , Antibiotics etc.. used by Fish Farms ? Where do the Fish Farms get their eggs or smolt ? Do we take a chance of a fish pen or pens of imported salmon getting loose and mixing with our local wild stocks ? What would happen ?

I can understand you thinking this letter a bit of a doomsday and paranoid outlook on a new Fishery for Alaska, but as so far none of of the questions in this letter and many many more have so far been answered.

So what it all comes down to is, if Fish Farming is allowed in Alaska then the decision is a Premature and Irrational decision and under what basis would the decision be made ?

For the good of all Alaskans or a very few outside Alaskan Investors ? What is the long term effect to Alaska and our children ? Let's take our time and think before we react. There could be very much at stake here.

*Thank You,*

*John & Kim Johnson*

MAR 31 1987

4458 Melan Drive  
Fairbanks, AK 99712

March 27, 1987

Rep. Adelheid Herrmann  
Co-Chairmen House Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Representative:

I am opposed to a bill allowing fish farming. I am a commercial fisherman myself and have worked at the little Port Walter research station as a fish tech for ADF&G.

It may be that fish farming is a growing industry but I don't feel that that reason alone is enough to force Alaska into it. I also realize there are many Alaskans eager to get into fish farming but in my experience they don't have a very good understanding of commercial fishing or its impact as a longstanding industry.


It may be inevitable that fish farming come to Alaska but I fail to see the urgency to develop it. Other countries are making mistakes that we in Alaska could benefit from if fish farming is developed in the future.

Other topics that should be strongly addressed before legislation is passed is how these farms should be started, who will start them, or how the environmental problems will be handled.

In light of Alaska's current economic situation I realize there is a desire to get more industry started but I don't think Alaska is desperate and I don't think we are going to be.

Therefore, I think fish farming in Alaska should be entered into very slowly and with consideration for current and longstanding businesses. I suspect fish farming in Alaska will have a serious impact on Alaska commercial fishing regardless of what extent fish farming is being done outside the state.

Sincerely,

  
Ronald W. Bennett

3/23/87

MAR 23 1987

Julie Hursley  
Box 213  
Petersburg, Alaska

Dear Representative Herrman;

I am a commercial fisherman from Southeast Alaska, and I am very concerned about the passage of House Bill 108 and its counterpart Senate Bill 106. Before outlining my arguments against the passage of these bills, I would like to say that I am not opposed to aquaculture ever being developed in Alaska. In fact, shellfish aquaculture could be an economically viable industry here, and co-exist well with the existing fisheries. However, the development of any kind of aquaculture must follow a careful management plan, so that our existing fisheries resources are not adversely effected. My main argument with these bills is that they do not outline a careful or specific plan for development of aquaculture, and they leave too many crucial issues unresolved.

I have worked at several hatcheries around the country, and also helped establish a shellfish hatchery and management program back in Massachusetts. I have seen what thoughtful planning and development of aquaculture can be. In order for it to be successful, a management plan must be in place prior to development, to oversee site selection and to monitor water quality. This program must also be responsible for conducting inspections of the sites to maintain health standards and to ensure the protection of the environment, as well as control any problems with disease.

My particular concern is the effects that uncontrolled development of salmon farming could have on our wild stocks. It is a fact that if salmon farms are not carefully sited, fish wastes and excess feed can cause a pollution problem. Also, if the site is not carefully located, salmon populations become stressed and subject to disease. The effects of the disease problem on our wild stocks is not known. There were very few natural stocks in Norway to worry about. Eventually they developed "green zones" though, which were aquaculture-free, to protect what few stocks they had. No "green zones" are mentioned in these bills. Canada is already experiencing problems with the improper siting of salmon farms, and they now have a moratorium on new permits.

Neither of these bills mention a specific management plan for the development of aquaculture. Much of the responsibility for health inspections and the permitting procedure will be given to the Department of Fish and Game, but there is no indication as to where this money will come from. With the state's declining revenues, there is no extra money in the budget to fund this essential management program. It would be expensive to run such a program too. It would require quite a staff to oversee permitting, and also run a pathology lab, not to mention the costs of transportation to remote sites for inspections. This could not be funded at this time without diverting funds from our existing fisheries management programs. This is not an option.

Another issue that is not addressed in these bills is how disputes over an area will be resolved between conflicting user groups. Salmon farms could be located in areas that have been traditionally used as anchorages, fishing grounds, recreational areas, or even as marine transportation corridors. Canada is already having problems with these kinds of conflicts now, and it has reached serious proportions, according to Vince Goboyan, a Canadian delegate from the Canadian Standing Senate Committee on Fisheries. According to these bills, there would be no opportunity for fishermen to have any input into the decision-making process of site selection, since the Board of Fish is specifically precluded from participating. This hardly seems fair.

There has not been adequate research done on the resources available to develop a successful aquaculture industry. I have seen no mention of studies that show an inventory of the areas that are available to support aquaculture projects. This is not sufficient preparation for developing a viable new industry, and more research must be done on the feasibility of aquaculture before money is earmarked for its development. Research is necessary to determine how many places are appropriate for aquaculture, and whether there will be a conflict between user groups for that area. Another essential consideration is whether an area being considered for aquaculture already serves as a spawning or nursery grounds for wild stocks of fish.

Proponents of aquaculture say that it will create new jobs. Salmon farming in particular could eventually displace at least as many people as it would employ. However, not enough research has been done to determine the economic impacts that salmon farming could have on the existing commercial fisheries. More research is needed in this area. Fishermen and fishing communities have invested heavily in their boats, their gear, their permits and in related service industries. When fishing no longer provides a viable livelihood, will fish farming fill those gaps?

Fish farming is extremely expensive. The high costs of feed, brood stock and labor will make the costs of running these farms exorbitant; whether or not they could produce a competitive product for market is problematic. Countries like Chile have much cheaper labor costs. Norway subsidizes much of their salmon farming industry, including the transportation costs of getting fish to market. None of those factors will come into play up here. Even if we started fish farming today, by the time that the fish got to market, they would be competing against countries that can produce fish cheaper, and would probably be facing a glut on the market. The production of pen-reared salmon from existing facilities is predicted to increase between 250% and 500% by 1990, while seafood consumption in this country anyway, is only expected to rise 25%. That spells over-production and market glut to me.  
over to raising cod.

Since salmon farming is so expensive and capital-intensive, it is unlikely that the individual Alaskan will be able to participate as an owner/operator of a fish farm. There is no mention in the bills of any loan fund or financial resources to ensure that Alaskans are able to get into this industry at the management level. Any person can buy an Alaskan business license and get into aquaculture here, so it would be very easy for large corporations and/or foreign investors to monopolize the industry. Individual Alaskans may then only play a minor part in this industry, which may have far-reaching effects on the marine environment, and the existing fisheries resources, which are such an important economic base in Southeast Alaska. This makes no sense.

So I strongly disagree that we should rush through the "window of opportunity" offered by developing aquaculture at this time. It looks like Alaska could drop ten flights down to the pavement by jumping headlong into fish farming in particular. I do not believe that we should start an industry, and then develop a management plan as we go along either. That is extremely short-sighted, and could offer only band-aid solutions to the major problems that could arise.

Julie Hursey  
Box 213  
Petersburg, Alaska

-3-

Alaska has a legacy of a boom and bust economy. It is time that we learned from our mistakes. Rushing into something for quick gains, without an eye on the future has gotten us into trouble before. In fact, the commercial fisheries were almost destroyed earlier in this century by over-fishing. Now we have fairly effective management plans, and healthy wild stocks. It is our responsibility to protect these. All fishermen sacrifice in some way to these management programs, either through giving up fishing time, or areas, or even through restrictions in the kinds of gear that can be used. Many of us have paid the high costs of limited entry permits. Much time, work and money have gone into the research and enforcement of our fisheries management plans. I cannot see why another new industry should be developed without careful study of impacts it might have on the existing fisheries resources, the commercial fishermen, and the marine environment. We stand to lose too much.

Please consider these arguments carefully. I think one day that aquaculture will be developed in Alaska, but it must be done right. I oppose these two bills, House Bill 108, and Senate Bill 106, because they do not provide adequate planning for the development of aquaculture, and they do not outline safeguards against adverse impacts to the existing fisheries resources. Even if they did outline an adequate management plan, we cannot afford to fund it at this time, in the face of declining state revenues.

Thank you for taking the time to read and consider this.

*Julie Hursey*

Mar. 1957

3-30-57

Dear Rep. Clarence Henderson

I am writing to ask you to take no action on the fish farming portion of House Bill 108. This bill threatens our livelihood as commercial fishermen and the economy of many Alaskan coastal towns.

It takes the money money away from commercial fishermen and puts it into the hands of a few big businessmen.

Fish farming has the added danger of rising off on natural salmon runs and the diseases that per-suaded salmon contact.

The state has invested millions of dollars in a very successful hatchery program.

It doesn't make sense to cut funding here and channel it into fish farming.

Please protect commercial fishing and the economy of Alaska.

Sincerely,

Robert Dean Connor

2-4-57  
1957

MAR 24 1987

3 --20 --5 >

REP. Adelheid HERRMAN

I would like to go on record  
for opposing HB 108 AND  
SB 106. (PROVIDING A BASIS FOR  
AQUATIC FARMING IN ALASKA)

IF this type of thing  
CONTINUES COMMERCIAL FISHING  
IN ALASKA by INDIVIDUALS  
WILL BE A thing of the PAST.

THANK YOU  
DENNIS BROWN  
COPPER CENTER AK  
99573

MAR 24 1987

KEN MUELLER, PH.D.  
EAST ANCHORAGE PSYCHIATRIC GROUP  
1709 BRAGAW, SUITE B  
ANCHORAGE, ALASKA 99508

TELEPHONE (907) 276-7374

Dear Rep. MacChesni Hermsman:

I urge you to oppose fish farming.  
Since it ultimately will weaken the price  
structure for your district's fishermen &  
will transfer economic value from the  
"little" fishermen to the hands of large  
corporations.

House Bill 108 & SB 106 must be  
opposed.

Thanks,

Ken Mueller MD

MAR 24 1987

Re: House Bill 108: Relating to  
aquatic farming, specifically  
the pen-rearing of salmon.

From: Jean Shannon  
Box 1211  
Petersburg, W., 99833

20 March, 1987

Dear

My name is Jean Shannon, I live in Petersburg and am a permanent, seasonal Fisheries Technician for the Department of Fish and Game. I am very concerned with House Bill 108 which addresses the issue of aquaculture and, more specifically, the pen-rearing of salmon in Alaskan waters.

In it's present form, were it to pass, the bill leaves too many questions unanswered and doesn't adequately provide for the safety of the Alaskan environment or its wild stocks of fish. Where I am not opposed to various other forms of aquaculture, for example, oyster or scallop farming, which would mean the development of a heretofore unexploited resource, I fail to see why anyone would find it necessary to pen-rear salmon when Alaska already contributes 43% of the world harvest of salmon.

As a state employee, I am acutely aware of the pressure that has been brought to bear on the department as a result of our failing oil revenues. Fewer employees generally means a more conservative management policy which in turn leads to a smaller harvest and less return to enhancement programs and the state in the form of the fish and aquaculture taxes.

It will be interesting to see this year how well the Bristol Bay fishery is managed without the benefit of their counting towers, a system that provided vital daily escapement statistics and played a key role in determining what areas to open and close. Fish and Game already has a tough time keeping a handle on their management responsibilities and increasing these duties

without allocating additional funds only promises a more conservative management policy, hence reduced harvests, less money in local communities and less revenue to the state.

House Bill 108 does not sufficiently provide for careful management of an aquaculture program. Fish and Game offices are struggling to maintain the programs they already have in place, I don't see how they will be able to perform such tasks as site selection and inspection, issuing of permits, and the implementation of a disease control center, not to mention the additional personnel they would be required to hire. Any bozo could obtain a permit to pen-rear salmon (there are no educational qualifications or restrictions included in this bill), but it would fall on the shoulders of the Fish and Game to make sure the operation were properly carried out.

With the Norwegians experiencing a 1-2% escape rate from their facilities and virtually no wild stocks of their own to threaten, how could we take such a chance when our natural stocks are still so strong and diverse? Let's protect and cultivate what we're lucky enough to still have. Why play genetic roulette when the stakes are so high?

This bill makes no provisions or requirements for the protection of the environment or its wild stocks of fish. From House Bill 108, page 3, section c, "The commissioner of Fish and Game... may attach conditions to an acquisition permit..." and, further down the page, section e, "The commissioner of Fish and Game may deny or restrict a permit...if...the proposed harvest will...impair sustained yield of the species". The burden of proof rests solely with the department and requires them to give facts explaining their action. The benefit of the doubt seems to rest exclusively with the permit holder.

In addition, the bill states that Fish and Game will provide brood stock for these facilities. Does this mean that fishermen will be shut down in order to attain those goals?

Finally, one of my greatest concerns has to do with the displacement of fishermen and their families as these farms get going. I do not believe they are compatible with commercial fishing nor do I believe that most Alaskans would benefit from their influx. It is my impression that it is foreign investors, like Nor-

way, who are ready and eager to move in and set up pen-rearing in Alaska. Is this because they are quickly using up available sites in their own country? They have already had to destroy 20 facilities due to disease and are in the process of converting others for rearing cod and halibut.

Fishing, especially here in Southeast, represents a traditional way of life and is inextricably interwoven in our communities. I see how budget cutting strained our local Fish and Game offices last year and these next few years won't be much better. The Stikine River project was forced to shut down after 6 weeks instead of running for its original 4 months. I don't know if I'll have a job this summer. It would be foolish to thrust even more responsibility in the departments lap.

House Bill 105 (and Senate Bill 106) is full of holes and I urge you to not only vote against it but to lobby actively in committee for its defeat.

Sincerely,

Jean Shannon

*Jean Shannon*

Dear Mr. Herrmann,

I understand that House Bill 105 has recently come into the Resources Committee which you sit on. I hope you will carefully consider the repercussions this bill would have on our state's fishing industry. Please vote "no" and urge your fellow representatives to do the same.

Thank you

3-21-57

MAR 24 1957

Dear Mr. [unclear]

I am asking that you take no action  
on the bill for the partition of the  
all 1st to let take the salmon money  
away from fishermen and put it in  
the hands of the corporations

Commercial fishing is [unclear] main  
industry, along with other coastal towns  
Our state has been feeling a depressed  
economy - this would only add to it,  
with many more out of work.

There are many diseases that can  
bead fish contact, which can destroy  
the natural salmon runs we see  
that you protect our #1 resource, fishing.

Thank you.

William Gushk  
Eileen Gushk

975

MAF

Irene Miller  
P.O. Box 995  
Petersburg, Alaska 99833

March 20, 1987  
Fifteenth Alaska State Legislature  
First Session, 1987  
P.O. Box V,  
Juneau, AK 99811

I am concerned about House Bill 108, particularly the pen rearing of salmon. I make my living by trolling for salmon in S.E. Alaska and if Alaska lets these salmon farms in the state (which is dominated by foreign investors) it will directly affect my livelihood and investments.

The jobs created by salmon farms will not justify the number of commercial salmon fishermen you will be eliminating. Why destroy an already productive industry that is in Alaska and for Alaska?

Where is the money going to come from to manage these 'farms' in an already scarce state government budget?

State loans to commercial fishermen may be in jeopardy and present loans may be forced into non payment if we can't sell our product. There are already more than enough salmon farms to supply our countrys fish needs and by 1990 we will see a flood of the market, driving down prices which already is happening.

We have a viable source of wild salmon which is renewable. Norway's salmon farms are subsidised by their government. Current information on salmon farming shows environmental impacts which have not been considered in this bill. More research is needed before we can allow pen reared salmon in Alaska.

Pen rearing of salmon does not belong in bill 108. We need to address these problems and others before we let this bill through.

Irene Miller

MAR 2 - 11

March 19, 1987

Dear Rep. Adelheid Herrmann,  
I would like to address  
House Bill 106 & House Bill 103  
currently in the Alaska State  
Legislature.

I oppose both of these  
bills about fish farming, not  
about shellfish or plant mariculture.

I believe the State of Alaska  
has not performed an in depth  
study of the biological economic  
and sociological problems and  
potentials of salmon pen rearing  
in Alaska.

State funds and services  
for DEC, DNR and F&D division  
at DFG, already cut back due  
to shrinking revenues, will have  
to be further reallocated to  
address salmon farming.

The potential for disease  
contamination of the wild stock  
has not been explored at all.  
In 1985 a Norwegian fish farmer  
was forced to destroy 3,800 metric  
tons of farmed salmon due to  
contaminated stock, but since

Norway doesn't have its  
own salmon runs who know  
what would have happened.

It's my firm belief that  
it is essential that studies  
be done and safeguards be  
developed to ensure that Alaska's  
already healthy commercial fishing  
industry is protected.

Thank you for your time.

Ernest Hedstrom

P.O. Box 770061

Eagle River, Alaska

99577

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DATE

TO: REP. HERDMAN, REP. GRUSSENDOPE, SEN. ELIASON

FR: SITKA WITNESSES \*

SENT BY SITKA, ALASKA LEGISLATIVE INFORMATION OFFICE.

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\* Testimony is provided from:

AL BROOKMAN (pgs 2-3)

MR. BROOKMAN SHORTENED HIS TESTIMONY & PRESENTED THE FOLLOWING REMARKS  
DURING THE APRIL 2 TELECONFERENCE:

My friends and Fellow Alaskans:

I am Al Brookman, Sr., and I am grateful for this opportunity to testify against Senate Bill 106 and House Bill 108 in this statewide teleconference. I have researched this subject of mariculture carefully and feel that the name 'mariculture' is just a red herring to hide the real meaning, which is salmon farming. After careful consideration, I think that the meaning and intent of these identical companion bills is deceitful and downright dangerous to all salmon fishermen in the State of Alaska, including sportsfishermen. Mariculture covers a wide range of aquatic endeavors, and there is a lot of opposition to the whole concept of farming in the sea, in Alaskan waters.

I know that the Japanese are trying to get control of the macrocistic kelp that grows in its natural state around Sitka, but the local mosquito fleet would never permit that to get started without their participation because we had a good thing going before the bungling efforts to preserve law and order by the Alaska State Troopers failed, and a gang of out-of-town drunken outlaws brazenly stole over a million dollars worth of roe on kelp in front of the rightful owners, almost causing a massacre.

So there is a lot of anger directed against the authorities in locking us out from this valuable and important fishery.

As for shellfish farming, there is the ever present spectre of paralytic shellfish poisoning (PSP) that would prohibit the harvesting and sale of shellfish.

Pen raised salmon would be a glut on the market and dangerous to Alaska's burgeoning wild salmon stocks that are a gourmet fish eater's delight. In spite of the high pressure advertizing, pen raised salmon are a very poor product. These small juvenile salmon raised in a crowded environment have a low-oil content and are devoid of the life saving OMEGA-3 found in all seafoods and would not even make a decent pet food! So the whole enabling bill should be defeated and political retaliation taken against its sponsors.

A SPEECH TO BE DELIVERED TO A TELECONFERENCE ON SENATE BILL 106 & HOUSE BILL 108

by Al Brookman, Sr.

Reading Time 6 minutes

The ruling class cannot rule without the consent of the governed, and I deeply resent the fact that we <sup>who</sup> intend to present rebuttal to an endless flock of tame pigeons extolling the blessings of salmon farming will have to wait two weeks before we get a chance to be heard.

These bills have been introduced by a consortium of unthinking people that have no regard for the more than 20,000 voters that make their living from fishing ocean-going wild salmon stocks in the clean, pure environment of the Gulf of Alaska and adjoining waters.

If this monstrous bill is crammed down our throats we will retaliate in every way possible. First, by taking political revenge on the sponsors of these bills. Then by every legal means at our disposal. Because we will never give in to the curse that has been visited on the decent people of British Columbia by a few dishonest politicians and the moneyed people of Japan, Norway, and probably English, French, and South African capital as well.

The truly big money of the world knows no boundaries and pays allegiance to a \$1,000.00 bill waving gently in the breeze. What the Japanese failed to do with warfare has now been accomplished by turning our rotten monetary system against us.

Before we knew what was happening, the Japanese moneyed interests moved in and bought controlling interests in 80% of the processing plants in Alaska. So now the Alaska salmon industry is held in bondage by our Japanese masters.

We go fishing when they give the word, and the season ends when they give the command because they control the market. Salmon farming expansion had to be stopped in Norway because of the filth from salmon excrement polluting the water and causing highly contagious viruses to attack the juvenile salmon, causing the farmers to use huge amounts of antibiotics to save all the stocks from destruction. Then the government stopped further expansion. Even when they have no wild stocks to protect like we have.

This dumping of tasteless, immature salmon has undermined the price structure that we have nurtured so carefully with quality control and millions of dollars in advertising.

Sincerely, Al Brookman, Sr.

3.4.2

DATE

APR 02 1987

TO: Rep. Herrmann, Rep. Grossendorf, Sen. Eliason  
FR: Sitka Witnesses \*

SENT BY SITKA, ALASKA LEGISLATIVE INFORMATION OFFICE.

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\* Testimony is provided from:

- Bill Froust (pgs 2-3)
- Steve Laposk (p. 4)
- City & Borough (p. 5-8)

TO: REP. HERRMANN, REP. GRUSSENDORF, & SEN. ELIASON

FR: BILL FROUST, BOARD OF ALASKA TROLLER'S ASSOCIATION & CHAIRMAN OF TROLL PAC  
3009 HFR - SITKA, AK. 99835

RE: TESTIMONY CONCERNING MARICULTURE LEGISLATION /HB 108

### MY OBJECTIONS TO MARICULTURE OF SALMON

Pen rearing of salmon is too dangerous to the existing resource to even consider in Alaska. There's the ever-present danger of disease spreading to our natural stocks. We are told that due to the unusual stresses of confinement, disease runs rampant in the pens. In Norway, in 1923, they had to destroy the entire stocks in 29 out of 40 pens, at a loss of approximately \$110 million. Studies tell us that an average escape rate of 1% is to be expected. In Norway, their major salmon streams had already been destroyed, so they had little risk, but here in Alaska, we produce 93% of all U.S. wild salmon--43% of the total worldwide. We're doing everything we can to increase this percentage through state and private aquaculture work. The fishermen in Alaska are the only fishermen in the world who have voluntarily taxed themselves to produce more fish. Nature is a fragile resource and it is only man that upsets it. We can only enhance it very carefully. If, through greed, we destroy the natural runs of salmon, all of Alaska would pay for it. Why take a chance to allow a few out-of-state (and probably out-of country) people a shot at the "pot of gold at end of the rainbow" when we already have the best pot of gold, being shared by the people of Alaska?

The use of modern technologies without adequate knowledge of the consequences can be disastrous. Consider: Ever since salmon farming was begun, they've been using TBT to control scum on the nets. These fish are confined in the contaminated area throughout their life-span, absorbing this deadly poison. How many pen-reared fish consumers are walking around with TBT in their systems? It was our own Little Port Walter facility, concentrating, not on the commercial aspect, but on the scientific aspect, of fish farming that discovered this. Why wasn't it discovered sooner? Also, antibiotics have been used routinely in farm animals for many years, and although it has been known for a long time that the indiscriminate use of antibiotics can lead to virulent disease strains that are resistant to treatment, it has only been recently discovered that these strains can be transmitted directly to humans through the meat. (See the Sitka Sentinel, March 9, page 8),

One of my major concerns in this area of a lack of knowledge is what we do NOT know about the spread of disease. I have talked with some of the researchers at Little Port Walter, and they have confirmed my suspicions. NOBODY knows just how these diseases are spread, whether strictly through direct contact, or through feed-fish, algae, other natural organisms, or even through the water itself. If it's only through direct contact, our worries would be limited to the escapees, but I don't think anybody believes THAT! If it's carried through the water itself, how far does it reach? And if it's through the food chain--it makes me shudder to think of the damage we might do.

2068

Now, how about the economics of the situation? Is it really the bonanza that some seem to think it is? Norway got into it first, and they really made a killing, because they had no competition. Now 13 nations have fish farms. By 1990, according to "Fish Farming Internationals", there will be a projected excess of 23,000 tons. They go on to say that only the larger farms that produce 500 tons or more per year will be able to survive. A farm this size is estimated to cost around \$3 million or more. So tell me..how is our "younger generation of Alaskans", who can't break into the present fishing industry, going to benefit from "getting in on the ground floor of this marvelous new opportunity"? Where is ANY individual going to get that kind of money?

All this won't be free to the state, either. I have a copy of the study that was done to estimate the cost vs. revenue to the state. It shows that by 1992, the projected cost will be around \$600,000 per year, for management and pathology as opposed to revenue of about \$70,000, from licenses and permits. If this is such a lucrative business, why is it necessary for the state to subsidize it to the tune of \$530,000 per year?

How can Alaska compete against Washington, Oregon, and Canada when we would have to fly the fish out? I submit that Alaska is too late and the investors are likely to find that their "pot of gold" is only "fool's gold" after all.

Bill Frost  
Board of A.T. A.  
Chairman of Troll Pac.

APL 02 '87 11:36 SITKA LEG. INFO.  
TO: Rep. Herrmann, Rep. Grussendorf, & Sen. Eliason

FR: Steve Laposki, Oysters 'n Such  
146 Wolff Drive, Sitka, AK 99835

P. 4/8

4-2-87

AFTER 10 AM

RE: Testimony Concerning Mariculture Legislation

I AM A SHELLFISH GROWER IN S.E. ALASKA.

I ADAMANTLY OBJECT TO HAVING MY OYSTER  
FARM THROWN IN WITH THE QUESTIONABLE BILLS  
106 & 108. I AM OPPOSED TO A GENERAL BILL  
THAT ENCOMPASSES BOTH FINFISH & SHELLFISH.

Ⓢ

FR: MAYOR DAN KECK / DEPUTY MAYOR MAXINE BRIEELL

CITY & BOROUGH OF SITKA, 304 LAKE ST. RE: TESTIMONY & RESOLUTION RE:  
MARICULTURE

M A R I C U L T U R E T E S T I M O N Y

Good morning. My name is ~~Dan Keck~~ <sup>Dan Keck</sup> and I am presently the <sup>Mayor</sup> Mayor for the City and Borough of Sitka. I would like to take this opportunity to explain our position regarding Mariculture in general and pen raising of salmon in particular.

Sitka as some of you might not know has been mentioned in "National Fisherman" as being one of the highest value rated ports in the entire United States. At present, approximately 28% of our economic work force is in some way related to fisheries. Due to our outside location and water quality, Sitka is being strongly viewed as a excellent location for major mariculture activity. While we realize that it is the state that will determine the future of this industry, locally, we have the following concerns.

A shellfish mariculture appears to hold promise in S.E. Alaska. The problems associated with it such as importation of spat, proper health testing and good site selection all appear to be technical or scientific aspects that can be overcome. Its prime appeal, is that it might create a NEW UNDEVELOPED growth industry for the state. It is my understanding that most communities and the fishing groups have no major problem with this side of the mariculture proposal. Where the debate and concern all focuses, is on the pen raising of salmon.

There is an old saying that we have all heard. "If it ain't broke, don't fix it." I have a great deal of difficulty understanding the reasons for the great rush to allow salmon farming. Alaska has invested over the years

## Mariculture Testimony

Page 2

in State hatcheries. The aquaculture bill allowed private non-profits to also engage in hatchery production. The common thread is that they all release salmon into the common property fishery. This not only increases commercial catch of salmon for the growing world market for fish but it increases the recreational sport fish catch which not only assists all of us in our subsistence and recreation but contributes to the potential for tourism growth, our second largest state industry. Tourism assists the charter boats, the general business retail community and the effects ripple throughout the economy. If Alaska feels we need to proceed with a larger world market share for our salmon, we have the mechanisms in place to increase production. ASMI or the Alaska Seafood Marketing Institute as well as the State Department of Commerce and Economic Development can both increase efforts to market Alaska salmon.

Pen raising of salmon immediately raises several concerns of private single ownership rather than common property fisheries, potential large scale investment requirements inviting speculation, foreign control and direct competition with a healthy existing industry and the unnecessary fixing of a industry that is NOT in difficulty such as the oil industry. From our point of view, salmon farming is speculative, has many negative implications and would only hurt, not help our existing fisheries.

## Mariculture Testimony

Page 3

At their regular meeting of March 24, 1987, the Assembly of the City and Borough of Sitka, passed Resolution 87-343. This resolution requests that the Legislature OPPOSE any legislation that would permit the pen raising of salmon in Alaska. While we all realize the efforts within the State to seek new industry to augment and reduce our economic dependance on a single industry such as oil, Sitka does not believe that salmon ranching is the answer.

RESOLUTION NO. 87-343

A RESOLUTION OF THE ASSEMBLY OF THE  
CITY AND BOROUGH OF SITKA  
REQUESTING THE ALASKA STATE LEGISLATURE  
TO OPPOSE ANY LEGISLATION WHICH WOULD PERMIT THE  
PEN RAISING OF SALMON IN ALASKA

WHEREAS, the salmon fishing industry is the major contributor to the economy of Sitka and many other rural Alaska towns; and

WHEREAS, the pen reared salmon industry would be a direct competitor for markets; and

WHEREAS, Alaska's fishermen have voluntarily taxed themselves for the purpose of fisheries enhancement; and

WHEREAS, the loss of local and winter markets due to competition by pen reared salmon would destroy the winter troll fishery, which depends on higher market value for its existence; and

WHEREAS, the pen rearing of salmon would increase the competition for protected sites which are already required by existing aquaculture projects, log transfer facilities, safe anchorages, troll drags, and crabbing areas; and

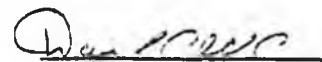
WHEREAS, the creation of a pen rearing industry will put an additional financial burden on state agencies that are already feeling a budget squeeze; and

WHEREAS, the numbers of "new" jobs created for local residents of Alaska are likely to be fewer than the "old" jobs destroyed by competition with the existing fishing industry,

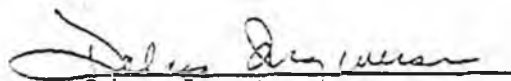
NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that it requests the Alaska State Legislature to oppose all legislation which would permit the pen raising of salmon in Alaska.

BE IT FURTHER RESOLVED that the City and Borough of Sitka request the State of Alaska work to develop a marketing program to promote "Wild Alaska Salmon" to help offset the impacts caused by the world production of pen reared salmon.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of MARCH, 1987.

  
Dan Keck, Mayor

A T T E S T:

  
Dolores Ingwersen,  
Municipal Clerk

APR 01 1987

March 25

Dear Rep. Adheid Herrmann

Regarding House Bill 108 and Senate  
Bill 106, I would like shellfish &  
plant mariculture to be considered separately.  
I am opposed to fish farming at  
this time, however controlled  
development of shellfish and plant  
mariculture in an orderly fashion  
should be encouraged.

Thank you.

Sincerely,

Janet Ayle  
Box 3895  
Kodiak, Ak. 99615  
(commercial salmon  
fisherman)

PUBLIC OPINION MESSAGE

APR 01 1987

DEAR: REPRESENTATIVE HERRMANN

NAME: CHRISTOPHER PACE  
TITLE:  
ADDRESS: P. O. BOX 146  
CITY: PETERSBURG, AK  
PHONE: N/A-

ZIP: 99833

BILL NO: HB 108  
SUBJECT: MARICULTURE  
MESSAGE: HB 108 IS A CRITICALLY FLAWED PIECE OF LEGISLATION. IT SHOULD RECEIVE A "NO PASSAGE" AT SOONEST OPPORTUNITY. DO NOT TRY TO RE-WRITE TO REMEDY ITS PROBLEMS. I'M AGAINST REMOVING HATCHERY PERMITTING AUTHORITY FROM COMMISSIONER OF ADF&G AND REGULATION BY BOARD OF FISHERIES. I FAVOR ANOTHER COMPREHENSIVE AQUACULTURE PLAN BY ADF&G/FRED.

POMID: 15140250  
DATE: 03/31/87  
TIME: 14:02:50  
LIONAME: PETERSBURG LIO

COPIES: REPRESENTATIVES SENATORS

GOLL	ELIASON
SUND	JONES
TAYLOR	ZHAROFF
COTTEN	
DAVIDSON	
HOFFMAN	
NAVARRE	
PEARCE	
SHULTZ	
SPRINGER	

NO RESPONSE REQUIRED

APR 0 1987

March 30, 1987

Adelheid Herrmann  
Co-Chair of House of Resources Committee  
P.O. Box V  
Juneau, Alaska 99811

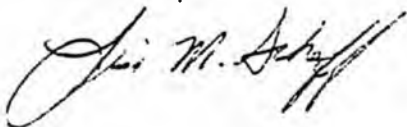
RE: House Bill 108

Dear Ms. Herrmann,

I would like to comment on House Bill 108. I am a surveyor in Wrangell and Petersburg, and although I'm not directly involved in the Fisheries, I feel if House Bill 108 passes, it will affect my livelihood in Southeast Alaska. I feel that House Bill 108 mainly affects Southeastern waters, since certain areas are protected from weather, they would make excellent locations for pens, etc. I would not like to see anchorages spoiled or protected bays used for aquatic farming. I'm concerned about the possible disease that may spoil our natural habitat.

I urge you to vote no on House Bill 108. Thank you for your time.

Sincerely,



Lisa M. Scheff  
Box 850  
Petersburg, AK 99833

APR 01 1987

3/29/87

From: Donald R. Lane, P.O. Box 2921, Homer, Ak. 99603. 907-235-7898  
To: Adelheid Herrmann, Pouch V, Juneau, AK. 99811  
Subject: Mariculture, pen-reared salmon, H.B. 108, S.B. 106.

Dear Adelheid Herrmann,

I have some real concerns with the legalizing of pen-reared salmon. I am a commercial fisherman. I do not fish for salmon, however I plan to in the future.

While there appears to be many benefits to mariculture in general, and I appreciate the need to diversify the states economic base, I feel this move to establish a pen-reared salmon industry should be carefully scrutinized. I feel there is terrific potential to do major harm to an existing industry. In light of the tremendous effort in other countries to raise salmon I am not convinced the state economy will see any real benefits. The numbers that I have seen show potential for a glut of salmon on the market in 1990. Alaskan industry has tremendous overhead problems. Pen-reared salmon from Alaska will not be cheap. I cannot see them competing with Canadian, European, or South American farm salmon; countries where government subsidies in the market place are a way of life.

Another problem I see in regards to pen salmon are the impacts, as yet unstudied, the industry will have on already existing industries.

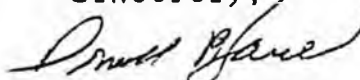
As a dungeness crabber I am concerned that these pens are going to be right in the middle of the bays and estuaries that I currently fish. Am I expected to give up my fishery. I see potential for many conflicts, lawsuits, allocation problems.

The movers behind mariculture would have you believe that it is a "mom and pop" type business. From what I have read the investment (minimum) to make a go of it for salmon would be several hundred thousand and no return expected for four years. I haven't seen many mom and pops with that kind of financial ability.

I do not have any problems with shellfish mariculture and if you feel it necessary to move then pass those segments on but I urge you to hold back the pen-reared salmon part until more information on the impacts can be made clear. I do not buy the arguement that we will miss the boat if we don't move now. If a marketable product can be produced it will always have a place. Let's not risk an important existing industry for very questionable gains, and lots of real headaches.

I am a member of United Fisherman of Alaska and I suggest you look to my representatives for further information.

Sincerely,

  
Donald R. Lane

APR 01 1987

*Herrmann*

TELECOPY COVER SHEET  
KENAI PENINSULA INFORMATION OFFICE  
(SOLDOTNA)

TO: *Aunau* FOR: *H. Resources committee* PHONE: \_\_\_\_\_  
FROM: *Eileen Mullen* PHONE: *262-4719*

ADDITIONAL INSTRUCTIONS: \_\_\_\_\_

DATE/TIME SENT: *10:37* PLEASE ACKNOWLEDGE RECEIPT:

DISPOSAL OF ORIGINAL: \_\_\_\_\_ THROW AWAY

\_\_\_\_\_ HOLD FOR PICK UP

NUMBER OF PAGES: *1* (NOT COUNTING COVER SHEET)

BY: *Shanna*

APR 01 '87 11:40 LEG. AFFAIRS - SOLDOTNA

APR 01 1967

I have recently invested a great deal of money to purchase a Cookinlet drift permit. With 17 years fishing experience, my plan is to raise my two children as a commercial fisherman. The mariculture bill is a very real threat to my livelihood and hundreds of others in the same boat. We need to get a good price for our fish when we deliver. ~~I~~ I feel penn-reared salmon would be in direct competition with us at the market place. The state would find many defaulted loans if they allow this to happen. In essence, it would be like burning a candle at both ends

Thank you  
Eileen Mullen-Kasilof  
Box 519  
262-4719

APR 01 1987

Madame Chairman, members of the Resources Committee, my name is Dave Bedford. I live in Petersburg. I appreciate this opportunity to speak with you.

In the past months, proponents of salmon pen rearing have presented a lot of figures which purport to show the profitability of that industry. On examination, the plausibility of some of these figures and their applicability to Alaska seem questionable. The cost per pound of Alaskan farmed salmon would be very high compared to that of our competitors. In the market crunch of the 1990's we could expect an Alaskan farmed salmon industry to be vulnerable.

Statistics used by salmon farming advocates suggest that the business is not very costly to get into and that it is highly profitable. \$60,000 it is claimed in table 6 of "Aquaculture in Alaska" will get you into a 50 MT Mom & Pop salmon farm in the Vancouver, B.C./Seattle area. What is omitted is the assumption in the original SeaAlaska report that you already have buildings which can be adapted for storage and a slaughterhouse, a dock in place, a truck and trailer for transport and a skiff with motor.<sup>1</sup>

The \$60,000 figure is cast into further doubt by data from the Vancouver, B.C. area which indicate the start-up cost for a 50 MT farm to be on the order of \$150,000 Canadian dollars or about \$110,000 U.S.<sup>2</sup>

The start-up costs for a Mom & Pop salmon farm in Alaska are unclear, but they will certainly be higher than in southern B.C. The SeaAlaska Report suggests that construction costs in Alaska are 70% to 130% above those for the Vancouver/Seattle area.<sup>3</sup> So a 50 MT farm in Alaska will cost considerably more than \$110,000 to set up.

1. Sven Eric Lindgren, "SeaAlaska Corporation Aquaculture: Opportunities and Constraints in Cultured Salmon Production - Phase II", August 30, 1985; p. 106. Few pen sites in Alaska will have existing buildings, a dock, road access and utilities already available as these figures assume for the Vancouver B.C., Seattle area.

2. Calculated from L. Michael Upton "Economic Benefits of Salmon Farms in the Sunshine Coast Regional District"; British Columbia Mariculture Newsletter, June 1986; p. 27.

3. Sven Eric Lindgren, "SeaAlaska Corporation Aquaculture: Opportunities and Constraints in Cultured Salmon Production - Phase II", August 30, 1985; p. 106.

Operating costs are also considerably higher in Alaska. Labor will cost about 20% more than down south.<sup>4</sup> Feed costs in Alaska are presently more than double those presented by SeaAlaska for the Vancouver/Seattle Area.<sup>5</sup> Insurance for an oyster farm in S.E. Alaska of similar capitalization as a 50 MT salmon farm runs \$4,000- \$5,000.<sup>6</sup> Adjusting only these three factors and allowing for some drop in Alaskan feed prices which might or might not occur<sup>7</sup>, the annual operating expenses for a 50 MT salmon farm in Alaska swell to \$258,000.<sup>8</sup>

Higher start-up costs, operating costs 40% above those for southern B.C. and higher shipping costs would combine to inflate the cost of salmon per reared in Alaska. SeaAlaska suggests that producers in the Vancouver area will be able to get their fish to market for almost \$1.00 per pound less than Alaskan fish from a large 200 MT farm.<sup>9</sup> At present real feed costs, the Canadian advantage jumps to \$1.48 per pound. The margins are even worse for small Alaskan producers.

4. Sven Eric Lindgren, "SeaAlaska Corporation Aquaculture Executive Summary", p. 8.

5. Brad Pierce, "Aquaculture in Alaska", House Research Agency Report 87-B, p. 79-80.

6. Raymond Rolande, "Economic Considerations of Alaska Oyster Farming", Sheldon Jackson College.

7. This represents a 13%-20% decrease from present prices. In Norway feed prices of \$.55 to \$.65 are paid for silage type feed which is less preferred than Alaska Dry Pellet feed and usually cheaper per pound. See Duane Kelly, "Salmon Farming Norwegian Style", Pacific Fishing, November 1984; p. 54 and Brad Pierce, "Aquaculture in Alaska", House Research Agency Report 87 B, February 1987 pp. 79-80 and W.A. Kennedy "Handbook on Rearing Pan Size Pacific Salmon Using Floating Sea Pens", Fisheries and Marine Service Industry Report 107, April 1972, pp. 26-34.

8. SeaAlaska's figures from Table 6 in Aquaculture in Alaska substituting a price of \$1200/ton for feed, an additional 20% for labor and \$4500 for insurance for facilities.

9. Table 23 from "SeaAlaska Corporation Aquaculture: Phase II", p. 101. Note that a price of \$1200/ton for feed raises the cost per pound for Alaskan salmon from a 200 MT farm to \$3.24. This gives our Canadian competition a very broad margin of profitability. The margin will be worse for a 50 MT farm.

The Norwegians<sup>10</sup>, the Irish Sea Fisheries Board<sup>11</sup> and the Canadians<sup>12</sup> recognize the likelihood and implications of over-production in the farmed salmon industry. Prices have already dropped substantially on the European market.<sup>13</sup> Alaska as a high cost producer will occupy a very vulnerable position. The industry knows how to insulate that position.

The SeaAlaska Aquaculture executive summary calls on government for financial, research, training and other support programs as well as "appropriations to provide the most competitive advantage possible for fresh Alaskan products". (p. 13) They want to see "Government support (for smolt production) by subsidies, incentives or loan guarantees for the industry during the first phase of development..." (p. 22) They see the necessity for "adequate loan guarantees" for salmon farms "as the industry will not succeed without adequate and available financial support." (p. 35)

All that is in the near term. How much more support will this industry need when the market pressure foreseen by the Norwegians, Irish and Canadians becomes a reality?

David Bedford

Box 1211

Petersburg, Ak. 99533

10. Patricia Riely and James L. Anderson "The Status of Atlantic Salmon Aquaculture", NOAA Sea Grant Marine Technical Report 92.
11. "Fish Farming International", December, 1986.
12. J.A. Spence "Aquaculture and World Market Trends for Fresh and Frozen Salmon", Gillespie Report, Appendix III, December 12, 1986 p. 9 and p. 20.
13. J.A. Spence, p. 9.

APPENDIX 11

It should also be noted that the operator of a 50 MT farm will be deeply in debt by the time his product reaches the market--1990 at the very earliest. Nor will he be able to mitigate this by producing pan sized fish. The cost of smolt, feed and transportation to Seattle price him out of the pan size market.

	<u>USD/lb of production</u>
Smolt	1.30
Feed	1.20
Freight	<u>.24</u>
	2.74

By the time his farm begins to send fish to market the small farmer will have spent start up costs as well as two full years of operating costs.

Start-up	\$110,000
First Year	\$103,000
Second Year	<u>\$219,000</u>
	\$423,000

This assumes the money comes out of his own pocket. Financing this amount would push the cost well over \$500,000.

APPENDIX I

Salmon Production Costs<sup>1</sup> in Alaska: 50 MT farm

	<u>US\$/lb.</u>
Smolt	.31
Feed	1.20
Salary	.92
Interest and Depreciation	.10
Others	.30
Transportation	<u>.64</u>
	3.45

<sup>1</sup> Assuming SeaAlaska's costs from Table 23 of the Phase II report for a 200 MT farm for interest and depreciation and "others" but substituting \$1200/ton for feed and 20% higher labor costs than those given for a 50 MT farm in SeaAlaska's Table 24. In fact, costs would actually be higher than this since a 50 MT farm has higher depreciation and "other" costs per pound of production. Given a price which SeaAlaska uses of \$3.50 per pound CIF Los Angeles/Houston this yields a gross profit of \$.05 per pound or about  $1\frac{1}{2}$  %.

DATE

DATE

TO: REP. HERRMAN, REP. GUSSENDORE, SEN. ELIASONFR: SITKA WITNESSES \*

TEXT BY SITKA, ALASKA LEGISLATIVE INFORMATION OFFICE.

NUMBER OF PAGES INCLUDING THIS ONE: 3

PLEASE NOTE THAT WE HAVE A RAPICOM 230 AUTOMATIC TELECOPIER; THIS MACHINE CANNOT TRANSMIT PAGES LARGER THAN 8½" X 14". OUR TELECOPIER DIRECT LINE IS (907) 747-5807.

PLEASE TELEPHONE IMMEDIATELY IF ANY PAGES ARE RECEIVED IMPROPERLY: (907) 747-6277.

BILLED TO: \_\_\_\_\_

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\* TESTIMONY IS PROVIDED FROM

MIKE SCHMIDT  
SITKA CITY PLANNER

1 of 3

## MARICULTURE HEARINGS

4/2/87

Testimony regarding HB 108 and SB 106 relating to mariculture in Alaska.

My name is Michael Schmidt. I am employed as the Planning Director of the City and Borough of Sitka. At present, our community is in the process of updating our Coastal Management District Program.

One of the features emerging from our coastal planning effort is the increasing difficulty in maintaining the multiple use management theory where everyone shares coastal resources. A variety of major national programs including the D-2 National Interest Lands Bill, ANSCA or the Native Settlement Act and the placement of 34% of the Tongass National Forest into a Wilderness category, have all focused increasing competition on the remaining portions of S.E. to accommodate all competing land and water uses. Timber vies with recreation for use of areas. Fishing competes with development of lodges. Environmentalists argue with developers. Out of all these squabbles over the past ten years, some unescapable facts emerge. We must begin to look at some limitations of use or allocations of most beneficial use. The bill now proposes to add to competing groups, all vying for limited available territory.

The problems I have with the concept of mariculture, involve the pen raising of salmon. I do not believe Alaska, especially in these times of declining revenues, should deliberately attempt to add to revenue problems, but seek solutions. Salmon fishing is a growth industry. It exists and contributes heavily to local economies, tax revenues and to the State. Alaska should seek to capitalize on the shellfish or the portion where the fisheries business can expand our economy. The finfish side only seeks to replace one persons job to give it to another and could have adverse effects on a developed industry, both in terms of shoreside process facilities and long term investments in harbors and fishing economies.

Speaking to the mechanics of the bill itself, it too appears to have some problems that need to be addressed.

1. Why is the Department of Commerce and Economic Development involved at all in the permit process. The bill speaks to ADFG, ADNR and ADEC as the three agencies that are required to be the major participants. The tideland lease or site permits, the health aspects and the fisheries aspects already combine to make permitting a long drawn out affair as was spoken to in earlier testimony. To add yet another state agency into this permitting process appears ludicrous and unnecessary.
2. There is no public hearing process discussed in the legislation. This should be added to make sure that permits are not issued, like in British Columbia, then find out there are multiple site conflicts "after the fact". If Alaska is going to give an honest shake to a mariculture development, we should at least be up front with the need for public hearings in the permit procedure.

MIKE SCHMIDT  
MARICULTURE HEARINGS  
APRIL 2, 1987  
PAGE 2

3. There needs to be some specific language in the bill requiring a development plan, timeframe and schedule for use. I believe, as was also stated in earlier testimony, that good mariculture sites are limited. Anyone who obtains a permit, should be required to use it or lose it and not tie up a site as a tool to limit or stop competition. If we are going to allow it, then performance is a must.
4. I would like to reiterate the potential that shellfish should be separated from finfish and eliminate one of the largest controversial aspects of this bill.
5. From all the publicity, news articles, books, and impacts shown in other areas where mariculture is proceeding, Alaska should proceed with a cautious approach to maximize the true potential but minimize the problem areas. A comprehensive study of this industries problems rather than a glossy sales pitch is needed to ascertain where the pitfalls are located and what specific regulatory and enforcement measures are needed and will prove beneficial. To jump, just for the sake of jumping, into a new area of economic competition is not in anyone's best interest.

Thank you for the opportunity to present this testimony.



# Southeast Alaska Conservation Council

SEACC • P.O. Box 021692 • Juneau, Alaska 99802 • (907-586-6942)

## Testimony before the House Resources Committee on HB 108, April 2, 1987

Madame Chair, members of the committee, my name is Laura Dameron and I'm an intern with the Southeast Alaska Conservation Council. SEACC is a coalition of 12 groups from 10 communities in Southeast plus over 700 individual members. Many of our members are very interested in this bill because the mariculture industry poses a potential, and in a few cases already existing, threat to their chosen way of life. Mariculture development that occurs without proper planning and limitations will harm not only the interests of our members who fish commercially, but also those who depend on subsistence harvest, the tourism industry, sport fishers and hunters, recreational boaters, and wilderness recreation guides and participants. This threat is not only found in the pen rearing of fin fish but in the uncontrolled development of shellfish and aquatic plant farms as well.

SEACC is not opposed to mariculture in itself, but our members hope that development of this industry will be in an orderly and well-thought out manner. There are many issues that should be addressed, before privatization of the state's tidelands begins taking place at an ever increasing rate. SEACC strongly urges that a moratorium be placed on issuance of mariculture permits until regional plans have been developed so that the public has a chance to be involved in the disposition of state tidelands. Through the

planning process, the existing uses of an area would be known before a conflicting use would be permitted. It is only with such forethought that we can protect subsistence use areas, the wilderness tourist industry, recreation, sport fishing, and culturally and historically significant areas while allowing the mariculture industry to develop in Alaska. A logical component of that planning process would be to determine the maximum number of sites that could be designated for mariculture purposes before the developing industry greatly restricts competing uses. While the concept of limited entry can be controversial, SEACC believes it is the most fair manner in which to apportion a public resource into a private one and maintain multiple-use options.

Other areas of concern for SEACC include the land grab potential inherent in the present permitting process, the lack of recognition of upland conflicts and the impacts the mariculture industry will have on the adjoining lands, and the problems of maintaining water quality. Tideland speculation could be minimized by making the permits non-transferable, thus ensuring that the state could implement its screening process of applicants in each case. Upland conflicts should be addressed in the regional planning process I mentioned earlier, and the state or federal agency administering the adjacent uplands should be involved in this planning process. This planning stage would also be the point at which determinations would be made of the physical adequacy of the tidelands for the different types of mariculture, thereby limiting the designated use of an area to activities having the least impact on the marine and upland environment. Regional planning would also allow for meaningful public participation and comments. Many times, local residents have intimate knowledge about an area that is not otherwise available to state planning officials.

We appreciate having the opportunity to comment on this bill. SEACC asks that the state not rush blindly into mariculture. A moratorium, during which a reasonable planning process can be instituted, would allow the greatest amount of public participation and agency review to determine the best use of the tidelands, both environmentally and economically, for all of Alaska. SEACC would like to be involved in the planning process for Southeast Alaska and hopes the Forest Service, EPA, the Corps of Engineers and all other interested parties will also be actively involved.

Mariculture will have very broad impacts on all Alaskans. While another planning process is probably the last thing most of us want to go through, taking time to implement this program carefully from the beginning will cost us much less than losing our commercial fisheries, recreation, wilderness tourism industry, subsistence, cultural resources, and the "bush" way of life. SEACC believes mariculture will be an important economic development for Alaska, but we must enter it in a well planned and careful way, or it will become a resource disaster, rather than a boom.

TELECOPY COVER SHEET

KETCHIKAN LIO(225-9675)

TO: Juneau LIO PHONE \_\_\_\_\_

FROM: Ketchikan LIO (for Michael Round) PHONE 225-9675

INSTRUCTIONS: TESTIMONY ON HB 108/MARICULTURE FOR THE HOUSE RESOURCES  
COMMITTEE MEMBERS

RECEIVED: DATE 4/3/87 TIME 3:50 pm

SENT: DATE 4/3/87 TIME 4:00 pm

DISPOSAL OF ORIGINAL: THROW AWAY \_\_\_\_\_ HOLD FOR PICK UP \_\_\_\_\_

NUMBER OF PAGES: 2 (NOT COUNTING COVER SHEET)

SENT BY: emj

To: House Resources Committee

Subject: Mariculture in Alaska

Ref.: Mariculture in Alaska  
Rpt.#87-B

Dear sirs,

My name is Michael Round; I have lived in Ketchikan for twelve years and have commercially fished for salmon for ten years. I have listened to most of the testimony on the teleconference concerning house bill 108, and have read the "Mariculture in Alaska" report.

I found that report ebullient in it's financial outlook; and, yet, distressingly blind in it's consideration for the existing salmon industry. I found it subjective not only in it's conclusions but even in it's wording.

I am, admittedly, one of the "small but vocal group (trollers)"; but Klawock, Pelican, Elfin Cove, Pt. Baker, Port Protection, Craig, Wrangel, Ketchikan, Petersburg, Sitka, and even Juneau are "small" towns. However, they are a significant part of the state, and trolling is a big contributor to their economies. These "small" towns are saying quite clearly "no" to pen raised salmon and supporting their resident fishermen.

We trollers have worked long and hard to maintain our right to harvest fish. We used our own money in negotiating a better deal in the Canada/ U.S. Salmon Treaty. The whole state benefitted from our stand in augmenting the Alaska quota on Chinook. We still suffered from the cut backs and even the federal government recognised our sacrifice and directed mitigation monies for enhancement of chinook for the Alaska troller.

We voted to take 3% of our gross fishing revenues and put them into enhancement projects to keep our natural runs strong. This enhancement activity benefits every user group - sport, commercial, and even tourism. In short, what is good for the trollers and commercial fishermen of Alaska is good for the state. This fact is not just coincidental but has evolved through co-operative interaction between fishermen, management, and the Board of Fish.

We are harvestors of a renewable resource under conservative management with little, if any, impact to the natural environment. We harvest fish, but we introduce and leave nothing that impacts the environment in which they thrive. Fish farming will mean various levels of pollution in our surrounding bays and estuaries, which are vital habitat for our natural outmigrating salmon fry.

Maintaining fish for their entire life within the confines of a pen necessitates that these fish be feed antibiotics to keep them alive in an environment little better than a cesopool. We are just starting to

realise the dangers inherent in feeding antibiotics to beef cattle - salmon will be no different. There are no wild herds of cattle to contaminate with antibiotic resistant pathogens - that is not the case with Alaska's salmon stocks. We have a lot to lose.

Are we willing to prostitute our healthy salmon runs and pristine environment for the sake of a few individuals, who may or may not

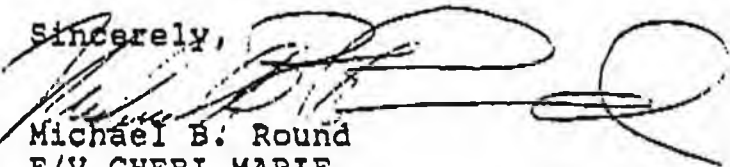
make the state any money. Should we crap in our own back yard just because everyone else is doing it! The big push to the Northwest Pacific for pen raising is largely do to the fact that it has some of the last unpolluted habitat. After we open the door to fish farming we may not be able to claim such status.

If salmon farming is such a good thing, it should be able to stand the test of time. It may be the smartest thing the state of Alaska could do is be the last to get into it - or not get into it at all. As with salmon hatcheries, we learned alot by other peoples "mistakes." We have some of the cleanest and best run hatcheries in the world due to the fact that we were not the first. I don't believe that what we have to gain is worth the risk of what we have to lose.

If, in fact, the trollers are the only part of the salmon industry to be adversely impacted by pen raised fish, then the state has little too lose by waiting. However, I believe that with the same media hype that created demand for fish raised in a cesspool, we could be equally effective in creating a niche in the market place for wild troll caught salmon.

I hope some of the inherent wisdom of creating the permanent fund is not totally lacking in our existing legislature. We the people of the state of Alaska are in a custodial position for the state land, water, and wild-life. We do not own it; so let's not jeopardise that which belongs equally to posterity. I hope the state and it's people can see that a head-long plunge into salmon farming may decapitate its existing slamon industry. Further, that the rush for revenues does not sell out something that is priceless.

Sincerely,

  
Michael B. Round  
F/V CHERI MARIE  
Box 8476  
Ketchikan, AK. 99901

## PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE HERRMANN

NAME: JULIE HURSEY

TITLE:

ADDRESS: BOX 213

CITY: PETERSBURG

ZIP: 99833

PHONE: 772-3967

BILL NO: HB 108

SUBJECT: AQUATIC FARMING

MESSAGE: PLEASE DON'T SUPPORT HOUSE BILL 108. THE POTENTIAL FOR ADVERSE EFFECT  
 O MARINE ENVIRONMENT AND EXISTING COMMERCIAL FISHERIES NOT CONSIDERED FULLY.  
 S SERIOUS POTENTIAL FOR HABITAT DEGRADATION PLUS DISEASE THREAT TO WILD  
 STOCKS. STATE CANNOT AFFORD TO FUND ESSENTIAL, STRICT MONITORING PROGRAM FOR  
 QUATIC FARMS DUE TO DECLINING REVENUES.

POMID: 15153457

DATE: 03/13/87

TIME: 15:34:57

LIONAME: PETERSBURG LIO

COPIES: REPRESENTATIVES SENATORS

SUND	JONES
TAYLOR	DUNCAN
ADAMS	ELIASON
BOYER	FAHRENKAMP
BROWN	KELLY
DAVIS	SZYMANSKI
FRANK	BENNETT
GOLL	BINKLEY
LARSON	FISCHER
POURCHOT	HENSLEY
RIEGER	COGHILL
SWACKHAMMER	STURGULEWSKI
WALLIS	
COTTEN	
DAVIDSON	
HOFFMAN	
NAVARRE	
PEARCE	
SHULTZ	
SPRINGER	

## PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE HERRMANN

NAME: ERIC GLOS

TITLE:

ADDRESS: SRC BOX 8485

CITY: PALMER

ZIP: 99645

PHONE: 745-6323

BILL NO: SB 60

SUBJECT: ALASKA COMMUNITY COLLEGES

MESSAGE: PLEASE VOTE TO MAINTAIN AN INDIVIDUAL AND AUTONOMOUS COMMUNITY COLLEGE  
 SYSTEM, AS I FEEL IT IS IN THE BEST INTERESTS OF THE LOCAL AREAS AND PEOPLE TO  
 SERVE. DO NOT LET THEM BE ASSIMILATED INTO THE UNIVERSITY SYSTEM AS THEY HAVE  
 SEPERATE INDIVIDUAL PURPOSES. COMMUNITY COLLEGES ARE 34 THIS YEAR.

POMID: 14155414

DATE: 03/13/87

TIME: 15:54:14

LIONAME: NAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BENNETT
BROWN	CATO	BINKLEY
COLLINS	COTTEN	COGHILL
DAVIDSON	DAVIS	DUNCAN
DOHLEY	ELLIS	ELIASON
FRANK	FURNACE	FAHRENKAMP
GOLL	GRUENBERG	FAIKS
GRUSSENDORF	HANLEY	FISCHER
HOFFMAN	HUDSON	HALFORD
KOPONEN	LARSON	HENSLEY
MARTIN	MEHARD	JONES
MILLER	NAVARRE	JOSEPHSON
PEARCE	PETTYJOHN	KELLY
PHILLIPS	POURCHOT	KERTTULA
RIEGER	SHULTZ	RODEY
SPRINGER	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	VEHLING
ZAWACKI		ZIAROFF

MAR 18 1987

Julie Hursey  
Box 213  
Petersburg, Alaska  
F/V Thunder

I am opposed to the passage of House Bill 108, but before outlining the arguments I have with this bill, I will say that I am not opposed to mariculture ever being developed in Alaska. In particular, I think that shellfish mariculture could coexist well with the existing fisheries. However, the development of any kind of mariculture must follow a careful management plan to minimize adverse effects to the marine environment and our existing fisheries resources. My main argument with this bill is that it does not outline any such specific management plan, and too many crucial issues are left unresolved. Some of these issues include possible environmental degradation and adverse impacts on wild stocks of fish, realistic costs to the state, and conflicts over area use by different groups. I will address each of these in turn.

In order to ensure that development of the mariculture industry does not damage the environment, it is essential that a thorough monitoring plan is in place PRIOR to development. This program would oversee site selection, monitor water quality, conduct inspections of sites to maintain health standards and control any problems with disease. However, BEFORE such a monitoring program can be designed, and BEFORE the costs to state agencies can be assessed, there must be some sort of policy on the development of mariculture which would delineate the ultimate size and direction of industry growth. This bill fails to address controls over size and rate of growth of the mariculture industry.

Without knowing the ultimate number of farms, what size they will be or even where they will be, it is impossible to design an adequate environmental monitoring program, or to ensure environmental protection. According to the Gillespie Report "An Inquiry Into Finfish Aquaculture in British Columbia", environmental monitoring represents a major deficiency in the regulation of fish farms. In fact, this report mentions that site inspections have become infrequent because "approval agencies were too busy with the backlog of plans to conduct field inspections". To jeopardize environmental health because of such poor planning is inexcusable. We can learn from Canada's mistakes.

My particular concern is the effects that the uncontrolled development of salmon farming could have on environmental quality and the health of our wild stocks. It is a fact that if salmon farms are not carefully sited, fish wastes and excess feed can cause a pollution problem. Also, if a site is not properly located, penned salmon populations can become stressed and subject to disease. Canada is already having problems with farms that are improperly sited, and this in part led to the moratorium on new permits.

Julie Hursey  
Box 213  
Petersburg, Ak.  
F/V Thunder

The probability of disease transmission from farmed salmon to wild salmon is unknown at this time. In Norway, where most of the research has been done, there were few natural stocks to worry about. Eventually, however, even they are planning to develop "green zones" or areas that are aquaculture free to protect what wild stocks they do have. House Bill 108 does not adequately address the question of protecting the health of the wild stocks. Perhaps these "green zones" should be considered. In any case, no industry should be allowed to develop at the expense of our healthy marine environment, and our wild stocks of fish.

If mariculture is to benefit state revenues, then we must have an accurate assessment of its costs to state agencies. Questions raised last week during testimony indicate that this is an area which needs to be addressed more carefully.

The number of farms that will be developed will determine the costs in part. According to Bryan Alle, the Fish and Game fiscal note is predicated on 100 permits being issued the first year, and an actual 20 farms being operational by 1992. What if this prediction falls short? Alle says that then costs will go up. But how much would they increase, and does the state have the resources to cope with a greater than expected increase in the numbers of farms? It is obvious that a range of fiscal scenarios must be presented by each agency, in order to have a more realistic picture of the probable costs, and to be able to plan accordingly.

In Canada, staff and funding levels have not kept pace with industry growth. According to Bryan Alle, there is a critical lack of pathologists in British Columbia, and we could face the same problem here if the mariculture industry grows beyond present predictions. Do these agencies have a contingency plan to deal with such a problem if it arises? What will happen if there are not adequate funds to cover the costs? Diverting funds from existing fisheries management programs is not an option. I must admit, the zero fiscal note submitted by the Department of Environmental Conservation mystifies me. Now they are reassessing that note. Good idea. I think this entire area needs more thorough investigation.

Another issue that is not addressed in this bill is how disputes over use of an area will be resolved between conflicting user groups, and the possible pre-emptive use of areas by the mariculture industry. Fish farms could be located in areas that have been traditionally used for anchorages, fishing grounds, gear storage areas, recreational uses, and even marine transportation corridors. Another source of conflict would arise if fish farms were placed in areas that are already used as spawning or nursery grounds for wild stocks. Canada is already having problems with these kinds of conflicts now, and it has reached serious proportions, according to Vince Goboyan, a Canadian delegate from the Canadian Standing Senate Committee on Fisheries.

Julie Hursey  
Box 213  
Petersburg, Alaska  
F/V Thunder

A coastal zone management plan is urgently needed, to take inventory of our coastal resources, and to designate areas for specific uses. At this time, no such plan exists in the areas where mariculture could occur. It is essential to acknowledge the multiple uses of coastal waters and tidelands, and the diversity of user groups in order to minimize conflicts.

This brings to mind the question of how decisions will be made on area designations. Will this be made on a site by site basis, or will there be a comprehensive plan with public hearings? How much will it cost? Will the user groups have any input into this process, and what avenues will be available? The bill specifically precludes the Board of Fish from participating in site selection, but does not address the question of public participation in the process. This hardly seems fair.

In summary, I will say that I strongly object to the passage of this vaguely worded bill. I do not believe that enough planning and research has gone into determining an adequate environmental monitoring program to protect the marine environment, or our wild stocks of fish. I don't think that the costs to the state have been adequately assessed. I think the great potential for conflicts over area use could create a miasma of problems. I do not believe that we should start this industry, then develop the management plan as we go along. This would be extremely short-sighted, and could offer only band-aid solutions to the major problems which could arise. I think we can learn from the mistakes that Canada has been making.

House Bill 108 does not adequately address the problems that could arise from the development of mariculture. Until we have a better plan for avoiding problems, and until we know that we have the resources to deal with these problems as they occur, I am opposed to the passage of House Bill 108. Thank you very much for taking the time to consider this.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE HERRMANN

NAME: CHRISTOPHER PACE  
TITLE:  
ADDRESS: P. O. BOX 146  
CITY: PETERSBURG, AK ZIP: 99833  
PHONE: N/A-  
BILL NO: HB 108 /  
SUBJECT: MARICULTURE  
MESSAGE: HB 108 IS A CRITICALLY FLAWED PIECE OF LEGISLATION. IT SHOULD RECEIVE A "NO PASSAGE" AT SOONEST OPPORTUNITY. DO NOT TRY TO RE-WRITE TO REMEDY ITS PROBLEMS. I'M AGAINST REMOVING HATCHERY PERMITTING AUTHORITY FROM COMMISSIONER OF ADF&G AND REGULATION BY BOARD OF FISHERIES. I FAVOR ANOTHER COMPREHENSIVE AQUACULTURE PLAN BY ADF&G/FRED.

POMID: 15140250  
DATE: 03/31/87  
TIME: 14:02:50  
LIONAME: PETERSBURG LIO

COPIES: REPRESENTATIVES SENATORS

GOLL	ELIASON
SUND	JONES
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PEARCE	
SHULTZ	
SPRINGER	

NO RESPONSE REQUIRED

TELECOPY COVER SHEET

TO: Rep Cotton  
KETCHIKAN LIO (225-9675)

and

CH. Resources

TO: ~~Rep Hermann~~ PHONE \_\_\_\_\_

FROM: Keith Johnson PHONE \_\_\_\_\_

INSTRUCTIONS: \_\_\_\_\_

Please deliver one copy to each.  
-Thank you

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DISPOSAL OF ORIGINAL: THROW AWAY \_\_\_\_\_ HOLD FOR PICK UP \_\_\_\_\_

NUMBER OF PAGES: 2 (two) (NOT COUNTING COVER SHEET)

SENT BY: ~~2 (two)~~ Bonnie (KTN LIO)

S.S.R.A.A.

## TESTIMONY ON HOUSE BILL 108

Keith A. Johnson   
Operations Manager

1621 TONGASS  
KETCHIKAN AK 99901

The Southern Southeast Regional Aquaculture Association (SSRAA) has taken a position opposed to the inclusion of salmon in the mariculture legislation - House bill 108.

This is based upon the perception of market competition with products of existing salmon fisheries, competition for sites, and a lack of recognition between salmon farming and ocean ranching. The nonprofit format for salmon ocean ranching is to provide benefits for commercial fishermen and all the other users of this common property resource.

Technical issues which have not been adequately addressed.

1. Exotic Species or Non-indigenous Stocks.

Current statutes prohibit the importation of exotic species and non-indigenous stocks. This is a good idea and it is imperative that it continues for the protection of wild stock salmon populations. The enforcement of this will require frequent site visitations and this carries a cost which has not been addressed.

2. Broodstocks

Alaskan chinook and coho stocks are basically wild fish and the genetics policy of ADF&G provides for the periodic infusion of wild gametes every three generations. Our coho and chinook stocks have not been genetically selected for growth in net pens, delayed sexual maturity, fecundity, and other characteristics suited for captive rearing.

Norway has a very active broodstock development program which began in the late 1960's and is now into its fifth generation. This program specifically selects for traits beneficial for netpen culture. The system is so sophisticated that smolts of these stocks command different prices depending on the experience of the grower.

Domsea Farms in Puget Sound has had a selection program for its coho salmon for about the same length of time.