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HATCHERY COMMITTEE AD HOC MEETING

BOARD OF FISHERIES

1-23-01**INTRODUCTION**

A meeting of the Hatchery Committee, through its Chairman, was held on 1-21-01 in Room 305 at the Marriot in Anchorage, Alaska. The purpose of the meeting was to review and discuss RC 360 and proposal 99-358. The public participants were as follows:

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| 1) Richard Burnham | Kaltag |
| 2) Doug Sweat | Kaltag |
| 3) Steve Carlsen | CAMF |
| 4) Don Senecal-Albrecht | YRDFA |
| 5) Jude Henzler | Bering Sea Fishermen's Assoc |
| 6) Jan Konigsberg | Trout Unlimited |
| 7) Charlie Campbell | YRDFA |
| 8) Stan Zuray | YRDFA |
| 9) Shirley Kelly | Low Bristol Bay AC |
| 10) Sharon Hart | Egegik |
| 11) Bill Fliris | Tanana |
| 12) Louie Green | Nome |

It must be noted that the public participants were limited to those who are proponents of restrictions on hatchery production either because of biological concerns or marketing concerns. The SE Alaska hatchery operators, who were present at the Board meeting, received assurances from the Chairman that no action would be taken on proposal 99-358 and on that basis left the meeting.

The Chairman based his remarks to the hatchery operators on the recommendation by the Hatchery Committee contained in RC 360 and on information from one on one discussions with other Board members as to their view on the proposal in light of the Hatchery Committee's recommendation.

The Department personnel in attendance were as follows:

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| 1) Frank Rue | Commissioner |
| 2) Doug Mecum | Director-Commercial Fisheries |
| 3) Kelly Hepler | Director-Sport Fisheries |

CHAIRMAN'S OPENING REMARKS

Initially, Chairman Coffey gave a report on the work which led to RC 360. He discussed such items as the Board's authority, the discussions between the Chairman, the Department and the Governor's

office over the past two months and the need for a formal process to bring a statewide perspective. Then the Chairman asked for comments on RC 360, proposal 99-358 and other concerns of the participants.

COMMENTS ON PARTICIPANTS' REMARKS

Because of the importance of bringing this discussion to the full Committee and the Board, Chairman Coffey has presented a detailed synopsis of what each participant said during the course of the Committee meeting. Upon review of this report, the participants are asked to submit written comments to the extent that the general sense of what they said is incorrectly reported in this report. No attempt was made to provide a verbatim report on what each participant said. So, unless there is some error in the sense of what any participant said, please do not bother to provide written comments to the record.

DISCUSSION

Richard Burnham, Kaltag representative: He related the circumstances over time in his community. Initially, the fishermen lost markets for whole fish in the 1970s. Then they invested in and started the roe fishery (Akura). Richard acknowledged that while Kaltag, being in a remote area, is on the fringe of the area where fish can be harvested and marketed competitively, hatchery chum production levels increased leading to the drop in the price. Then hatcheries began roe production. For example, when PWSAC's RPT plan was developed, they planned to do their roe at the same time as or earlier than Kaltag. This resulted in the loss of Kaltag's market. Kaltag was never given the opportunity to comment on these plans. Roe stripping of chum salmon became widespread and the carcasses were not used in many instances. This was not the case in Kaltag which used the carcasses for dog food.

Richard pointed out that Kaltag ramped up for roe production through a loan from the Division of Investments. Kaltag's collateral is Municipal revenue sharing from the state of Alaska. Kaltag is in very serious financial straights, in part due to the loss of chum salmon and in part due to loss of markets.

Chairman Coffey: He acknowledged the economic/market effects of hatchery production. However, he noted that these effects have already occurred. Chairman Coffey asked the public panel participants what they would have the Board do differently from RC 360 in the face of the issues around its authority.

Doug Sweat-Kaltag: Doug has read the statutory authority for the Board. AS 16.10.440 is the basic statute. Doug was involved in a court case over the wanton waste. He tried to get the court to define the Board's authority. Further, the Commissioner has authority which has not been used to protect other markets outside of the region. In Doug's opinion, what the hatcheries want, the hatcheries get.

Doug is also on the Yukon River RPT. From his work there, he believes that the biological consequences of hatchery production are thrown out of the door and we look predominately at the public benefit. The problem is then compounded because we look at the public benefit from a region or local perspective versus a statewide perspective. Further, Doug believe, because of the federal involvement on the Yukon, that no enhancement will be done on the Yukon. Finally, even if the chum return to the Yukon, there is no guarantee that there will be any market for the Yukon production. Doug also maintains that Alaskan hatchery chum take the akura market away from the Yukon markets. Also, he is concerned that the chum carcasses are being used to feed the farmed fish which further compete with wild salmon markets.

Chairman Coffey asked Doug what we should do about the present circumstance: pass the proposal, take the risk the lawsuit and accept the other consequences of such action or try for a longer term solution.

Doug Mecum: The RC provides the basis for an agreement/protocol between the Board and the Department to define their joint responsibilities and how they will jointly proceed in the future.

Commissioner Rue: We don't throw the biology out the window. The public hasn't seen a lot of this, but discussions as to the biological consequences of the Commissioner's actions takes place. Further, as a result of recent action by the Commissioner, there are in fact, less fish in the ocean. Some of this reduction has never been in production and some of it has been in actual production. There is a lot of pressure to ramp up production in SE but the Department is not willing to consider production increases.

Dan Albrecht-YR DFA: On the background issue, RC 360, the statement on the biology is ok. However, the market considerations are not well developed. On the roles and responsibilities between the Board and the Department, we agree with bringing the broader perspective to the process.

What more can the Board do? According to Dan Albrecht, the Department can force the marking and release of fish. DIPAC marks all of its fish. It's in their interest to do so. If these "ranchers" are letting their "cattle" out on the range, they need to be branded. These considerations have been presented to the Commissioner. Also, there should be more studies which should be paid by the hatcheries.

On the idea of a statewide chum salmon forum, the Board must be involved. In the absence of the Board's involvement, the forum will not be productive or effective. Also, the Department of Commerce and Economic Development must be involved. The subsidy by the state has helped to create this problem and the state can help solve the problem. Lots of nice ideas have come out of previous forums, but based upon the past performance of the state, it is unlikely that anything will be done in the future. Also, Dan related the work that his area is doing for itself.

Doug Mecum: As to the work of the prior forums, the issue of markets was discussed and it was determined that taking down markets does not build markets. Let's focus on what we can do.

Dan Albrecht: Talked about the markets that have changed as a result hatchery production. Gave lots of specifics about market changes.

Commissioner Rue: Discussed the issue of a statewide perspective and there are many other issues like this. Also, echoed Doug's comments on the idea of what was decided with regard to market issues.

Jude Henzler, Bering Sea's Fisherman's Association: RC 360 is nothing more than a Pyrrhic victory.

Jan Konigsberg: Discussed the offer by the hatcheries to do some restoration in the AYK. In his opinion, you need to have a run that is on the verge of extirpation before you do any enhancement. Hatchery production is a questionable practice itself. NMFS report on hatcheries is critical and is that use them on when populations are on the verge of extirpation.

Jan also talked about PWS hatchery production. In that situation, the levels of production are so high that the wild stocks are significantly impacted. He is not very hopeful about any action in this area. What is going on with any review and analysis? Finally, where are we going from here?

Commissioner Rue: Very concerned about PWS. Study was conducted by Eggers and Hilborn and reviewed by Phil Mundy. This review has been conducted. The department has followed the recommendations of the study.

Richard Burnham: One final thing. From the document which is before us now, what do I take back to Kaltag to show that, in the short term, we will be able to take action?

Doug Mecum: Nothing in the short term. If you closed all hatcheries in the state to day, you would still have five (5) years of production coming back to the area.

Richard Burnham: Kaltag signed an agreement with the state to pay the money back. Kaltag will go broke if nothing is done.

Commissioner Rue: You can tell your constituents that the production in SE is down and that the Board is taking action to do what it can to get chums back in the Yukon.

Doug Mecum: You can sell frozen chum roe for \$18.00 per pound in Seattle. The roe market is strong this year.

Chairman Coffey: The idea behind RC 360 is both to let people know what has been done and to set the stage for institutionalizing a process for a statewide perspective on hatchery production.

Stan Zuray-YRDFA: The idea of institutionalizing a forum to deal with the hatchery production, problems and other issues is the best solution to the problem.

Commissioner Rue: Agrees with the concept of institutionalizing the forum. Also, talked about markets and the ability to make markets.

Jan Konigsberg: In his view, the way to compete is to maintain the wild stocks. It is not to replace wild stocks with hatchery stocks. Alaska must make a commitment to protect its wild stock. The first principle should be protection of wild stock, hell or high water. This must be the overriding principle. The way to protect this is to give overriding consideration to the protection of wild stocks. Finally, he agrees with the concept of institutionalizing the forum, but we need to have regulatory or statutory clarification of the Board's authority.

Charlie Campbell: the state has an obligation to protect wild stocks. That should be stated in the RC.

Doug Mecum: The public doesn't see the efforts of the department to protect wild stocks. There have been huge battles over some enhancement proposals with the fishermen who are economically dependent upon the hatchery production.

Dan Albrecht: There are biological concerns in SE about concerns of production chums may have an effect on fall chums. Wants to explore the issue of marking all fish and find out where they go after they are released. Mandate marking of the stock.

Commissioner Rue: Will we make every hatchery mark every single fish? Not necessarily. We will require marking in response to the need for marking. For example, in Kake, there is a specific issue with water temperature. However, production is low so the question is whether or not, given the cost, the level of production and other considerations, every single egg should be marked.

Doug Mecum: He responded on marking and also discussed the issue of Kake about their water cooling problem and the idea using money to fund research versus marking every single egg.

Bill Fliris: Where does the burden of proof lie? In the face of uncertainty, who has to prove that the dynamics of the production of hatchery fish.

Commissioner Rue: The legal situation is that there is a wild stock priority. Is there any indication that hatchery fish impact the survival of the AYK? So far, we have seen nothing which indicates that there is a significant impact on wild AYK stocks by hatchery production. If we saw indications that this was occurring we would be much more aggressive with regard to restrictions on hatchery production.

Jan Konigsberg: Recognize that the state created the problem of hatcheries in the first instance. Now SE fishers are economically dependent upon hatchery production. Now they are no longer economically dependent upon wild stocks. Now, they are not as strong an advocate for wild stocks as they were before their economic dependency on hatchery stocks was created. Thus, according to Jan, political support for wild stocks is diminished.

Doug Sweat: The marking of the hatchery stocks is essential. The hatcheries should also do GSI. The concerns about the by-catch issues in Area M and in the trawl fisheries demand that we know what the impacts of these fisheries is on wild stocks.

Doug Mecum: The North Pacific Anadromous Fish Commission has agreed to develop a significant joint research program. Japan and others are thermally marking their hatchery production.

Jude Henzler: There are no data from the Bering Sea. There is no research in the Bering Sea. The University is doing a little bit in Bristol Bay, but there is no significant data and very little research on going in the Bering Sea.

Kelly Hepler: People ask if the department admits that mistakes have been made with regard to the hatchery program. Undoubtedly, the department has made mistakes with regard to hatchery production. We have learned over time and there are many things we did years ago that we wouldn't do today.

Also, the AYK guys should talk to the hatchery guys about marketing and enhancement.

Chairman: We have discussed this matter for over two (2) hours. I need to know what should be in the protocol between the Department and the Board.

SUGGESTIONS FOR BOARD/DEPARTMENT PROTOCOL

The following suggestions were made and then the meeting adjourned.

1) Have a meeting on hatchery issues at the statewide fin fish meeting every three (3) years. Maybe every two (2) years. Do we do the meeting separately or do we do it in conjunction with a Board meeting. A forum versus a regulatory meeting.

-If meetings are held other than in cycle, what triggers a statewide discussion?

-Do we provide for ACRs and petitions?

-Do we have to wait for an "in cycle" meeting?

-Do we do it region by region?

2) What is the content of the meeting?

-Wild vs Hatchery and their interactions.

-Who develops/prepares the agenda? Do we solicit "proposals" from the public?

-Does the Board receive a report from the Department on problems: wild versus hatchery, marketing, biological information, etc. Impacts (both positive and negative) of the hatcheries on the regions outside of the areas where the hatcheries are operating.

-What consideration should be given to these considerations?

-What is the role of the Board and the Department on issues of research? Who funds the research? The State? The hatcheries?

4) Who participates in the meeting?

-Is Dept of Commerce and Economic Development involved since it provides the funding for hatcheries?

-ADF&G's commitment to provide staffing and funding.

5) How do we implement the "statewide" perspective?

-Can/should the Department "delegate" authority to the Board for regulatory action?

-Is statutory change/clarification necessary?

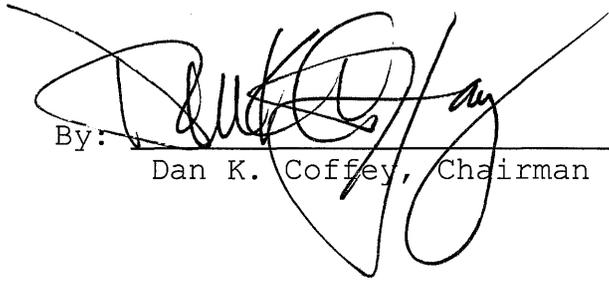
RECOMMENDATIONS

Based on the foregoing discussion, the Hatchery Committee recommends as follows:

- 1) that the Board take no action on proposal 99-358; and
- 2) that the committee continue its work by negotiating a protocol with the Department with the specific goal of institutionalizing a public forum to bring a statewide perspective to issue associated with hatchery production; and
- 3) that the committee seek public comment, as appropriate, on the protocol between the Board and the Department; and
- 4) that the committee report back to the full Board at the Board's fall work session, 2001.

DATED at Anchorage, Alaska this 23rd day of January, 20001.

Alaska Board of Fisheries
Hatchery Committee

By: 

Dan K. Coffey, Chairman