



THE STATE of ALASKA

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Commercial Fisheries Entry Commission

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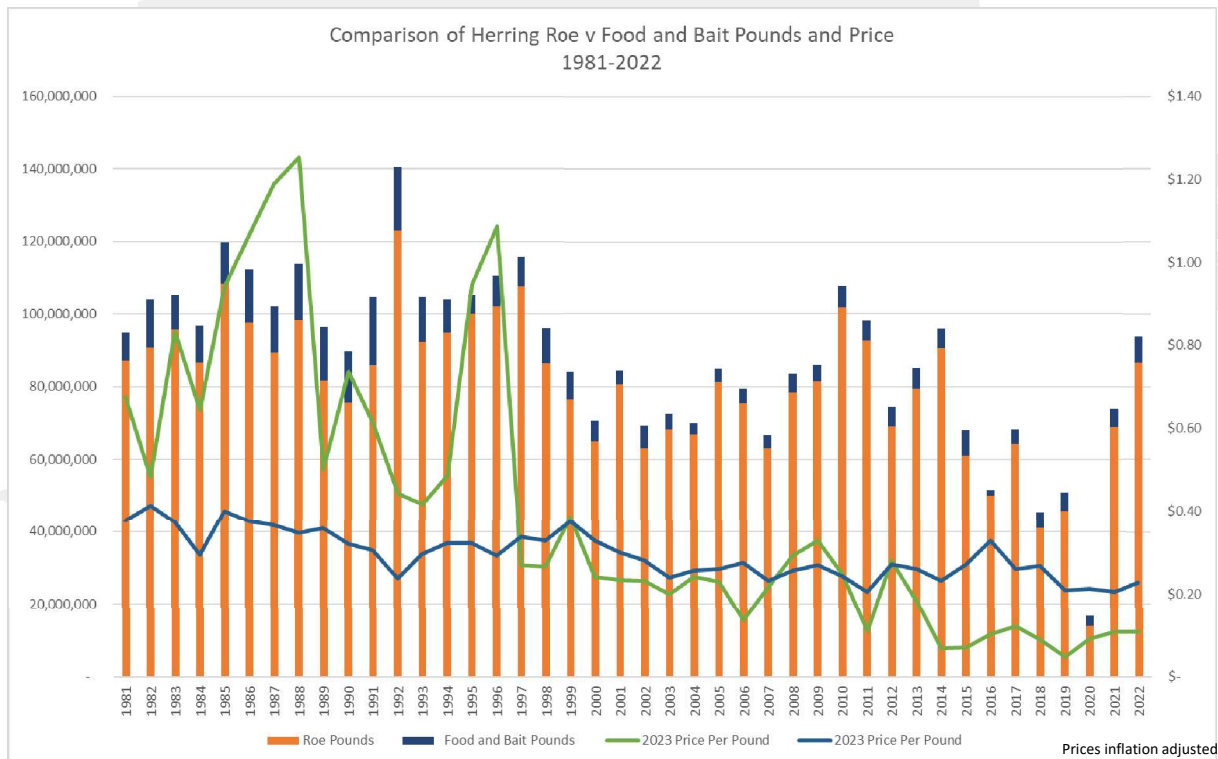
February 23, 2024

John Wood, Chair
Art Nelson, Executive Director
Alaska Board of Fisheries
PO Box 110506
Juneau, Alaska 99811

Subject: Recommendation to form a Joint Herring Revitalization Committee

Dear Chair Wood, Mr. Nelson, and members of the board

While no surprise to the Alaska Board of Fisheries (board) and seafood industry, Alaska's herring fisheries are not meeting their full potential. As the chart below indicates, after adjusting statewide prices for inflation the value of our herring sac roe fisheries continues to fall. While the banner years of the 80's and 90's are recognized as outliers not to return, seeing the price consistently half of what it was 20 years ago is frustrating. While the price earned by our food and bait fisheries have held



reasonably well, they too are trending downward. What is perhaps more surprising is that over the span of these years just under 9% of the total harvest is in the more valuable food and bait fisheries.

At the recent Kodiak Finfish and Shellfish meeting, the board had Proposal 57 which looked to flip this allocation and dedicate more herring to a fall “food grade herring” fishery. However, the board also had a letter from the Commercial Fisheries Entry Commission (commission) indicated should Proposal 57 pass, the commission would need to take action to bring its regulations into conformity and it could not presuppose what would come from that. The board was left to “take no action” and advised the author of Proposal 57 to work with the commission.

When the author of Proposal 57 called several weeks ago I had not listened to the board’s deliberations. After that conversation I did so and heard the board’s frustration over the inaction. It is not the first time in my experience that fisheries stakeholders have faced the buzzsaw of our dueling authorities where the path for solutions is muddy at best.

Following situations such as Proposal 57, my experience is the two agencies continue to operate within their own regulatory constructs and not much is resolved. In a matter such as this, dealing with an industry stuck in a long-term economic freefall, we need an all-hands approach to better understand the challenges and opportunities, and develop a regulatory framework that will support achieving greater value.

Without coordinating efforts, we will face a time-consuming outcome that may well miss the mark. One of our administrative responses to the Kodiak herring situation is to conduct an optimum numbers study of the Kodiak Food & Bait fishery which will inform us if the current number of permits is too few. Incidentally, we were already planning to do this analysis. The analysis is based off the current allocated guideline harvest level (GHL). If we find the fishery could support additional permits, we will go through the unprecedented effort of issuing more permits. How we go about that and who we allow to apply are questions unanswered, but it would likely be a costly, litigious, and time-consuming endeavor.

Should that effort occur as described and we fast forward to the next Kodiak board meeting in 2027, the board will likely face the same proposal and same letter from the commission. Should the board shift the allocation, with a new larger GHL the commission would go through the same optimum numbers study, albeit presumed a much quicker review, and conduct another effort to issue additional permits. All of this is to say, while we could get somewhere eventually with the current regulatory paradigm, it would only slowly nibble around the edges and fall short of rethinking a regulatory structure that more fully supports Alaska’s herring fisheries.

Currently, the commission permits herring fisheries based on product form. This is not done with other fisheries in Alaska. Should this change, and how can we do that while protecting existing limited entry permit holders? These product forms are chasing diminished or underdeveloped markets. How can the state of Alaska help the seafood industry discover new markets and create a

regulatory system to support those efforts? What are the limits of our current markets, and what are the aspirational markets that deserve attention?

Commissioner Mike Porcaro and I recommend and encourage the board consider establishing a joint special committee between our two entities to look at the revitalization of Alaska's herring fisheries. The board sets the tone for Alaska's fisheries and is the best venue to lead this conversation, while the commission's rather small role in the discussion may prove helpful. While we cannot regulate as one, we can accumulate information both agencies need and establish timelines to coordinate actions.

We suggest the committee take a deep dive into our herring fisheries statewide. The committee may thoroughly explore existing, underdeveloped, and potential markets for herring. From there we can look at the regulatory framework to see how it may adapt to facilitate the development of these markets. The commission must protect existing limited entry permit holders, but if we work in a coordinated fashion I'm confident that requirement will be satisfied.

The committee could –

- Develop an assessment of current and potential herring markets.
- Identify legal issues in the current regulatory framework along with remedies.
- Develop potential governance actions that would improve Alaska's seafood industry's ability to access better markets, while protecting existing limited entry permit holders.

With a quick timeline starting this spring and concluding by January 2025, the committee could -

- Follow the model used by the board in its Special Committee on Nushagak-Mulchtna King Salmon Fishery Management Plan (2018-291-FB) and solicit committee nominations for statewide representation from the fishing, processing, and marketing sectors.
- Seek participation from the Alaska Seafood Marketing Institute's staff and Whitefish Committee.
- Gain assistance from the Department of Law's Natural Resource Section on legal and regulatory matters.

Running committees will take staff time, and travel and facility costs. The commission's staff will support the committee with marketing information and legal review. The commission also will cover facility rental, and travel for special invitees. It is hoped Boards Support could cover the cost of board member travel. Individuals wishing to serve on the committee would cover their own costs associated with travel. The commission is hopeful the Alaska Seafood Marketing Institute will dedicate resources to assist in this effort. It does not appear this effort will require a great outlay of resources from Alaska Department of Fish and Game (ADF&G) Division of Commercial Fisheries, but that may be an erroneous assumption.

If the committee forms, I would recommend it meet at least by April at Kodiak ComFish to review committee nominations, and determine initial information requests on markets and governance

issues. I might also recommend the board consider revising its Call for Proposal this spring to allow for potential action on Kodiak herring for the upcoming year should that board choose to act. If the board revisits potential action on the Kodiak herring management plan, the commission can consider regulatory changes to support larger industry improvements.

If you intend to take this matter up under Miscellaneous Business at the Upper Cook Inlet Finfish meeting, we will be happy to join for a discussion.

Thanks, take care and good luck at your upcoming meeting.

Glenn Haight  
Commissioner

cc: Sam Rabung, Director, ADF&G, Division of Commercial Fisheries  
Jeremy Woodrow, Executive Director, Alaska Seafood Marketing Institute  
Vanessa Lamantia, Assistant Attorney General, Alaska Department of Law  
Aaron Peterson, Senior Assistant Attorney General, Alaska Department of Law