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RC Submitted by Salmon Hatcheries for Alaska

March 2, 2024

Chair Wood and members of the Board of Fisheries:

The Alaska PNP operators respectfully submit the following documents at the request of the Board. For quite some time there have been statements made in hatchery-related proposals, and lack of documentation to support those statements, related to what took place following Board meetings in 1996 and 1999. Recently, we have obtained documents from personal and Regional Planning Team archives which shed light on those proceedings and outcomes. The record of information is still not complete but it's possible some additional records could be obtained in BOF archives.

The following documents are attached:

- 1) "Actions Taken to Address Hatchery Chum Salmon Production Issues" Pages 1 and 9—pages 2-8 missing from found document. Labeled by hand as RC 360
- 2) "Hatchery Committee Ad Hoc Meeting 1-23-01" Labeled by hand as RC 396—Meeting between then committee chair and proponents of proposal 358 following departure of hatchery operators from the meeting.
- 3) "Notice of Permit Alteration" and letter to Prince William Sound Aquaculture Corp February 9, 1999
- 4) "Meeting Summary Chum Salmon Hatchery Program Review" October 4, 2000. Attended by representatives from NSRAA, DIPAC, SSRAA, PWSAC, Gunnuk Creek Hatchery, and ADF&G
- 5) Memo to ADF&G Commissioner documenting agreed voluntary reductions in hatchery chum salmon production, December 7, 2000. From Carol Denton to Frank Rue.

These documents confirm **there was no agreement or action to reduce hatchery production** resulting from discussions at the Board or committee level; however, with recognition there was no scientific evidence that supported the necessity for reductions in hatchery production, several hatchery operators worked with Department representatives to make some reductions in permitted capacity to better reflect actual production at that time.

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ACTIONS TAKEN TO ADDRESS HATCHERY CHUM SALMON PRODUCTION ISSUES

PC 360

BACKGROUND

It is generally acknowledged that Alaska's hatcheries have met the goals set in the 1970s when the program was developed. However, recent instability in Western Alaska chum salmon production has raised new questions and concerns about the role of hatchery salmon production in the ocean ecosystem and whether hatchery chums unfairly compete for market share with some Western Alaska wild stocks. Concerns have also been raised regarding impacts of future sockeye salmon production. In recent years the Board of Fisheries and the Department of Fish and Game have worked to understand and address these and other hatchery program issues. Commissioner Rue stated in a recent letter that ADF&G scientists believe the primary cause of weak production of western Alaska chum salmon is poor early marine survival. Harvest is the next most significant contributing factor to survival. While the data indicate there may be competitive interactions between the multitude of hatchery and wild stocks rearing in the North Pacific Ocean, there is no scientific evidence demonstrating that competition with hatchery fish is a significant factor in the collapse of western Alaska wild chum stocks. Generally, when few fish return from a good spawning escapement, the cause is unfavorable freshwater conditions (e.g., floods, freezing, habitat degradation) or poor early marine conditions (low plankton abundance, unfavorable temperatures, predation). Although studies have shown that competition for food in the open ocean between different salmon species and different stocks occurs, this competition is believed to manifest itself primarily in reduced growth and smaller-sized fish at a given age rather than reduced survival.

Production goals for the chum salmon hatchery programs in Southeast Alaska and Prince William Sound were established through the Regional Comprehensive Salmon Planning process. The production goals established in these plans have generally been achieved or exceeded in recent years. Higher than normal marine survivals for chum salmon appear to be the primary reason for the above average, and in some cases, record recent-year returns. However, there are strong indications that marine survival has turned downward and that hatchery chum returns, at least to some Southeast Alaska facilities, could decline significantly in the next few years. In fact, the 2001 hatchery chum forecast for Southeast Alaska is about 50 percent of the 2000 overall return. This may result in overall chum production in Southeast Alaska falling below the 10 million fish goal established in the current Southeast Regional Comprehensive Plan. It is possible that this decline in survival to normal or below normal levels could persist for some time.

This background provides the context for actions by the department and the board to address controversial hatchery issues, in the following categories: chum production, research, statewide coordination, loan fund, AYK chum salmon restoration, roles and responsibilities, and sockeye production.

PRODUCTION

On December 14, 2000, the Southeast Regional Planning Team unanimously recommended a reduction in permitted hatchery capacity for chum salmon in Southeast Alaska of 90 million eggs for a 13 percent reduction in region wide capacity. In making this recommendation, the RPT stressed the fact that permitted chum salmon capacity in Southeast was reduced an additional 119 million eggs over the two year span from 1997 to 1998, for a total reduction of 209 million eggs over the past four years.

Additional reductions of hatchery chum production in Southeast Alaska and Prince William Sound are not justified based on the available scientific evidence. Similarly, increases in production of hatchery chums should not be permitted simply because markets are currently strong and marine survivals are trending downward. The chum salmon hatchery program has reached its intended goals. Stable chum salmon production will allow the department to be sure that management and utilization issues are being addressed.

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

Alaska Board of Fisheries Hatchery Committee

Dan K.

Coffey, Chairma

Salmon Hatcheries for Alaska

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HATCHERY COMMITTEE AD HOC MEETING BOARD OF FISHERIES 1-23-01

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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:

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

It must be noted that the public participants were limited to those were 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.

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The Chairman based his remarks to the hatchery operators on the recommendation by the Hatchery Committee contained in RC 360 and on information 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:

1) Frank Rue

Commissioner

2) Doug Mecum

12) Louie Green

Director-Commercial Fisheries

3) Kelly Hepler

Director-Sport Fisheries

CHAIRMAN'S OPENING REMARKS

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

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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 where 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.

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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-YRDFA: 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?

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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.

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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.

- -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.

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Alaska Department of Fish and Game PRIVATE NONPROFIT SALMON HATCHERY PERMIT NO. 2

NOTICE OF PERMIT ALTERATION

This notice, in conjunction with the original Private Nonprofit Hatchery Permit for the Armin F. Koernig Hatchery at Port San Juan, allows the Prince William Sound Aquaculture Association to incubate up to 160 million pink salmon eggs for release from the hatchery site on Evans Island. This represents a decrease in permitted capacity of 30 million pink and 11 million chum salmon eggs.

All other conditions of the permit remain as stated in the original for the Armin F. Koernig Hatchery, dated September 29, 1975, and in its subsequent alterations.

Robert Bosworth

Deputy Commissioner

2-9-99

Date

TONY KNOWLES, GOVERNOR 19

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526 JUNEAU, ALASKA 99802-5526 PHONE: (907) 465-4100 FACSIMILE: (907) 465-2332

February 8, 1999

Bud Perrine, General Manager Prince William Sound Aquaculture Corporation P.O. Box 1110 Cordova, AK 99574

Dear Mr. Perrine:

Please find enclosed approved notices of permit alterations for the Wally Noerenberg, Armin F. Koernig, and Cannery Creek hatcheries that adjust the permitted capacities for these facilities to the new levels negotiated with the Prince William Sound/Copper River Regional Planning Team and the department last spring. The new permitted capacities more accurately reflect the actual production capabilities of the hatcheries, and they more closely fit the Prince William Sound Aquaculture Corporation's (PWSAC) production goals for the foreseeable future. The permitted capacity at the Armin F. Koernig Hatchery has been reduced from 190 million pink salmon eggs to 160 million pink salmon eggs and the previously permitted increment of 11 million chum salmon eggs has been removed. The permitted capacity for pink salmon at Wally Noerenberg Hatchery has been reduced from 211 million eggs to 150 million eggs and the unused increment of 31 million sockeye salmon eggs has been deleted. The permitted capacity for pink salmon at Cannery Creek Hatchery has been increased from 147 million to 152 million eggs and the corresponding increment of 5 million chum salmon eggs has been deleted from the permit. If PWSAC's plans for these hatcheries change again in the future, the department is willing to consider additional permit alteration requests to maintain the flexibility PWSAC needs to be successful.

Please remember that approval by the Alaska Department of Fish and Game (ADF&G) to conduct the activities described in this permit alteration does not imply agreement by ADF&G or the Department of Commerce and Economic Development to commit state or federal monies or state loan funds for the project, nor does it absolve PWSAC from obtaining all other state, federal, and local permits necessary for the permitted activities.

If you have any questions regarding this matter, please contact Steve McGee of the Private Nonprofit Hatchery Program at 465-6152.

Sincerely,

Robert Bosworth
Deputy Commissioner

Enclosures

cc: PWS/CR RPT

Steve McGee

Meeting Summary Chum Salmon Hatchery Program Review

DIPAC Hatchery Conference Room October 4, 2000

Meeting Attendees:

NSRAA: Pete Esquiro and Steve Reifenstuhl

DIPAC: Jon Carter, Eric Prestegard, and Rick Focht

SSRAA: John Burke

PSWAC: Bud Perrine and Ray Cesarini

Gunnuk Creek: Steve Andison

ADFG: Frank Rue, Doug Mecum, Geron Bruce, and Steve McGee

Summary of Discussion

I. Hatchery Production Limitations and AYK Chum Returns

Hatchery operators stated that they would be willing to consider reducing or modifying production goals if there was convincing evidence they were causing the problems observed with western Alaska chum salmon returns.

There is no convincing economic evidence demonstrating that reduced chum salmon hatchery production would help improve markets or prices for wild AYK chums nor is there any scientific evidence that demonstrates a link between declining survival of western Alaska chums and increasing hatchery production of chums in Southeast Alaska and Prince William Sound. Hatchery operators stressed that whatever changes the department considers for the chum salmon production facilities should be based on sound science. They also expressed support for conducting research to better understand the underlying causes for the poor wild chum production in western Alaska. They feel that current production goals should be maintained unless the need for changes is demonstrated through sound scientific research.

Production goals for the chum salmon hatchery programs in Southeast Alaska and Prince William Sound were established through the Regional Comprehensive Salmon Planning process. The production goals established in these plans have generally been achieved or exceeded in recent years. Higher than normal marine survivals for chum salmon appear to be the primary reason for the above average, and in some cases, record recent-year returns. However, there are strong indications that marine survival has turned downward and that hatchery chum returns, at least to some Southeast Alaska facilities, could decline significantly in the next few years. In fact, the 2001

hatchery chum forecast for Southeast is about 50% of the 2000 overall return. This may result in overall chum production in southeast Alaska falling below the 10 million goal established in the Regional Comprehensive Plan.

Over the last several years, fishermen, hatcheries and processors have made substantial gains in developing new markets and in improving utilization of hatchery chum salmon. Demand for fresh and frozen chum fillets and for roe (sujiko and ikura) has been increasing and was very strong in 2000; this trend is expected to continue. Salmon waste regulations developed by the department have been partly responsible for some of the gains made in this area. Many of the gains that have been made in developing new markets and increasing market share and demand might be lost if production is reduced significantly. Chum salmon are one of the only bright spots in the salmon market today because it is a high volume, relatively low priced product that does not compete directly with high-end, fresh farmed salmon products.

II. Hatchery Loan Forgiveness

The group spent considerable time discussing the pros and cons of coupling hatchery loan forgiveness with reduced chum salmon production. The theory behind this approach is that the increments of hatchery production that are currently needed to pay for cost recovery to pay off state loans could be phased out, resulting in fewer fish being released. Then, the only cost recovery production needed would be for operating costs and the remainder could be harvested in the common property fisheries. Hatchery operators pointed out a number of problems with this approach:

- 1) Commercial fishermen would rather catch all the fish now going to pay off state loans rather than see that production phased out entirely.
- 2) Reducing production could result in lost market share for Alaska chums. This was one of the conclusions reached by participants in the Hatchery Salmon Forums that occurred in 1996. Reduced production would clearly reduce revenues to Southeast Alaska or Prince William Sound processors and fishermen. There is no direct evidence that the reduced production would help western Alaska wild chum markets or prices.
- 3) The current chum salmon production goals established in the Regional Comprehensive Salmon Plans were not built around cost recovery goals for paying off state loans. Rather they were established based on a best estimate of the maximum sustainable production of the region. The purpose of the hatchery program was to rebuild salmon harvest to historically high levels.
- 4) It would take a long time to restructure the various fisheries based on lower production levels. There are a number of hatchery salmon allocation objectives for the various gear groups that would need to be revisited including rotational terminal area fisheries and areas that are currently set aside for only one user group. Production levels would not change for at least five years because of existing releases. To be successful, hatcheries need to be able to operate in a

- relatively stable regulatory and political environment given that the natural environment is already unpredictable enough.
- 5) A big problem with production cuts based on debt forgiveness is determining how to spread production cuts between the various hatchery programs. The amount of debt obligation varies significantly between hatcheries, ranging from no debt for NSRAA to over 20 million each for PSWAC and DIPAC.
- 6) Hatchery operators discussed using the money in the revolving loan fund to help do something positive for fishermen around the state. This might include permit buy back programs, other enhancement, restoration, or rehabilitation programs, loans, marketing initiatives, etc.

III. Review of Salmon Hatchery Planning

Hatchery operators believe that the existing Regional Planning Team process is working well. They also agree there is merit to a statewide review of hatchery programs to share information between people in the different regions. However, at this time they do not feel that a formal statewide RPT is needed. More work needs to be done on defining the mission and structure of a Statewide RPT before one could decide to support it or not. In addition, there is currently no funding for this activity.

They also feel that the Commissioner already has adequate authority to consider issues with statewide implications at least with respect to resource conservation.

IV. Research and Monitoring

There was support for involving hatchery biologists in planning and cooperating in research funded by the Gulf Ecosystem Monitoring Program (GEM), the North Pacific Research Board (NPRB), Federal disaster research funds, Pacific Salmon Restoration, and Northern Boundary funds. Hatchery operators are also very willing to share their expertise on enhancement, particularly restoration and rehabilitation programs that could be used to benefit western Alaska fisheries.

V. Summary of Points Raised by Hatchery Operators

- There is no scientific evidence linking increased hatchery and wild chum salmon production in Southeast Alaska and PWS to the decline of western Alaska wild chum salmon stocks.
- There are a number of serious problems associated with hatchery debt forgiveness. If there are to be future discussions about hatchery debt forgiveness, they should not insinuate a link to the problems caused by declines in abundance of AYK chums.
- There is no objective evidence linking poor market conditions and prices for AYK wild chums with the increased hatchery chum production in SEAK and PWS. At

the very least, it is clear that production cuts will not help AYK fishermen improve their markets or get higher prices in the short term. Overall production of southeast Alaska wild and hatchery chum salmon is expected to decline significantly just due to reduced ocean survival over the next few years.

- Department staff should develop a proposal for another statewide hatchery salmon
 forum and present that to the hatcheries for the review and input. This forum
 would not be aimed at regulatory action. The main focus of this forum would be
 to present and share information on the various hatchery programs around the
 state, discuss market issues, identify research opportunities, and discuss ways to
 improve utilization of hatchery returns.
- The ongoing Regional Comprehensive Salmon Planning process should not be linked or "held hostage" to a statewide hatchery forum.
- Department staff should summarize points raised during this meeting and present them to the attendees for review and comment.
- The Commissioner should forward the hatchery operators request for a meeting with the Governor.

Salmon Hatcheries for Alas EdMORANDUM

1999-2001 Expanded **哈神神 OF ALASKA**DEPARTMENT OF FISH AND GAME

RC219

TO: Frank Rue

Commissioner

DATE: December 7, 2000

TELEPHONE NO: 225-9677

THRU: Steve McGee

PNP Program Manager

FAX NO: 225-0599

FROM: Carol Denton

Regional Resource Development Biologist

Commercial Fisheries Division

Ketchikan Office

SUBJECT: Adjustments to permitted

capacity for chum salmon, Southeast Alaska hatcheries: recommendation of the RPT

The Joint Northern Southeast/Southern Southeast Regional Planning Team (Joint RPT) met in Ketchikan December 5. We discussed the proposed adjustments to permitted chum capacities at various Southeast region hatcheries, and also the context in which these reductions have become necessary. We noted that there is a distinct lack of biological data supporting the need to reduce southeast's chum production, however it is appropriate to keep hatchery permitted capacities in line with actual production capabilities.

The Joint RPT voted unanimously to recommend to the Commissioner that permitted hatchery capacity for chum salmon in southeast region be reduced by 90 million eggs, in the following increments:

Whitman Lake Hatchery
Port Camden Incubation Facility
Hidden Falls Hatchery
Sheep Creek Hatchery
10 million
40 million
30 million

This recommendation is made with reluctance. We note that this signifies a 13% reduction region-wide in chum salmon capacity. We would also like to point out that significant reductions in chum salmon permitted capacity already occurred in 1997 and 1998, which resulted in a reduction of 119 million eggs, bringing the total reduction in southeast hatchery chum capacity to 209 million over the past three years.

This recommendation is made with the expectation that evaluation of proposals for new increments of chum production in Southeast Alaska will continue to be based on consistency with the Southeast Regional Comprehensive Salmon Plan.