

ALASKA BOARD OF FISHERIES**FINDINGS REGARDING THE PRINCE WILLIAM SOUND
MANAGEMENT AND SALMON ENHANCEMENT
ALLOCATION PLAN (5 AAC 24.370)**

At its meeting in Cordova, the Board of Fisheries (board) took staff reports, both oral and written, oral and written testimony from the public and advisory committee reports concerning the allocation of Prince William Sound salmon stocks between three different gear types; seine, drift gillnet and set gillnet. The current allocation plan is found in 5 AAC 24.370, the Prince William Sound Management and Salmon Enhancement Allocation Plan. The board had numerous proposals before it to change this particular regulation.

The history of attempts to establish allocations between the gear types goes back more than seven years and involves this board, the Prince William Sound Aquaculture Corporation (PWSAC), the Regional Planning Team (RPT) and numerous members of the public. Despite the best efforts of all of these people, and because of changes in conditions and PWSAC practices, the allocation plan is currently not working in the manner intended.

For a historical perspective, the board reviewed and discussed how the current situation was created. The existing regulation arose out of an agreement between gear types facilitated by PWSAC, the RPT and the board. In a prior form of the regulation (5 AAC 24.370), the board expressly recognized the allocation policy adopted by PWSAC in May, 1990. This regulation has been in effect since 1991.

After hearing from the public, the board has determined that the allocation plan is generally acceptable to all of the parties involved in terms of its allocation percentages. Admittedly, the set gillnetters would prefer to have their allocation percentage increased from one percent (1%) to two point three percent (2.3%) of ex-vessel value, but since they have a small and singular fishery (Main Bay and Crafton Island subdistricts), their fishery will produce what it produces regardless of the percentage assigned. The two largest fisheries (seine and drift gillnet) still agree that their respective allocations should remain at forty-nine percent (49%) and fifty percent (50%) respectively, although there is evidence that the actual percentages should be forty seven point five percent (47.5%) for seiners, fifty one point five percent (51.5%) for drift gillnetters and one percent (1%) for set gillnetters (See letter from Board Chair Kay Andrew to Commissioner Carl Rosier, page 2, numbered paragraph three, dated February 13, 1994). There has been some public testimony concerning these percentages which vary by one and one-half percent (1.5%) from the percentages set forth in the regulations.

In this regard, it should first be understood that these allocations are not intended to be a specific allocation number for each gear type for each season, but rather a long-term goal or objective of the board which, if not realized over a long term (more than 2 board cycles), could

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result in a change in the allocation provisions of the regulation. Further, it is impossible for this board or the staff to manage the resource within one or two percentage points. Finally, in this board's opinion, it would be more appropriate for the gear types to agree on a range of percentages and agree upon a method for adjustment as has been done in other fisheries (See 5 AAC 33.364-Southeastern Alaska Area Enhanced Salmon Allocation Management Plan).

The problem which was presented to the board is based upon two factors. The first factor is the dramatic reduction in pink salmon prices. The second factor is the current inability of PWSAC to fulfill that portion of its allocation plan which required additional production of fish. Simply stated, the problem arises from the fact that, over the last six (6) years, the average ex-vessel value for the drift gillnet fleet has been approximately seventy-five percent (75%) of the total ex-vessel value of all salmon (wild and enhanced) and the average ex-vessel value for the seine fleet has been approximately twenty-five percent (25%) of the total ex-vessel value.

This disparity is based upon an ex-vessel value based upon a combination of both wild and enhanced stocks. There is no debate as to the accuracy of these numbers. The only question here is to the use of both wild and enhanced stocks in calculating ex-vessel value. There is a significant debate going on between the seiners and the drifters over the inclusion/exclusion of wild stocks in the calculation of the ex-vessel value.

Ex-vessel value of both stocks were used in determining the historic percentages. However, the PWSAC policy statements which were presented to the board, all refer to enhanced stocks until the very end of the PWSAC Allocation Policy on Enhanced Salmon: An Explanation to Clarify Intent of Key Statements: Policy Clarification Statements, page 48, paragraph 6 where wild stocks were referred to as follows:

“6. It is the intent of the authors of the policy that production planning will attempt to achieve a balance of enhanced salmon harvest value. This intent is based on the assumption that established the historic basis for the allocation ratio. That is, wild stocks, averaged over time, were and will be harvested according to the balanced value ratio. Should this premise hold true, then a balance of enhanced salmon harvest value will maintain an economic balance between the gear groups. Only over time can this condition be achieved due to annual harvest value fluctuations. However, should it become apparent that economic balance trends away from the historic balance due to persistent failures of wild stocks, changing fish values, evolving environmental conditions, enacted laws regulations or any other factor(s) which may change the described balance, then production will be planned to rebalance the ratio such that the over-all economic balance in the fishery is maintained. This statement clearly supports the intent of the policy statement that “[t]his balance will be utilized in planning and production as a long term approximate projection goal anticipated to achieve equitable value in **returning salmon...**” (emphasis in the original).

Based on the foregoing language, it appears as if PWSAC was using both enhanced and wild stocks in its allocation determinations even though PWSAC could only allocate as to enhanced stocks. Further, members of the public who also served on the PWSAC board, on the allocation

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committee, who are commercial fishermen, and who are apparently very knowledgeable concerning the PWSAC allocation policy, state that all fish, both wild and enhanced, were to be included in the calculation of ex-vessel value.

However, this is strongly disputed by others, primarily drifters, who contend to the contrary. Some of these individuals are also knowledgeable, having been active in the development of the PWSAC allocation policy. This disagreement as to one of the fundamental precepts of the PWSAC allocation policy needs to be resolved by the board.

Further, of considerable importance to this board, is the fact that a prior board, when it adopted this regulation in 1991, stated its intent as follows:

“...to allocate the natural and enhanced salmon stocks in Prince William Sound in such a manner as to maintain the long-term historic balance between competing commercial users that existed since statehood and prior to any significant production from enhancement programs.”

Thus, the prior board decided that allocation decisions would be based on both wild and enhanced stocks.

If both wild and enhanced stocks are used in the calculation of the ex-vessel value, the disparity over the last six years is as noted above. If only enhanced stocks are used in the calculation of the ex-vessel value, the disparity is minimal and no adjustments would be necessary.

Thus, this board first needs to decide which ex-vessel value to use in its allocation determinations. After discussion, the board determined that both wild and enhanced stocks would be used in its allocation decisions. The reasons for this decision include the prior board's determination, the testimony of the public, the written record presented to the board and, most importantly, the fact that the historic catch of all salmon stocks reflects a division between gear types substantially in line with decisions based on both wild and enhanced stocks.

Next, the board discussed the percentages themselves and, for the reasons stated above, determined that the percentages stated in the proposal (drift gillnet 50%, seine 49% and set gillnet 1%) represented an approximate allocation percentage for each gear group. It was stressed by the board in its discussions that it would much rather see a range for the allocation percentages, but that these specific percentages are of sufficient merit to be “recognized” by the board.

The board then discussed the department's determination of the ex-vessel value. Staff was solicited to comment. The staff's comments were to the effect that this provision was appropriate and feasible. Since some ex-vessel measuring tool is required, this is an acceptable method. This method was adopted by the board.

Subsection (d) was then discussed by the board. It was noted that this subsection is substantially identical to the existing regulation with only one change. The only change is found in subparagraph (5)(B) which allows the seine fleet to fish in previously closed waters because of

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a change in the coho fishery. Previously, the Noerenberg Hatchery was producing coho which was harvested by the drift gillnet fleet. Because of a disease situation, the hatchery has ceased production of these coho. The seine fleet was confined to an area to avoid harvesting these coho. With the pending absence of these coho, there is no reason to confine the seine fleet to any particular area. There, the regulation was amended so as to allow the seine fleet to fish in previously closed waters so long as the predominant species is pink salmon.

The board then discussed the "piggy bank" concept. This concept was originally developed by the fishermen who fish in this fishery as a method by which disparities in the allocation between gear types could be corrected in the short run. Corrections in the long run were intended to be handled by increased production by PWSAC. This may or may not occur. However, in the short run, there is no corrective action which can be taken based upon increased production. Such corrective action is both biologically and financially impossible. Thus, the only short term corrective actions which can be taken involve re-allocations between the two user groups, seiners and drift gillnetters.

From discussions with staff and the public, as well as the board's review of the written materials provided by staff and by the public, there appears to be two potential "piggy banks" areas within Prince William Sound; the enhanced chum salmon run at Port Chalmers in the new Port Chalmers Subdistrict and the enhanced chum salmon run in the Esther Subdistrict beginning June 1 through July 20. The Port Chalmers area is a traditional seine fishery. The Esther Subdistrict is traditionally (by agreement since 1990) a drift gillnet fishery during this period. Also with regard to these two "piggy banks", the potential harvest in the Port Chalmers Subdistrict is less than the potential harvest in the Esther Subdistrict. There is also a risk of interception of Coghill Lake bound sockeye salmon in the Esther Subdistrict. The board also noted that the seine fleet is more efficient than the drift gillnet fleet in harvesting salmon. Finally, the board took note of the problems at the Main Bay hatchery which will affect the sockeye return which, in turn, will effect the drift gillnet fleet which participates in the Main Bay fishery.

The board also discussed the fact that there is no way in which parity can be precisely maintained over the short run. Parity is a long-term goal. Originally, the allocation divisions were determined on a twenty year plus period. Thus, parity is something which should be achieved over a similar lengthy period. This conclusion, however, does not mean that shorter term parity is not an appropriate goal and that the board should not adopt regulations which tend, in the short run, to bring the gear types into compliance with the allocation percentages.

Based on the foregoing, the board decided to proceed with the "piggy bank" concept to adjust allocation disparities over the shorter term. The regulation adopted took into consideration the interception of Coghill Lake sockeye salmon by allowing the department to confine the more efficient seine fleet to a smaller area than the drift gillnet fleet in the Esther Subdistrict. By granting the drift gillnet fleet both the potential of a larger area, by permitting a dual gear fishery and by permitting the drift gillnet fleet to fish exclusively in the Port Chalmers Subdistrict, the board recognized both the difference in gear efficiency and the "richness" of the two "piggy bank" fisheries.

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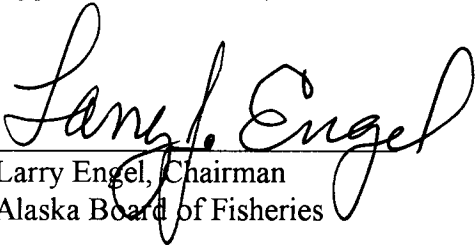
Finally, the board established 1997 as the "base" year. There will be no changes in the 1997 fishery in Prince William Sound. The seine fleet will fish in the new Port Chalmers Subdistrict. The drift gillnet fleet will have the exclusive right to fish in the Esther Subdistrict from June 1 to July 20. Only in 1998 and beyond, will any of the "piggy banks" be used for either gear group. The board expects this matter to be considered again in the next cycle.

In conclusion, the board completely and thoroughly reviewed the fishery and the competing gear types. By reaching its decision it put to rest over seven (7) years of dispute between the various gear groups. Finally, by adopting the new regulation, the board cleared up the previously existing regulatory problems.

At Sitka, Alaska

Date: January 29, 1997

Approved: 6/0/0/1 (Yes/No/Absent/Abstain)


Larry Engel, Chairman
Alaska Board of Fisheries