



Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla

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RC 192

January 15, 2018

Chairman John Jensen
Alaska Board of Fisheries
Boards Support Section
PO Box 115526
Juneau, AK 99811

RE: Comments on 2018 southeast Alaska herring proposals

Dear Chairman Jensen and Alaska Board of Fisheries Members:

Silver Bay Seafoods, LLC (Silver Bay, or SBS) is a vertically integrated, primarily fishermen-owned processor of frozen salmon, herring, and other seafoods products for both domestic and export markets. Silver Bay began in 2007 as a single salmon processing facility in Sitka, Alaska, and has since grown into one of the largest seafoods companies in Alaska. Silver Bay has state of the art, high volume processing and freezing facilities throughout Alaska, currently operating in Sitka, Craig, Valdez, Naknek and Metlakatla. The Company is also active in the California Loligo squid fishery. Silver Bay began participating in the Sitka Sound commercial sac roe herring fishery in 2008, maintains a significant market share in the fishery, and so has a vested interest in ensuring its long-term sustainability and viability.

It is estimated that herring harvested in the Sitka Sound fishery represents 15–25% of the seafoods product produced annually at the SBS Sitka plant. Further, it is estimated that up to 75% of herring harvested in the Sitka Sound fishery is processed in Sitka. If the herring proposals discussed in this letter were to be adopted by the board during this cycle, SBS would experience direct and significant financial harm, along with the following individuals and entities: 48 herring captains; 200 seine crew members; 70 tender operators, and their 200 crew members; over 200 seafood processors; local shipping companies, such as Alaska Marine Lines and Samson, and their employees; 12 spotter pilots; 50 local support skiffs; local restaurants, coffee shops, grocery stores, bars, hotels, gear stores, fuel docks, rental cars and taxi companies. Further, the City of Sitka would see significant reductions in revenues to their electrical and harbor departments, and would see declines in revenues from raw fish taxes and sales taxes as well.

SBS OPPOSES herring proposals 95, 96, 98, 99, 100, 105 & 106

OPPOSE Proposals 95 & 96: close the commercial sac roe herring fishing in sections 15-B, 15-C & 11-A.

These areas comprise the Lynn Canal herring sac roe fishing area, which have not been opened since 1982. Although record low biomass estimates for Lynn Canal have been documented in recent years, the observed spawn deposition estimates and spawning biomass estimates have fluctuated widely in the past ten years, with a record high biomass being estimated as recently as 2013. Regardless, Alaska Department of Fish and Game (ADF&G) has demonstrated that it will not open these areas until biomass estimates remain consistently above threshold limits established for these herring stocks. SBS believes that ADF&G has the tools necessary to manage these stocks, and does not believe that additional Board of Fisheries (BOF) action is warranted.

OPPOSE Proposal 98: adjust harvest rate (to 10%) for commercial herring fisheries in the southeastern Alaska area.

SBS believes that there is no valid scientific justification provided for changing the harvest rate for commercial herring fisheries in southeastern Alaska. Historically, parameters established for the area's herring management plans have been conservative, with thresholds often reset without any demonstrated conservation need and without ADF&G's recommendation. Without any clearly demonstrable biological justification provided by the proposer, SBS believes that this is ultimately an allocative proposal which would have significant impacts on harvest values and would greatly harm the fisheries, their participants, and the communities that depend upon them. For example, the Sitka Sound sac roe herring fishery has generated approximately \$70 million in ex-vessel revenue in the past ten years. ADF&G staff comments indicate an expected reduction of the Sitka Sound herring fishery's guideline harvest level by 63% as a result of this proposal's recommended changes. This would have resulted in an estimated loss of \$27 million in ex-vessel value in the Sitka Sound fishery and another \$9 million elsewhere in southeast Alaska were this proposal's recommendations in place over the past ten years. **SBS strongly OPPOSES this proposal.**

OPPOSE Proposal 99: reduce maximum harvest rate used to establish the commercial sac roe herring fishery guideline harvest level in sections 13-A and 13-B from 20% of the spawning biomass to 10% of the spawning biomass.

Please see comments previously provided in opposition to Proposal 98.

SBS believes that ADF&G is managing the Sitka Sound commercial purse seine herring sac roe fishery with well-researched and proven methodologies and parameters which are inherently conservative by nature and design. In comparison, SBS believes that Proposal 99 is lacking in its scientific merits, and allegations that the commercial fishery is impeding subsistence users' ability to meet their needs or the amount necessary for subsistence (ANS) are unfounded. Adopting this proposal will significantly harm the commercial fishery, its participants, and the communities that depend upon it. Further, SBS does not believe that adopting this proposal will result in an increase in the harvest of subsistence herring eggs, as a decline in participation appears to be a contributing factor for recent reductions in subsistence herring egg harvests (Holen et al, 2011; Sill and Cunningham, 2017).

OPPOSE Proposal 100: amend formula to calculate guideline harvest levels for the commercial herring sac roe fishery in sections 11-A, 15-B and 15-C.

These areas comprise the Lynn Canal herring sac roe fishing area, which have not been opened since 1982. As these areas have been closed for 35 years, SBS believes that it is unnecessary to take any action on this proposal. ADF&G has demonstrated that it will not open these areas until biomass estimates remain consistently above threshold limits established for these herring stocks. SBS believes that ADF&G has the tools necessary to manage these stocks, and does not believe that additional BOF action is warranted.

OPPOSE Proposals 105 & 106: expansion of closed waters in the District 13 commercial herring fishery.

These proposals assert that (1) commercial sac roe harvests near or in the "Core Area" negatively impact the subsistence fishery, and (2) removing the "Core Area" from the fishery management unit will assure that ANS will be met. SBS believes that work conducted by the Southeast Herring Conservation Alliance (SHCA) demonstrates that while there is reasonable subsistence opportunity in Sitka Sound, there is insufficient participation to justify an expansion of closed waters in the District 13 commercial herring fishery. In the years prior to the closure of the "Core Area," ADF&G management was such that 80% of all commercial herring sac

roe harvests from 2002–2012 took place outside of this “Core Area,” according to ADF&G data. SBS believes that this is a reflection of the department’s efforts to be responsive to the concerns and needs of subsistence users. During this same time frame, Holen et al. (2011) report that local ANS needs were met in six out of the nine years covered in their report, and that reduced participation was likely to blame for shortfalls in other years. ADF&G documentation of herring spawn events in Sitka Sound show that spawning has taken place in the “Core Area” in most years, including those years when it was open to commercial fishing. Further, Sill and Cunningham (2017) report that the ANS was most recently met in 2014, and also document a decrease in the participation of the Sitka Sound subsistence herring egg harvest over the last 12 years. SBS does not believe that an expansion of closed waters in Sitka Sound will increase subsistence harvest participation or results, but instead will greatly harm the commercial fishery, its participants, and the communities that depend upon it, and asks that the board takes no action on these proposals.

We hope that the points raised in these comments provide you with additional information to aid you in your final determinations during this board cycle. Thank you for your service to this valuable resource and the communities that depend on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Tommy Sheridan". The signature is fluid and cursive, with the first name "Tommy" written in a larger, more prominent script than the last name "Sheridan".

Tommy Sheridan, Director of Government Affairs
Silver Bay Seafoods
tommy.sheridan@silverbayseafoods.com

Supporting documents:

Holen, D., J. Stariwat, T. Lemons, V. Ciccone, and M. F. Turek. 2011. The subsistence harvest of herring spawn in Sitka, Alaska 2002–2010. Alaska Department of Fish and Game, Division of Subsistence Technical Paper No. 343, Anchorage.

Sill, L. A., and M. Cunningham. 2017. The subsistence harvest of Pacific herring spawn in Sitka Sound, Alaska, 2016. Alaska Department of Fish and Game Division of Subsistence, Technical Paper No. 435, Douglas.