

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: ROK fishery  
**Date:** Friday, October 30, 2015 1:08:03 PM  
**Attachments:** [image001.png](#)

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## Randy Lippert

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



**From:** Anthony Thomas [mailto:[anthonytaiber73@gmail.com](mailto:anthonytaiber73@gmail.com)]  
**Sent:** Friday, October 30, 2015 12:13 PM  
**To:** Lippert, Randy J (CFEC)  
**Cc:** Anthony Thomas  
**Subject:** ROK fishery

Randy-

I have a southern southeast rok permit. I am very much opposed to any change in regulations regarding the existing Northern Southeast ROK or the Southeast roe fishery. Putting more roe on kelp product in the market will devalue the product and fishery permit value. I believe the demand for roe on kelp has diminished over the last few years. This is reflected by the low price to fishermen even while supply is down. I am fearful that open pounding in Sitka Sound will only be a segue to closed pounding in the future leading to direct competition to the existing fishery.

Please do not create another roe on kelp fishery in southeast.

Thank you  
Anthony Taiber  
pob 1861  
Petersburg AK 99833

20 AAC 05.230(a)(9) is amended to read:

- (9) **Herring spawn-on-kelp pound administrative areas.**

Code Letter	Name and Description
A	Northern Southeast Area – Districts 9 – 16, <u>except for the waters of Section 13-B north of the latitude of Aspid Cape and Section 13-A south of the latitude of Point Kakul (Salisbury Sound)</u> , as described in 5 AAC 33.200.
C	Southern Southeast Area – Districts 1 – 8 and the Dixon Entrance District as described in 5 AAC 33.200.
E	Prince William Sound Area – the statistical area described in 5 AAC 27.300.

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OCT 22 2015  
CFEC

I don't think Sitka Sound should be able to do Spawn on Kelp!

I know their market has fallen off but so has ours.

1. Putting more spawn on Kelp on the market will only ~~sat~~ saturate an already saturated market.
2. The market is low partly due to low grade product and too much product. So by putting more product which will produce a percent of low product does ~~some~~ ~~one~~ any good. It just brings another fishery down.
3. Spawn on Kelp will not save Sitka Sound Sockeye fishery.
4. If they want a Spawn on Kelp permit they should have to buy one like everyone else.

5. This was tried with dive fisheries, saying because they did one dive they deserve the other fisheries. It was found unlawful. This one should also be found unlawful.

James F Barnes Jr.

L21C 67623X

James F Barnes Jr.

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: B of F Meeting Proposal 126  
**Date:** Thursday, November 05, 2015 10:22:34 AM

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Randy Lippert  
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Commercial Fisheries Entry Commission  
Phone: (907) 790-6945 Fax: (907) 790-7045  
Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)

-----Original Message-----

From: Brian & Carol Kandoll [<mailto:kandolls@gci.net>]  
Sent: Thursday, November 05, 2015 9:29 AM  
To: Lippert, Randy J (CFEC)  
Subject: B of F Meeting Proposal 126

To: Benjamin Brown, Commissioner  
November 5, 2015  
Bruce Twomley, Chairman

Dear Sirs,

Thank you for your letter of October 6, 2015 in regard to this meeting to consider changes to the Northern Southeast Roe On Kelp fishery. I hold an NSROK permit, which I purchased and fish when it is open, so I am one of the 111 (91 resident, 20 non-resident) permit holders in that fishery. I was also issued a permit and participate in the Southern Southeast fishery, one of the 167 (143 active resident and 24 active non-resident) who have a permit for that one.

This is a fishery that is sensitive price-wise to the volume of product that is produced every year. When we have higher production years, those times when Craig, Ernest Sound, Hoonah Sound, and Tenakee are all open, we feel the price effect the next year and beyond.

I see in Mr. Kluberton's March 3, 2015 letter to you that he states a couple of the reasons for the proposed changes. These are, a lower price per ton for the Sitka seiners and the desire of the Sitka Tribe to reduce harvest levels. In these two points, putting more ROK in the same market would drop the price for everyone, since whether it comes from an open pound or closed pound, it goes on the same market. It is true that the herring swim away from an open pound, but the eggs are harvested.

The people who would gain are probably the Sitka seiners. Even though the price per pound would be lower than it is now due to sheer volume that would be produced, they could make it work, while those of us in the existing ROK fisheries would probably be forced out of business at lower price levels.

I don't feel that this proposal is consistent with the purposes of limited entry, and am opposed to the restructuring of the areas.

Thank you,

Brian W Kandoll  
PO Box 1363  
Petersburg, AK 99833

kandolls@gci.net  
907 518 1376

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: Alaska commercial fisheries commission and  
**Date:** Thursday, November 05, 2015 7:31:03 AM

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Randy Lippert  
Scanning Clerk  
Commercial Fisheries Entry Commission  
Phone: (907) 790-6945 Fax: (907) 790-7045  
Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)

-----Original Message-----

From: Phil and Amy Fogle [<mailto:philfogle@hotmail.com>]  
Sent: Wednesday, November 04, 2015 4:48 PM  
To: Lippert, Randy J (CFEC)  
Subject: To: Alaska commercial fisheries commission and

To: Alaska commercial fisheries commission and Alaska board of fisheries

From: Charles Fogle F/V Invincible

To commissioner Benjamin Brown and chairman Bruce Twomley, I have participated in the Sitka sac roe fishery for 17 years and have seen the market and the price go up and down many times. I believe our herring prices are in the slow upward trend right now as we speak. There is no need to consider proposal 126. All the fisheries that have done pounding fisheries are none existent or are barely above minimum threshold. Pounding is hard on the resource and just as volatile in the market place as other herring fisheries. I strongly oppose proposal 126, and encourage you to reject any consideration for it as well. The Sitka sac roe fishery is one of the most stable and sustainable fisheries in the state. Our stocks and quotas have been some of the highest the fishery has ever seen the last 6-7 years. Why would you consider messing with success.

Daryl Kapp who put the proposal in doesn't even participate or own a permit in the Sitka fishery. Why entertain a proposal from a individual who doesn't have current knowledge of what the Sitka sac roe fishery is doing.

In closing I hope you reject this proposal and continue with the Sitka sac roe fishery as it is. Thank you for your time on this matter.

Charles P Fogle

907-230-7977

Sent from my iPad

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: Regulation change proposal, Sitka Sound.  
**Date:** Monday, November 09, 2015 9:52:32 AM

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Randy Lippert  
Scanning Clerk  
Commercial Fisheries Entry Commission  
Phone: (907) 790-6945 Fax: (907) 790-7045  
Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)

-----Original Message-----

From: [cholm@wwest.net](mailto:cholm@wwest.net) [<mailto:cholm@wwest.net>]  
Sent: Monday, November 09, 2015 9:51 AM  
To: Lippert, Randy J (CFEC)  
Subject: Regulation change proposal, Sitka Sound.

Bruce Twomley, Chairman  
P.O. Box 110302  
Juneau, AK 99811-0302

Chairman Twomley:

I am strongly opposed to the possibility of the CFEC making any changes to amend the current area for Northern Southeast Herring Roe on Kelp fishery. This looks to be a backdoor tactic to appease a group of fisherman who would like to change the gear type of a Southeast Alaska Herring Purse Seine Roe Permit. History tells us that any time you add more product to a limited market, the price of that product will go down. This is exactly what will happen if this proposal goes forth. Those of us with Southeast Herring Roe on Kelp Permits will be out of business in short order. Competition from other fisherman in the Roe on Kelp fisheries was expected, but never did I think the State of Alaska would increase competition by changing a regulation to add more product to a small fragile market. I expect the commission to use some logic and see early on that proposal is not above board, and reject any outside influence.

Thank you,

Chris Holm SSE + NSE ROK Permit - PH#(360) 431-3801

Clyde Curry  
F/V Jean C  
PO Box 572  
Petersburg, AK 99833

[ccurry@gci.net](mailto:ccurry@gci.net)  
907 518 0380

October 23, 2015

Commercial Fisheries Entry Commission  
8800 Glacier Highway, Suite 109  
PO Box 110302  
Juneau, Alaska 99811-0302

Ref: Proposal 126

Dear Board of Fisheries members,

I am an original issue permit holder in the Southeast Alaska herring roe purse seine fishery.

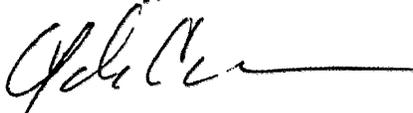
I am a forty five year resident of Petersburg.

The Southeast sac roe fishery has seen ups and downs as have all fisheries and is currently in a down cycle. I do not believe the Board should make radical changes to a down fishery at the behest of a non-resident whom, to the best of my knowledge, holds neither a seine roe permit nor any other Alaska herring permit.

The closed pound fisheries, which produce the same product as open pound, also have up and down cycles and would not be helped by more product on the market. Many of those permit holders are Alaska residents.

I urge the Board to not take unprecedented action on this matter.

Sincerely,



Clyde Curry

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OCT 23 2015  
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**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: not amending the regulation that defines the Northern Southeast herring roe-on-kelp pound fishery  
**Date:** Monday, October 26, 2015 10:18:34 AM  
**Attachments:** [image001.png](#)

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Good morning!

## **Randy Lippert**

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



---

**From:** Dennis O'neil [<mailto:banterbay@yahoo.com>]  
**Sent:** Monday, October 26, 2015 6:47 AM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** not amending the regulation that defines the Northern Southeast herring roe-on-kelp pound fishery

Dear Mr. Lippert and CFEC:

I am opposed to redefining the Northern Southeast herring roe-on-kelp fishery to exclude the Sitka Sound area.

If there is to be a pound fishery in the Sitka Sound area I have a permit to do so. If someone from another gear group would like to participate they should buy a Northern Southeast herring pound permit.

If at some future date the Sitka Seine gear group is allowed with that permit to participate in a Herring Pound Fishery will my Pound Fishery Permit allow me to participate in the Sitka Sound Seine Fishery?

Sincerely,

Dennis O'Neil

Nov 2, 2016  
Forrest Dodson  
Po Box 6575  
Sitka, Ak, 99835

Commercial Fisheries Entry Commission  
attn: Randy Lippert  
Box 110302  
Juneau, Ak, 99801-8079

Dear Mr. Lippert

As a participant in the Hoonah Sound roe on kelp fishery since 1991 I am opposed to the proposal to have Sitka Sound opened to roe on kelp for only the current holders of sac roe herring purse seine permits.

The roe on kelp fishery was started in Hoonah Sound as an experimental fishery in 1990. Sitka Sound was eliminated as a location because it would conflict with the sac roe fishery already established. A gill net fishery had been allowed in Hoonah Sound but was not being used so this was the location limited entry designated.

After a certain number of years it appeared to be a viable fishery. Limited entry was petitioned to make it a permitted fishery. I was one of the established fishermen and was awarded a permit.

My permit card says Northern Southeast roe on kelp fishery. My card does not say Hoonah Sound roe on kelp. If Sitka Sound is opened to roe on kelp fishing that should include all the Northern Southeast roe on kelp permit holders. If we cannot fish in Sitka Sound then the current sac roe permit holders should not be allowed.

Sincerely,



Forrest Dodson

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NOV 04 2015

CFEC

October 23, 2015

Richard Eliason  
709 Sirstad Street  
Sitka, Alaska 99835

Bruce Twomley Commissioner  
P.O. Box 110302  
Juneau, Alaska 99811-0302

Re; proposal 126

Dear Commissioner Twomley,

I am a SE resident and a fourth generation fisherman from Sitka, Alaska. I currently owe a SE Salmon Gillnet, SE Herring Gillnet, Northern SE Roe on Kelp as well as a State wide Power troll permits. I derive 90 plus percent of my family income from commercial fishing, and I oppose any action by the State of Alaska to make any changes to accommodate BOF proposal 126.

My objections to proposal 126 are as follows:

- Our current market for Roe on Kelp is 480 tons, in which includes Canadian production. Proposal 126 can easily produce 10% of that production with just one permit. There is close to 49 Sitka Sound Sac Roe permits. When proposal 126 ruins our ROK markets the owners of the Sitka Sac Roe permit can just go back to seining while the current SE ROK guys have to rebuild their markets. Make no mistake there is only one ROK market, that's japan.
- ADF&G would have to allocate Sitka Sac Roe quota to the recipients of proposal 126. Since the Sitka Sac Roe fishery has started in the early 70's there has only been one time that there has been quota share fishery, that in 2015. The Board of Fish has always rejected equal share quotas. This is just an end run to create that fishery.
- My L21A Northern SE Rok on Kelp permit should allow me to fish in Sitka Sound provided the BOF allows it. Any changes to the Sitka Sound Sac Roe fishery that includes a Roe on Kelp fishery should be done by the guys who pioneered the Northern SE ROK fishery back in 1991. We already have the CFEC permit..
- CFEC should create a new Sitka Sound Roe on Kelp fishery that is open access.
- Precedent this action will set. I would love to carve out an area in 15c(SE Salmon Gillnet area) to allow me to exchange my SE Salmon Gillnet permit into a Salmon Seine permit to seine for salmon. Seining is such a more efficient gear. Also this makes more sense than prop 126 since there would be no need for quota shares since the fishery is run on the basis of escapement. A much better way to regulate a fishery opposed to herring.
- And finally I'm not sure that CFEC has the authority to allow such a change in our CFEC system? I have not seen any communications with the attorney general's office speaking to proposal 126? I hardly believe what you are doing is even legal.

In reading the letters from Commissioner Twomley of CFEC and Chairman Kluberton of the Board of Fish it's obvious that we are in uncharted waters with this proposal 126. It appears that

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Chair Kluberton is more than anxious to punt the ball to CFEC as to wash his hands of the never ending issues of proposal 126. I hope the CFEC makes the right decision and files this proposal overboard.

Sincerely Yours



Richard Eliason  
Sitka

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OCT 26 2015  
CFEC

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: public testimony  
**Date:** Thursday, November 05, 2015 8:51:15 AM  
**Attachments:** [image001.png](#)

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One caller may not have time so he sent us this written statement.

## **Randy Lippert**

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



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**From:** Eric Grundberg [mailto:[eric\\_grundberg@hotmail.com](mailto:eric_grundberg@hotmail.com)]  
**Sent:** Thursday, November 05, 2015 8:33 AM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** RE: public testimony

Randy,

Tomorrow is a tough day for me to call in. Will be traveling from Petersburg to Craig for a commercial sea cucumber dive opening. Will try to call in, but don't think I will have cell service.

You ask for written comments a few weeks back. This is what I was going to say tomorrow. Been meaning to type this out.

Can you show this to the commissioners?

I have a few problems with the proposed changes.

1. The number of Limited entry permits for any given fishery is calculated on the optimum number for the fishery to be financially viable. The Sitka sac-roe fishery is 50 permits roughly, Northern ROK near a 100 I believe and Southern ROK have about 150 permits fishing each year with a couple hundred more non-transferable not fished. If we are going to start a new ROK fishery in Sitka and the SE region. Doesn't the number of those permits need to somehow reflect the economics of the region wide fishery? Flooding the market with more ROK is only going to split the pie smaller for permit holders already involved. If this change is going to happen, an economic study needs to be presented along side redistricting/allocation changes.

2. We already have two separate commercial roe on kelp fisheries in Southeast Alaska. This proposed redrawing/changing of district lines is already inside of the northern fishery. Why would CFEC and board of fish commissioners we want to take a resource from one group and give it to another?

3. I have a northern and southern ROK SE permit card. I have a fifteen year state loan for each permit. I purchased these permits with the understanding that I would have fishing rights to those resources in Southeast Alaska as long the state of alaska deemed them sustainable and an active fishery. What this change is talking about is granting the permit cards I purchased to another user group. Who hold sac-roe permit card?

Thank you for your time,

Eric Grundberg  
PO box 2193  
Petersburg, AK 99833  
907518 4158

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From: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)  
To: [eric\\_grundberg@hotmail.com](mailto:eric_grundberg@hotmail.com)  
Subject: RE: public testimony  
Date: Thu, 5 Nov 2015 16:45:50 +0000

Mr. Grundberg:

Tomorrow's ROK public hearing teleconference number is #1-800-659-1839. The teleconference begins at 3:00 PM and we ask that you call in 10-15 minutes early so the operator can get some information.

We look forward to hearing from you.

**Randy Lippert**

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



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**From:** Eric Grundberg [[mailto:eric\\_grundberg@hotmail.com](mailto:eric_grundberg@hotmail.com)]  
**Sent:** Friday, October 16, 2015 8:11 PM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** public testimony

Randy,

I would like to give public testimony on friday November 6th for the purpose changes of sitka sac roe fishery. Please email back or call  
907 518 4158

Eric Grundberg  
PO box 2193  
Petersburg, AK 99833

Nov 2, 2016  
Mary J. Holzman  
140 w. Kennedy st.  
Tucson, Az, 85701

Commercial Fisheries Entry Commission  
attn: Randy Lippert  
Box 110302  
Juneau, Ak, 99801-8079

Dear Mr. Lippert

As a participant in the Hoonah Sound roe on kelp fishery I am opposed to the proposal to have Sitka Sound opened to roe on kelp for only the current holders of sac roe herring purse seine permits.

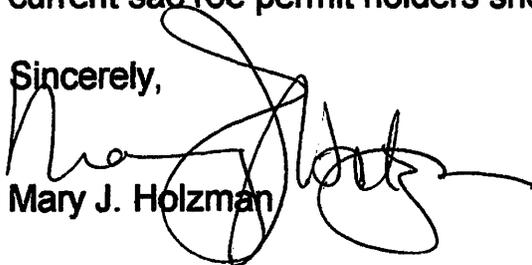
The roe on kelp fishery was started in Hoonah Sound as an experimental fishery in 1990. Sitka Sound was eliminated as a location because it would conflict with the sac roe fishery already established. A gill net fishery had been allowed in Hoonah Sound but was not being used so this was the location limited entry designated.

After a certain number of years it appeared to be a viable fishery. Limited entry was petitioned to make it a permitted fishery. My husband had been fishing there and was awarded a permit. When one came for sale I bought into the fishery so we could fish together.

My permit card says Northern Southeast roe on kelp fishery. My card does not say Hoonah Sound roe on kelp. If Sitka Sound is opened to roe on kelp fishing that should include all the Northern Southeast roe on kelp permit holders. If we cannot fish in Sitka Sound then the current sac roe permit holders should not be allowed.

Sincerely,

Mary J. Holzman



RECEIVED  
NOV 04 2015  
CFEC

Jasper Allbrett  
PO BOX 2223  
Sitka, AK 99835  
November 6, 2015

Randy Lippert  
Commercial Fisheries Entry Commission  
PO BOX 110302  
Juneau, AK 99801-8079

Dear Randy Lippert:

This letter is to oppose Proposal 126, due to the unjustness of it. For Proposal 126 to have gotten this far and to even be considered, I find it absurd.

I completely understand the concern that the sac roe permit holders have with regards to the decline in the value of the fishery and wanting to find a solution that would be more profitable. The spawn on kelp permit holders are in the same boat, so to speak. I recently received an email from ADF&G announcing there will be no spawn on kelp fishery for 2016 because the forecasted biomass in Hoonah Sound and Tenakee is not enough to conduct the fishery. Those were the areas they found to be viable in the past without interfering with any other fishery simply because there was no need to; so why do it.

For me it's been 5 very long, very difficult, and very trying years since I bought my own boat (and when I say bought I mean took a huge loan out). And I only invested into the spawn on kelp fishery in 2011. Financially, I have been lucky enough to get by every year, on my own, even without making any profit from the spawn on kelp fishery for the past few years. And now more than ever before in my life, every little will most certainly count, because come this December I will have a family of my own to think about. While I am excited to have a baby on the way, I know my life and financial situation will change dramatically.

Like I said before, I understand where the sac roe permit holders are coming from, but I have to ask myself if Proposal 126 gets approved, what will that do to the spawn on kelp fishery? Historically, there always has been more herring in Sitka Sound, than both Hoonah Sound and Tenakee put together. If the sac roe permit holders are allowed to operate out-of-bounds to which their permit entitles them to, the spawn on kelp permit

Randy Lippert  
November 6, 2015  
Page 2

holders will suffer an even greater loss than we already are; therefore, rendering my permit pretty useless and I'll be stuck with the debt of it.

Would CFEC and the Board of Fisheries allow spawn on kelp permit holders to participate in the sac roe fishery? Is that not what the sac roe permit holders are asking of you? Surely, I would never propose something like that because it doesn't make sense. However, since Proposal 126 is being considered, it does open the door to other proposals, right. I for one propose that the CFEC, Board of Fisheries, and ADF&G open a spawn on kelp fishery in Sitka Sound for spawn on kelp permit holders, seeing that there's more than enough herring to go around in Sitka Sound and the fishery is not a terminal fishery. Sounds like a win-win situation to me and who doesn't like a win-win situation.

Furthermore, shouldn't everyone know when investing in something there are always risks; one has to weigh those risks and decide to take a chance, if it's worth it to them personally or even feasible and deal with whatever becomes of it. Sometimes the going gets tough, that's life. Fishing has always been and will always be a risky business and investment. Markets fluctuate; to expect it to always be profitable or good is preposterous and of poor judgment. Certainty in life is very rare, if not impossible. Everyone should try to plan accordingly, which I personally always try to do. And yes, if you can find a way to turn bad into good, then great, but it should not come at a cost to others.

To put it briefly, if Sitka Sound is opened to a spawn on kelp fishery, then it's only logical and fair that the people holding the limited entry permits for spawn on kelp be the ones to participate. Especially, since the permit does say "Northern Southeast" herring spawn on kelp and Sitka is part of Northern Southeast Alaska. And by all means, if the sac roe permit holders would like to participate, then they can by purchasing a spawn on kelp permit. I can't see it justly done any other way.

Sincerely,

Jasper Allbrett

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: Sitka Herring Pound Proposal  
**Date:** Monday, November 09, 2015 7:53:53 AM  
**Attachments:** [image001.png](#)

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## Randy Lippert

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



**From:** Kelvin Vaughan [<mailto:vaughan907@gmail.com>]  
**Sent:** Saturday, November 07, 2015 2:37 PM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** Sitka Herring Pound Proposal

Hello Randy, my name is Kelvin Vaughan. The reason for this letter is to express my concern for the proposal for the Sitka roe on kelp fishery.

I am 28 years old and have lived in Craig, AK basically my entire life. I grew up herring pounding in both the Southern and Northern districts with my family, as well as salmon seining, shrimping and dive fisheries. I purchased a seiner and a southeast seine permit this past spring and just finished my first salmon season as a captain. Needless to say my family and I fish year round.

I purchased my Northern herring pound permit about 5 years ago and was only able to fish it for two years before being shut down. I understand the situation and hopefully the return will strengthen. The claim that because sac roe is down to \$200/ton and they need to move to a roe on kelp fishery does not make a whole lot of sense to me. I am not extremely savvy about market trends and what exactly causes price to fluctuate, but I do know the trend of the herring roe on kelp market and in one word it is FRAGILE. Too much supply is going to crash the market in a hurry. With the size of the Sitka herring run and the amount of product they could potentially harvest, the market would dive the first year. We notice the price dive when we get three fisheries or more (Hoonah Sound, Tenakee, Ernest Sound, Craig). In one year, if my thinking is right, the "new" Sitka harvest could potentially be more than all of the traditional harvests combined. This leads me to the next fact that the harvest out of Sitka with open pounds is going to flood the market with a bunch of mid to low grades. In short, the market will not be able to handle the amount of product coming out of Sitka and the traditional areas combined. Having Craig as our only fishery for who knows how long in to the future, we need a decent price to make it worth it and to survive. I understand that is what the sac roe fisherman want as well, but as of right now the fisheries and markets are

separate, lets keep it that way. They can ride out their low market and deal with it just like we have done time and time again with low prices. The Sitka sac roe fishery has a lot of big players involved and I understand they have a lot of political pull in order to push a proposal like this along. I want my voice to be heard as young boat owner and someone who would like to see herring pounding survive for years into the future. A pound fishery in Sitka could push the fisheries with smaller herring runs right out of the picture. If Sitka wants change for their sac roe fishery, they should focus energy on marketing and the changes necessary to increase their price. I hope that you can see I am coming from on this. I am not super knowledgeable on this issue, but I understand the main idea at this point and simply wanted to express how I felt this proposal would effect us. I appreciate the opportunity to write you.

Kelvin Vaughan

ATTN Randy Lippert

From Kurt Kvernvik

Concerning proposal ~~126~~ 126

will be travelling on the 6<sup>th</sup>  
and can not attend

November 2nd, 2015

Commercial Fishery Entry Commission,

My name is Kurt Kvernvik and I hold a Northern SE & Southern SE roe on kelp permit. I am very concerned that proposal 126 will have a profoundly negative impact on the roe on kelp fishery and its stake holders.

My first concern is that more supply of roe on kelp will further depress our market. The market for roe on kelp is very price sensitive to over supply of product. When we exceed 400,000 pounds of total supply, we have experienced rapid and financially devastating price reductions for our roe on kelp.

Allowing Sitka sac roe permit holders to switch over to our product type would most certainty over supply our market for the foreseeable future and all stake holders of the roe on kelp permits will be negatively affected. I think it would be far wiser for the sac roe permit holders to address their own over production woes and not add to ours.

My other concern it that proposal 126 would set a precedence of other fisheries trying to change gear groups every time they experience poor market conditions. I do not want to seine sac roe herring but if proposal 126 were to pass, I would expect that I should be allowed to harvest sac roe if the roe on kelp market gets less valuable than the sac roe market.

I sincerely hope that it does not come to this and that we do not start changing gear groups and product types to chase what we perceive to be the hot market every year. While this scenario may sound comical, I fear that we are opening the door to the unthinkable, and I do not think anyone will be laughing.

While I respect the that the sac roe permit holders have the right to petition for change, I feel that what they are proposing would be exceedingly detrimental to the hundreds of stake holders of the roe on kelp fishery. In closing, I am asking respectfully that proposal 126 be denied.

Sincerely,



Kurt Kvernvik  
PO Box 1081  
Petersburg AK 99833  
907 518 0086

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: Please provide to Commission for consideration as public testimony 11/6/15  
**Date:** Thursday, November 05, 2015 1:04:37 PM  
**Attachments:** [Svenson, Nels.pdf](#)  
[Kvernvik, Kurt.PDF](#)  
[image001.png](#)

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Combination of letters and an e-mail here.

## **Randy Lippert**

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



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**From:** Wally and Colleen SWANSON [mailto:ak31e80ca@msn.com]  
**Sent:** Thursday, November 05, 2015 11:00 AM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** Please provide to Commission for consideration as public testimony 11/6/15

Bruce Twomley, Chairman  
Alaska Commercial Fisheries Entry Commission  
P. O. Box 110302  
Juneau, Alaska 99811-0302

**Subject:** Regulation Change Proposal 126 New Sitka Sound ROK  
Fishery.

Chairman Twomley:

Our group of seven Herring Roe on Kelp fishermen each remain strongly opposed to CFEC amending the current area for Northern Southeast Herring Roe on Kelp. (Exclude the Sitka Area)

While Mr. Kapp's intent of this proposal would possibly create an increase in his own personal fishing bottom line (Sitka Roe Herring), it simultaneously would further erode the market price for another entire group of Alaska fishermen (existing ROK permit holders).

Those of us who have purchased Herring Roe On Kelp permits, whether it is for the Northern or Southern districts, have experienced declining prices

from previous years. This fragile, narrow market is extremely sensitive to product volume and additional product added to this market, regardless of grade, will only serve to further the decline.

When we bought in to this fishery, we knew the uncontrollable risks that accompanied it but one factor that was relied upon was the fixed number of CFEC permits issued by law that would be generating product into this very limited market. Now you are about to consider changing all that to appease a totally different group of fishermen. We strongly urge you to stay above board, keep away from choosing sides, do the right thing and steer well clear of this manipulation by the proposal group.

Best Regards,

L E Swanson SSE ROK permit - Ph.#(907) 518-1207

L T Swanson SSE ROK permit - #(907) 772-3501

T L Swanson SSE ROK permit - #(206) 499-3790

Kerry Kirkpatrick NSE ROK permit - #(907) 321-5026

Chris Ponts NSE + SSE ROK permit - #(707) 477-6393

Matte Kandoll NSE + SSE ROK permit - #(907) 518-0375

J R Swanson NSE + SSE ROK permit - #(907) 518-0715

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Brown, Ben \(CFEC\)](#); [Twomley, Bruce C \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: roe on kelp/sac roe  
**Date:** Wednesday, November 04, 2015 1:00:24 PM  
**Attachments:** [image001.png](#)

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## Randy Lippert

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



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**From:** Paddock, Sheri A (CFEC)  
**Sent:** Wednesday, November 04, 2015 12:07 PM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** FW: roe on kelp/sac roe

This gentleman was having a hard time sending you this email. So he sent it to me and I am forwarding it on to you.

Sheri Paddock  
Admin Clerk IV  
Commercial Fisheries Entry Commission  
8800 Glacier Hwy., #109  
Box 110302  
Juneau, AK 99811  
907-790-6964  
[sheri.paddock@alaska.gov](mailto:sheri.paddock@alaska.gov)

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**From:** [fishhead2u@comcast.net](mailto:fishhead2u@comcast.net) [<mailto:fishhead2u@comcast.net>]  
**Sent:** Wednesday, November 04, 2015 12:05 PM  
**To:** Paddock, Sheri A (CFEC)  
**Subject:** Fwd: roe on kelp/sac roe

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**From:** [fishhead2u@comcast.net](mailto:fishhead2u@comcast.net)  
**To:** [randylippert@alaska.gov](mailto:randylippert@alaska.gov)

**Sent:** Wednesday, November 4, 2015 6:57:04 AM  
**Subject:** roe on kelp/sac roe

Mark Hammer  
po box 582  
Coupeville Washington  
98239

Mr Lippert,

As a permit holder in the Northern Southeast herring spawn on kelp fishery I am strongly opposed to have Sitka Sound opened for roe on kelp for SAC ROE permit holders. My permit says( Northern Southeast herring spawn on kelp) not Hoonah Sound herring spawn on kelp, If any permit should be able to do ROE ON KELP in Sitka Sound it should be the people with Northern Southeast spawn on kelp permits . How can you just add a totally different fishery to a permit.? and if you can I would like to be able to use my Northern Southeast spawn on kelp fishery to do Sac Roe.. seems legit.

Sincerely  
Mark A Hammer  
po box 582  
Coupeville Washington  
98239

[fishhead2u@comcast.net](mailto:fishhead2u@comcast.net)

**From:** [Lippert, Randy J \(CFEC\)](#)  
**To:** [Twomley, Bruce C \(CFEC\)](#); [Brown, Ben \(CFEC\)](#); [Rickey, Douglas K \(CFEC\)](#); [Farrington, Craig W \(CFEC\)](#)  
**Cc:** [Maake, Mele \(CFEC\)](#)  
**Subject:** FW: ROK proposal  
**Date:** Thursday, November 05, 2015 7:30:30 AM  
**Attachments:** [image001.png](#)

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## Randy Lippert

Scanning Clerk

**Commercial Fisheries Entry Commission**

Phone: (907) 790-6945 Fax: (907) 790-7045

Email: [randy.lippert@alaska.gov](mailto:randy.lippert@alaska.gov)



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**From:** mark saldi [<mailto:marksaldi@mail.com>]  
**Sent:** Wednesday, November 04, 2015 7:06 PM  
**To:** Lippert, Randy J (CFEC)  
**Subject:** ROK proposal

Randy,  
i will not be able to call in on friday.  
i am against this proposal to allow sac roe permit holders to pound in sitka sound.  
i've participapated in the hoonah sound pound fishery since the first year, 1991.  
i live in skagway and have made 100% of my earned income from commercial fishing for the last 35 years.  
the reasons i'm against this are;  
1) put more product on an already flooded market,  
2) once the market is gone, the sac roe boats can go back to siening, i'll have nothing to go back to.  
3) i believe this will be a bad precedent to set. if this goes through, what fisheries will be next?  
i live in a small coastal town with very little employment opportunities at that time of year.  
i hope this proposal fails.  
is it even legal to change an already established fishery?  
thank you,  
mark saldi  
skagway, alaska

Donna Marsh  
PO Box 1421  
Petersburg, AK 99833

October 21, 2015

Randy Lippert  
Commercial Fisheries Entry Commission  
8800 Glacier Highway, Ste. 109  
PO Box 110302  
Juneau, AK 99801

Dear Mr. Lippert,

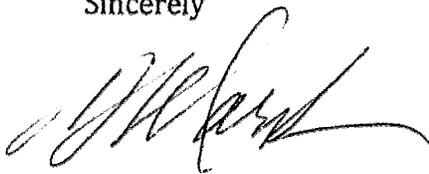
I smell a rat. As a herring pounder in both the northern and southern SE Alaska areas, I am dismayed and appalled by the direction both the Board of Fish and Commercial Fisheries Entry Commission have taken with regarding the proposal to allow the Sitka Sound seine permit holders to utilize open pounds. A Board proposal to allow just 52 permit holders to have the monopoly on an already struggling roe-on-kelp market, displacing the 200-300 pound fishermen already there? Absurd!

Be assured that if this proposal is put into place it will create a major negative impact on pounders in the herring roe-on-kelp fisheries not only in SE Alaska, but Prince William Sound and even beyond by flooding the market with a product that historically has met market demand by areas already well-established in SE AK. Sitka herring typically come earlier than both northern and southern areas; implementing this proposal would give a disproportional advantage to the new Sitka pounders and drive the other pounders and their product into the ground.

Secondly, by allowing one gear group to 'switch' to another gear group, you will be opening a Pandora's box and set a precedent through which other gear groups can choose to fish other methods to gain a higher priced product or to flood a particular market: ie, trollers can fish the salmon seine fishery, or tanner ring/hoop fishermen can use "alternative gear" - to make a more profitable product and "efficient" fishery. If a Sitka Sound seine permit holder wishes to participate in the herring roe-on-kelp fisheries, let him purchase a pound permit in the already allocated area(s) and do so according to established regulation. This Proposal 126 appears to be drafted to pad the pockets of a select few while destroying any and all other pound fisheries in Southeast Alaska.

I urge the Board to reconsider the ramifications of such lopsided regulation.

Sincerely



RECEIVED  
OCT 27 2015  
CFEC

# Kirt Marsh



PO Box 1121 • Petersburg, AK 99833 • Phone: 907-772-1889 • Fax: [Your Fax]  
E-Mail: [dwmars130@msn.com](mailto:dwmars130@msn.com) Web: [Web Address]

Date: 21 October 2015

Randy Lippert  
Commercial Fisheries Entry Commission  
8800 Glacier Highway, Ste. 109  
PO Box 110302  
Juneau, AK 99801

Dear Mr. Lippert,

I am writing this letter because you sent notice asking all Northern Pound permit holders to respond. Not only northern pound permit holders should have been notified and solicited for response, but also the southern Pound permit holders - and all others involved in the herring fisheries - as they too will be affected as adversely as the northern area permit holders. Other fisheries could and will be impacted if this proposal is adopted as it will set a precedent of changing gear types in a given fishery.

Our pound fishery has seen a huge drop in the price of our product that has been directly impacted by the volume of product produced in the world. IF Sitka were allowed to pound also, they could and will flood the markets and drive the prices down even further than when we have a good year or two as it stands presently. They have the potential to produce so much more product than we ever could produce with all our current postage stamp sized fisheries combined.

It was mentioned that the tribe wants this fishery area reduced the last year we fished Hoonah sound the Sitka Sac Roe fleet fished in Salsbury Sound not far from our fishery and may have even intercepted our fish. We haven't had a fishery since that happened due to poor returns.

Pounders are also affected by the bait fisheries in Craig and Tenakee. The herring - per ton, as allocated to the bait fishery, are worth more than the sac roe fish; if it is market driven, then Sitka Sound sac roe seiners would best be served by switching from seined sac roe to a seined bait fishery. The bait itself is worth more than sac roe per ton, and the tonnage used in the pound fishery is currently worth more than bait; but the bait fishery is expanding and the pound fishermen take the brunt of it. They get 60% of the quota while 40% is allocated for pounding. If they don't take the bait, pounders are allowed to use what's left over.

I suggest the sac roe fishermen quit trying to kill the small pound fisheries we have now and develop their own markets: whether that be by expanding in world markets or fishing different times of the year and putting those stocks in the bait category also. Same gear type, different market.

This proposal will affect 52 sac roe permit holders and 200-300 pound permit holders in a market that is already struggling.

Sincerely,

RECEIVED  
OCT 27 2015  
CFEC

Oct 20, 2015

Randy Lippert

I am concerned that the Southern Southeast and Northern Southeast Herring spawn on kelp fisheries could be hurt by allowing open pounding at Sitka.

The past two years our price for roe on kelp has dropped. It is very possible that a larger amount of product on the market could lower prices much more. I feel that the additional roe on kelp from Sitka could or will put us out of business.

The amount of roe on kelp from Sitka could be very large compared to the amounts now produced by the existing pounders.

Sincerely

Otis Marsh

P.O. Box 606

Petersburg AK 99833

907-772-3208

RECEIVED  
OCT 22 2015  
CFEC

**CFEC SITKA SOUND PURPOSED REG.**

**Moderator: Bruce Twomley  
November 6, 2015  
7:51 pm CT**

Operator: Ladies and gentlemen thank you for standing by. Welcome to the CFEC Sitka Sound Purposed Reg conference call.

During the presentation all participants will be in listen-only mode. Afterwards we will conduct a question and answer session. At that time if you have a question please press the 1 followed by the 4 on your telephone. If at any time during the conference you need to reach an operator please press star 0. As a reminder this conference is being recorded Friday November 6, 2015.

I would now like to turn the conference over to Bruce Twomley. Please go ahead sir.

Bruce Twomley: Thank you operator (Kalimer). This is Bruce Twomley and I'm the Chairman of the Commercial Fisheries Entry Commission. We are in the conference room of the Commission's offices in Juneau. As you noted it's Friday, November 6, 2015 and the time is 3:00 p.m.

This is a public hearing on CFEC's regulatory proposal to modify CFEC's administrative area definition for the Northern Southeast herring spawn-on-kelp pound fishery.

Now I'd like to introduce fellow staff members sitting here with me. I have my Co-Commissioner (Benjamin Brown). We have our Law Specialist (Doug Rickey) and we have Head of our Research (Craig Farrington). And we are the folks in response to your testimony who are likely to be asking you questions. And so as we go forward if someone has a question if you'd just get my attention I'll acknowledge you for the record and so they know who's speaking.

Also before we begin I really want to extend a thank you to (Randy Lippert), (David Pierce), and (Ty McMichael) for helping make this work. You guys have done a splendid job. And we are also grateful to GCI and particularly (Julie Pierce) who has helped us through this process.

Now before we begin taking testimony I wanted to say just a few words about the procedure and our regulatory proposal to remove Sitka Sound from our administrative area of definition for the Northern Southeast herring spawn-on-kelp pound fishery. I mean, as you know, earlier board proposal 126 asked the Board of Fisheries to authorize open pounding as an alternative means for the Sitka Sound roe herring fishery.

Now proposal 126 is not at issue in this proceeding but it certainly was the catalyst for this proceeding and our proposal - the trigger that led to this hearing. And you'll notice that CFEC's proposal in front of you says nothing about proposal 126. Our proposal addresses only our area definition. And I wanted to tell you that we made this proposal for two reasons. And the first is that we were asked to do so by the Board of Fish and by the Department of

Law. And that's unusual but that request had a certain amount of force. We like to be good colleagues and cooperate where we can. But there's a second reason and that's actually what prepared us forward to make this proposal.

We took a look at our statutory authorization to define administrative areas at our statute with is AS 16 - Alaska Statute 16.43.200 says that the Commission shall make the administrative area reasonably compatible with the geographic areas for which specific commercial fishing regulations are adopted by the Board of Fisheries. And it further says that the Commission may modify or change the boundaries of administrative areas when necessary and consistent with the purposes of the Limited Entry Act.

So, I mean, for us the question that was raised was why did we define the area for Northern (rolunt) kelp to include Siska Sound in the first place. And we went back to our records, asked our staff to search through what we had, and we could not find a stated reason for doing that. And of course the managers of Sitka Sound have never told us that they wanted to invite more participants in that fishery. It seems that there are plenty of demands there now.

And so we had to acknowledge that our current definition of Northern spawn-on-kelp may not have fully complied with our statute. We just didn't have a stated reason for having included Sitka Sound in that definition. And so we made this proposal and maybe you folks through your testimony can provide us with a sound reason for maintaining the definition or maybe not. It will - much of that will turn on your testimony.

But the thing that I would like all of you to note is that our proposal does not address the merits of proposal 126. And please note that however - whichever way CFEC decides on our proposal the Board of Fisheries could still take up proposal 126. And if the Board were to act favorably on proposal 126 then

CFEC would have to review the Board's action for consideration of whether the Board's action was consistent with the purposes of the Limited Entry Act under Alaska Statute 16.43.4112. And the basic purposes for a Limited Entry that we'd have to have in mind are that Limited Entry is intended to serve conservation and prevent economic distress among fishermen and those depended upon them for a livelihood. That's the most basic standard we work with.

And another thing to keep in mind is that the Board has means and methods authority under Alaska Statute 16.05.251. In turn, the Limited Entry Act governing us Alaska Statute 16.43.950 declares -- and I'm paraphrasing -- nothing in the Limited Entry Act limits the powers of the Board of Fisheries including the power to determine the legal types of gear.

So the short of this proceeding is if the Board in the future acts favorably on Proposal 126 the Board's action will need to come back to CFEC and CFEC will have to determine whether the Board's action is consistent with the purposes of the Limited Entry Act to give it effect.

And so that's when CFEC will be called upon to address the merits. If this does come back to us of course you will all get notice -- anyone interested will get notice -- and have an opportunity to address the merits as well.

So I think we're ready to move forward with your testimony. And if you have questions I'd like you to raise the questions while you are testifying. And we're going to start first with a testimony of people who have traveled here and who are here in this room to testify to us. When we get through your testimony then we'll turn to the people who are lined up on the phone to give their testimony.

From the numbers we're not overwhelmed. I don't think we need to impose any kind of strict time limits on testimony. But I think as a courtesy I'd like to ask you to please try to limit your testimony to 10 minutes as a courtesy to all of the participants in this proceeding.

And with that I think we're ready to go forward. So I'm going to begin to call people in the room in the order in which they signed up and the first of whom is (Michael Pilling). And if you could please come join us in this chair (Michael).

(Michael Pilling): Hot seat.

Bruce Twomley: Yes.

(Michael Pilling): So I'm (Mike Pilling) from Juneau and I've been fishing row-on-kelp since the early '90s both southern and northern and my wife as well. We fish Northern Southeast before Limited Entry but we did not get Limited Entry permits because the way the cards fell. So we both purchased permits. We both made an investment in the fishery.

And the reason we're here I think is basically because the sac roe fishery prices are depressed. The markets depressed for a couple of reasons. One is the strong U.S. dollar and that's hurting every one of our fisheries in the state right now. We - there's not a lot that we can do about that as fishermen. But the other reason sac roe is depressed right now is the volume - the sheer volume that the sac roe fisheries are - the quotas lately, you know. Between Sitka and (Togiak) it's nearly 40,000 tons. It's pretty unprecedented. And with that they've impacted - just because they're quota is so big they've - it's hurt their own prices. They've produced more than the market will bear currently. Japan's market is limited just like our row-in-kelp. It's a pretty fixed number.

There aren't too many new people that are - young people that are buying it. This product is a very limited small - especially row-in-kelp - it's a very niche market. And since they're catching more and more and more between (Togiak) and Sitka they (perk) they're own.

Sitka this year they were able to -- in an unprecedented way -- coop their fishery before the fishery even started. They've cooped for years to catch the last remaining ton but this year before they even started they formed a cooperative so they could maximize their fishery. And in my belief if they wanted to maximize - if they have the ability to do things cooperatively they should maybe take less fish and increase the market demand. I'd fish Sitka for maybe 10 years as a crewman over there in the late '80s and '90s our quota in Sitka was 3000 or 4000 tons and we got \$2000 a ton. And now - and everybody did really well. It was a very competitive fishery but it was worth a lot of money because we didn't put a lot of product out there.

And it's a simple supply-and-demand. Farmers go through it. Everybody that produces anything - manufacturers go through it. You just don't keep making more than the market wants. So if they wanted to - in that proposal, the person that wrote this said he wants to increase - he can increase the demand for low-end - the market for low-end (shelf). But if he has that ability to make - be a great marketer they should learn how to market sac roe because they've got a lot of it.

So whenever we've had extra product - meaning that when we fish when Earnest Sound and Tenakee were opened as well as Craig and (Una) Sound we've done the same thing to our markets. We've caught too much, we've produced too much, and we usually take a bath for about two years because we have too much that season and then we have hold-over for the following year.

So they did this - they're doing more than a boundary issue. It's really a gear group issue. They're doing what we do and they're definitely going to depress our market because we're very limited as well. And I can see it will open up a can of worms. All of us that fish Craig where there's a lot of herring what's to say when the sac roe market looks really good why - we'll be here a few years in asking you -- you same people -- why can't we fish sac roe and Craig? Or why can't the bait herring fishermen - they want to turn their fishery into a sac roe fishery because it's worth more. So if you start switching gear groups I don't believe that's why Limited Entry was put together.

So that's basically what I have to say (on Sitka). That's it.

Bruce Twomley: (Mike) if you can hold on a minute. Anybody have any questions for (Mike)? Okay if not thank you for your testimony.

And I've got - second on the list I've got (Larry Demmert).

(Larry Demmert): Hello. I'm (Larry Demmert). I am a current roe-in-kelp permit holder in both areas. And I was a Sitka sac roe permit holder for 17 years. I just sold my permit this year.

I believe if you do this - well I guess my first question is you say it's about a gear change. Is the gear change the same as the product change? Because you're doing a different product. In Sitka you're doing sac roe right now. You aren't doing roe-on-kelp. I don't know who the attorney here is or the legal person but can you change the product form legally through this? That - well that's gear site. But product form's the same thing?

Bruce Twomley: I know you've got three lawyers and you've raised an interesting issue and it's one that we haven't been called upon to address before.

(Larry Demmert): So I just wanted to put that out there. Okay in my view you will put two fisheries out of business -- the Northern and Southern Southeast roe-on-kelp fisheries -- if you do this that will cause severe economic distress and permits will be worthless. You know, and that's - Sitka's in the Northern Southeast roe-on-kelp area as you have stated. My question is is this what Limited Entry's supposed to do? To allow one Limited Entry fishery to change gear type -- gear and product type -- to eliminate two other already established Limited Entry fisheries? Okay? That's very key in my view.

I'd also like to point out Mr. (Kapp) does not have a license in either fishery. We have everything to lose and he has nothing. There is no daily consumption market for roe-on-kelp. That's the market they're talking about. They tried this 20 years ago when they did an experimental fishery in Sitka with roe-on-kelp. And the markets aren't there. Low-grade kelp will kill the market. This will cause market saturation. The price drops to \$1 to \$2 per pound and per product exceeds one million pounds, okay? This happens with the existing fisheries we already have in Southeast Alaska and Canada.

In Canada they have a huge - potentially huge fishery that could saturate the market just with their fishery but they don't do it. Only about one-third of the permit holders there actually do participate in the roe-on-kelp fishery because of the price - depressed price of the fish. And the existing - the management plan shows the prices, the fluctuations, and the price rep is only \$2 a pound. We have to pay \$2 a pound to process the stuff. If we're getting paid \$2.95 a pound we only get 95 cents a pound at the end product - to us. And this is a very labor intensive fishery and the 95 cents a pound is not really worth it to do.

San Francisco has a kelp fishery that could be as much as what Sitka does and Mr. (Kapp) had a permit there. I don't know if he still does. And still yields the same low-grade product as what they're talking about Sitka would yield. And they don't - I already talked about Canada and the older generation that eats this stuff. And it's the same reason the sac roe markets are not - they're all dying off.

The younger generation is eating McDonald's. They're eating non-traditional food. That's why 30 years ago consumption was much more than it is today. You had fisheries all over the place. You had (Prince William) Sound which is a huge roe-on-kelp fishery. You had one in California, you had fisheries in Washington, and you had fisheries in Canada. And they consumed millions of pounds of the product. They don't do that anymore. The market is about one million pounds and every time we get close to that the price drops significantly.

In Canada their permits are on a poundage per permit. Currently it's \$16,000 pound permit. They have 60 permits and that would be enough to more than fill the market demand. And that does not include any tribal effort in Canada which they do have that now. As I said before sac roe's in the same boat. Their older people are dying off. The older generation that ate it is dying off so they are not eating it as much.

You know, if Mr. (Kapp) wants to develop these markets he should buy our product and develop the market for existing kelp - low-grade kelp that we have. You know, I mean the kelp is out there. It's - we don't just produce high-end jumbo product. You know Hoonah Sound does. Craig does not. And Craig is the only fishery that's consistent in the past five years. Hoonah Sound hasn't opened in several years. And Tenakee is real hit or miss.

In 1996 the price collapsed from \$20 per pound average in the Southern Southeast area to \$6 per pound. And further collapsed at \$3.29 average in '97 and stayed between \$2 and \$5 per pound until 2006. So going on nine years it stayed in very, very low, low profit area. It then increased to a modest \$12 a pound in '07 and then back down to \$10 a pound in '08 and then collapsed again the following year due to a large kelp harvest in Southern Southeast and Northern Southeast.

And recently the price increased to \$12 a pound last - two years ago. And it fell again to \$5 to \$6 a pound this year. And again we have to pay \$2 a pound to process so we're looking at only \$4 a pound for us. If you add more product to the market it's going to be \$1 to \$2 a pound.

So that's pretty much all I have except for - well all I have. And the main question I have is are you able to do the - change the product form versus the gear type?

Bruce Twomley: And that's a very good question. And it's one we don't - it's one CFEC doesn't have to face this round. If it comes to back to us on (demerits) we'll definitely have to face it and we'll certainly be thinking about it as we go forward.

And let me see if anyone here has any questions for (Larry).

((Crosstalk))

Bruce Twomley: And on that same subject and about, you know, is the gear substitution the same thing as the product form substitution. But the dollar - as I was writing down dollar amounts as you giving us between sac roe...

((Crosstalk))

Bruce Twomley: ...roe-on-kelp I understand enough to know that, you know, roe-on-kelp is a lot more valuable than sac roe at least down at a, you know, pound level.

(Larry Demmert): It can be. I'm going to say that.

Bruce Twomley: Yes it depends on the year and - so I was just going to maybe get your, you know, sort of opinion I guess as to the difference in the value. I think there's a lot of difference in the value.

(Larry Demmert): Well I didn't think of a - I take it off the top of my head at \$150 a ton and 10%. You have 200 pounds of sac roe per ton for \$150. So it's a little bit less than a dollar a pound. And then roe-on-kelp when you have the flooded market we're at 90 cents a pound. And if you were to have a fishery in Sitka that produced 200,000, 300,000, 400,000, and 500,000 pounds of product plus the other areas producing what they produce it's going to be back down to \$1 or \$2 a pound. And all this is in the (ADF&G) Management Plan. In the very back it has all the prices and I was actually surprised that for a nine-year stretch we were so low in price.

I didn't realize that it was so bad even though I did the fishery. I mean, there's not a lot - I mean, on bad years there's not a lot of difference. And actually it's just this year - the last couple years, you know, sac roe used to be tied to 600 bucks a ton. So at that point you're looking at \$2 a pound for the sac roe. And when it's a thousand bucks a ton, you know, it depends if you pack the stuff in yourself or not. You know, we used to do that when I used to fish it but then you're looking at, you know, even more per pound for the roe product.

So and then sac roe produces - and one thing Mr. (Pilling) didn't include was the Canadian sac roe harvest which is - they only take half of the product there. They could take their whole quota and it would just totally depress the market. Apparently they were smarter than our fishermen because they don't take it all at once.

Their product - their quotas down there were 36,000 tons for sac roe this last year and they only took half of the product. So the Alaskans took everything they could get and that's why I got out of the business - because it's not making money at the time. So I just (suggest that) if you aren't making money change fisheries. (Don't) try to get somebody else's - reach your hand into somebody else's pocket and take out of their pocket.

Bruce Twomley: Any further questions? Thank you (Larry).

((Crosstalk))

Bruce Twomley: And next on our list is (Nick Demmert).

((Crosstalk))

(Nick Demmert): My name is (Nick Demmert). I've been a Northern and Southern Southeast (pawning) permit holder for Northern for about 11 years and then Southern for 15. And then - can I start?

Bruce Twomley: Sure. Please.

(Nick Demmert): Okay. I'd like to start by saying I'm all for innovation in the fishing industry with quotas changing (unpredictable) prices. Innovating new methods to harvest from the ocean seems to be really our only option moving forward.

With that said the flaws in Proposal 126 can't allow me to support it. First, I don't like the idea of a non-resident, non-permit holder proposing an idea that has the potential to ruin the existing market. This not only invites someone in who potentially doesn't know the inner workings of the fishery but invites them to amend the whole fishery without any consequences both for this fishery and others moving forward.

Secondly, the Proposal 126 suggests taking Sitka Sound as a harvest area for Northern Southeast roe-on-kelp and giving it to Sitka sac roe permit holders which is a different fishery. The Northern Southeast roe-on-kelp permit holders don't stand to gain anything from this proposal and yet they are the ones invested in this fishery not only with the state but with CFEC.

Establishing a new market for thinner roe-on-kelp doesn't work it has a potential to flood the market making closed pounding in both Southern and Northern Southeast see a huge drop in an already low price. If the newly established market does work then the herring (fawning) permit holders don't stand to see the benefits. Benefits would be seen by a fishery that has already seen its fair share of problems. An example - dwindling price, whether or not to go equal split, issues with the tribe, and potentially create more issues by involving a new means of harvesting herring roe in that area.

Proposal 126's attempt to fix the volatility of the roe-on-kelp market by establishing a new market for a lesser grade product seems poorly planned. I would like to see an established demand and market for the style of roe-on-kelp backed by research before we create the supply. Rather than potentially putting more lower grade roe-on-kelp on the market why not buy our existing low-grade roe-on-kelp from existing permit holders. This not only lowers the

overall supply but if the new market for lower grade products are effectively established it substantially increases the demand.

From an environmental standpoint Proposal 126 seems like a poor alternative to the existing fisheries as well. Open pounding is already an option in both Northern and Southern Southeast. Although in the long-run it is a more sustainable option simply adding a new area for harvesting roe-on-kelp isn't going to decrease the number of closed herring pounding in the existing area.

Fish and Game has already poorly managed these fisheries by enabling too high of a leaf count when there hasn't been enough fish in these area. An example - Hoonah Sound or (Erna) Sound in 2014. If anything we should be harvesting less roe-on-kelp, creating less of an environmental impact, increasing the quality of the product that is on the market, while decreasing the overall amount thus decreasing market volatility and driving the price up.

As a Northern and Southeast permit holder I stand to gain nothing from this proposal and yet I am the one invested in fishery not only with the permit but with my fishing gear and my time. Although the market has been up and down Northern and Southeast herring pounding by itself has paid for my college education, my first car, and helped me gain entry into other fisheries. I've been to Japan from Tokyo all the way to Hokkaido multiple times in attempts to set up direct markets without consequences to other fishermen.

Having both the Northern and Southern pounding license for over 10 years I stand to lose profits from both permits if this proposal floods an already dwindling market with low grade roe-on-kelp. I understand that this isn't the goal but as a permit holder I don't want to be the one taking a risk for someone else's potential gain. That's it.

Bruce Twomley: Thank you. Let's see if there are any questions for (Larry) - for (Nick). No. Okay. (Nick) thanks very much.

And that brings me to (Mike Bangs).

(Mike Bangs): For the record my name is (Mike Bangs). I live in Petersburg and I fish the roe-on-kelp fishery in both the Northern and Southern areas since they - since the fisheries began. And although the proposal before us through CFEC doesn't really have anything to do with the change of the gear type. It does - we all know where it's going. It's obvious that the reason for it is to change the sac roe available permits to some sort of roe-on-kelp.

And after being in this fishery for a long time we've really tried hard to develop new markets and to not much success. And I think it's been said by these gentlemen that it will have a big impact on our fisheries if we introduce anymore product. And I think it's been our goal to try to figure out how to produce less and increase the price. And when you add more it's just like, you know, growing apples. If you produce too much your price goes down. It's supply and demand as was said earlier.

But a big part of this that bothers me the most is that I was lucky enough to get into fisheries at the beginning and I didn't have to purchase a permit. But a lot of these permits were bought by people that had the intention of buying into a fishery that had a limited amount of permits. And now there's an opportunity possibly to add more permits. And I think CFEC does its diligence in making sure that there's the correct amount of permits given for an optimum amount of people in any given area.

And when we first started doing Hoonah Sound there was no Tenakee. And I think the reasoning behind the whole Northern area was that if there's other

fishery capabilities to have a roe-on-kelp fishery in another part of that district that it would spread this number out possibly making a better environmental impact on the herring stocks. And Tenakee's been a hit-and-miss like Mr. (Demmert) said. But I think it's unfair to the people that bought into this fishery and was under the impression that that was going to be the only amount of permits available.

And when you look at the amount of people that are involved in the roe-on-kelp fishery there's - between the Northern and Southern section there's about 278 permits. And that's going to affect a lot of people and a lot of crew. So I'm really wondering the validity of this proposal to develop the new market when it's obviously not a given developing a new market for herring roe products of any kind.

It's the same thing as what they said too as far as the younger people aren't consuming it like the older people. They'd rather eat a Big Mac or something, you know. So we've got this demographics change in population age group that don't eat roe-on-kelp. So I'm definitely against this changing and taking this area away from the Northern section because it's going to affect not only the Northern section but the Southern section.

And if any of these people want to fish roe-and-kelp they should buy a roe-and-kelp permit. It's as simple as that. There's permits available. I don't think they should be trying to get into a fishery that would affect all these other permit holders. I just don't think it's fair.

So anyway I don't want to be redundant but those are some of the points that I think are important to think about when changing area - statistical area from one user group and then giving it to another one.

Bruce Twomley: (Mike) you've been with us a long time. Is there any opportunity for expanding the market?

((Crosstalk))

(Mike Bangs): It is good product but we've tried domestic markets, we've tried more markets overseas. I mean if Chinese would eat it we'd be in there but they just aren't interested. We sent samples over there and they're just not an easy market to tap into. In Japan where most all of it goes it's very tightly controlled. And it's kept at a minimum and like testified earlier about the strong dollar that's got a big effect too. But to develop markets, like I say, we've been - over 20 years I've been trying to develop markets. We've tried West Coast brokers, markets up and down the coast, and it's just not an easy sell.

It's just one of those products that - and when it comes to - like they're going to develop this market for a lower grade well I'll tell you we can produce -- and we have produced -- a lot of lower grade product. Not by choice but that's - it happens. And so, you know, there's plenty of that market being filled by the existing pound group.

Bruce Twomley: Let me see. Any questions?

(Benjamin Brown): And it's your belief...

Bruce Twomley: (Benjamin Brown).

(Benjamin Brown): (Benjamin Brown)...

((Crosstalk))

(Benjamin Brown): ...commissioner, for the record. It's your belief that this would be harmful to the existing Northern and Southern...

(Mike Bangs): Oh definitely because it's the same - we're using the same processors, we're using the same markets. I mean, it's - and a lot of the product is similar. And it's just supply and demand.

(Benjamin Brown): All right. Just because that - I just want to be clear about that.

(Mike Bangs): Yes.

Bruce Twomley: Any further questions? Thank you. Thank you (Mike).

And that brings us to (Don Spigelmyre).

(Don Spigelmyre): Good afternoon. I'm (Don Spigelmyre). I'm with Icicle Seafoods. We do a lot of the custom processing for the roe-on-kelp. And I'm not going to beat a dead horse here but (Larry) and (Nick) (Demmert), Mr. (Pillings), and Mr. (Bangs) basically said everything I wanted to say. If we bring in low grade roe-on-kelp to the market it's going to collapse the market. There's only so many buyers for this product. It just doesn't make any economic sense if we want to keep this fishery viable. You know, all we do - we basically do the custom processing and we send it across overseas.

So - but I see the stuff come in and with the Canadians they kind of restrain themselves. They could easily flood the market as well. So, you know, my concern is if we do this and we the Canadians see that we're going to try to put more low grade on the market they're going to do the same thing and they're going to - it could collapse (rock it completely).

Man: What causes the Canadians' constraint now? Just good sense or...

(Don Spigelmyre): I think its sense. These guys have been in a lot more - longer than I have but I think it's just, you know, just sense trying to keep the price up to where it's at so it doesn't drop to \$2 or \$1.50.

((Crosstalk))

Bruce Twomley: ...that would like to be called on? (Larry)?

(Larry Demmert): I forgot to say that a permit in Canada costs \$20,000 a year to renew for roe-on-kelp. That's probably part of the problem to them doing it is they're only getting \$2 a pound and it costs them \$20,000 to renew. They're getting \$32,000 worth of product. It's not worthwhile.

(Don Spigelmyre): I just didn't want to bypass the opportunity to speak.

Bruce Twomley: I'm glad you did. Any questions for (Don)?

Man: No. Thank you.

Bruce Twomley: Thanks very much.

And that brings me to (Brannon Finney).

(Brannon Finney): Good afternoon. My name's (Brannon Finney). I'm also from Petersburg and I'm here representing myself and several other Northern and Southern roe-on-kelp permit holders. We've all been in this industry for at the least seven years. I've asked my colleagues what their concerns are and it seems like unanimously we have two major fears: the fear of our market -- of losing our

market -- and the fear of losing our own personal investment. Like (Mike) said although 126 isn't on the table I think we all know that that's the end game. So I'm going to speak on that anyway.

Although I feel for sac roe fishermen whose market is clearly suffering our own market is fragile at best. We're struggling to find a demand for the product that we're already producing. Changing sac roe permits into roe-on-kelp permits isn't going to make anyone better off. We feel like involving more permits will just serve to collapse the roe-on-kelp market as well as the sac roe market. I'd also like to reiterate what Mr. (Demmert) said - they are two completely different products so who knows if this even has any weight.

We also feel that when we have to redelegate a piece of our permit that we've invested in. We bought a Northern kelp permit with Sitka included in it. The row-on-kelp fisher has been tested in Sitka before years ago but deemed unviable due to the strain that was put on the market.

Still that has remained a possibility to pursue at a later date for us, the people that invested in this fishery. (Yet in a way) the sac roe fisherman removes the profitability. Sitka although not available to fish to us recently is included in the price of our permit which each - when we each bought them. Taking this area from us will not only collapse our market but deteriorate the value of our permit.

Going forward we urge you to deny this proposal because we see it leading to the passage of the Proposal 126 which we feel will simply collapse two markets at once. If anything we feel we at least have the right to participate in this new Sitka area fishery if that is what's going to happen.

We are existing and established permit holders who know the best way to harvest this product to promote sustainability and economical advantage. If you are still going to consider this change then I feel we should have the option of being bought out of our permits since this change will inevitably lead to the passing of Proposal 126 and that our permits will be all but worthless after this change.

One last note is that if we just start chopping up areas of permits with the intent to create more permits it makes me reconsider investing in any Limited Entry permit at all.

Bruce Twomley: (Brannon) let me see if there are any questions.

Man: No. Thank you.

Bruce Twomley: (Brannon) thanks very much.

And that brings me to (Ryan Kapp).

(Ryan Kapp): Good afternoon.

Bruce Twomley: Howdy.

(Ryan Kapp): I am (Ryan Kapp). Father and I fished Sitka for 17 years and then we sold the permit. We fished San Francisco roe-on-kelp for a number of years. And my dad actually started that roe-on-kelp fishery.

So the Board of Fish has asked you guys to make the regulatory change, correct and overlap the fishery areas due to a proposal my father (Del) presented and I'm here today to support the change. I've already spoken to the

merits of proposal before the Board. So anyway they were advised by their legal counsel and here we are.

So let's see. I can gloss over a lot of this because you already covered it.

One thing that was kind of intriguing to begin with though was that while the Sitka area is - it's limited to the area of the (ADF&G) regs and it kind of matches the administrative area with those permits. While the Northern spawn-on-kelp fishery is also limited to areas by the (ADF&G) regs but the administrative areas that goes down to (North Deneros) not down to (Baspet Cape). So anyway there's just inconsistency there.

It's unfortunate really that this wasn't brought up years ago - back, you know, and you've heard that we did the experimental fishery in '98 and '99 and I was a part of that. And it's unfortunate that during the Board process that we didn't see this little hurdle before us which led to this hearing today.

So I would hope that the merits of the proposal - we can go ahead and vet that in March up in Anchorage. And then I know there's a - I think a precedent for doing this in the memo that you guys issued. You guys being CFEC - issued I think it was January 12, 2000. It talked about an incidence where this happened in Norton Sound where there was an alternate harvest method attached to the existing permits in that fishery.

((Crosstalk))

(Benjamin Brown): I was just going to say (Ben Brown). What's the - did you have a date for that memo? January, 2000?

(Ryan Kapp): You know, I think we have it.

((Crosstalk))

(Ryan Kapp): Yes it was RC 100...

((Crosstalk))

(Ryan Kapp): So anyway it's looking like something was there. So - well others have kind of touched on it. I'll just - I'll give you my take.

I just see things a little bit differently. And I've been involved in roe-on-kelp for a long time. Not necessarily closed ponding but open ponding and we've done it down in San Francisco and we did the experimental thing in Sitka. Oversupply and controlling supply, you know, years ago when this thing was first brought before the Board it was the same argument as it is now.

I don't know if things are better but I can tell you that they haven't improved from what I see in both markets. Both sac roe and the roe-on-kelp. So you get curious as to why and we've been trying to control supply but it's kind of a moot point. You can't control Canada. If Tenakee happens to open people are going to go there and fish. That's what they do. If they're in a Sound, opens, people are going to go there and fish and that's what they do.

And the thing fluctuates based on volume going into what is, yes, a very limited market. How do you make a market bigger? What is the problem? We've tried messing with supply. The problem is my mind is shrinking demand. You read all sorts of - CFEC had their own marketing report that was based on sac roe but sac roe is kind of concurrent with roe-on-kelp a little bit in that the demand is changing, tastes are changing. Same reason you don't go

to Denny's and see people ordering liver and onions anymore. Because the people that enjoyed liver and onions are dead.

So in order to get a new market for this product its supply. And unfortunately I can't do it with, "Oh just pick up a little bit of this lower grade product from the existing fishery." You need volume, you need numbers that are too big to ignore. We did it in San Francisco where there was a year that the quotas were large and we knew we were going to have a hell of a time moving the product.

And so we went out and we found another buyer separate from the single buyer in Japan. There's actually two. One does about 85%. The other one does about 15%. But still very low volume compared to what that country can consume. We found somebody else and went with them and gave them a whole bunch of product. We had a successful year down there. And he managed to get it into places outside the norm. Because our open pond product is thinner than what they produce in the closed pond just by the nature of how it's produced.

So the following year what happens - we also had a big blow to the following year. Hooray for us. San Juaquin Valley floods out we can't keep kelp. It's an estuary fishery. We can't keep the kelp fresh. We got no product. We've got nothing to give to this guy. So in order to get the numbers and have consistent supply the place you do that is Sitka Sound because those fish come in and hose down the same section of beach year after year after year and you'll be able to pull an amount of product out of that with some consistency to entice somebody to take on the challenge of exploring new markets. It's a grand idea, I know, but grand ideas sometimes turn out pretty good.

What the end hope is is by trying to broaden the demand for the product it's also going to cast a light on other existing forms of the product and prop that up as well. I'm not here to decimate a fishery. I'm here to provide opportunity.

And so that's about it. And I mean I've done the fishery as well and yes I'm not a resident and no I don't currently own a permit but this is an idea I had to try and improve things and thanks for your time and we'll see what the Board wants to do.

Bruce Twomley: (Ryan) let me ask you - can you remind me what happened during the '98 and '99 experimentally fishery? Where did that occur?

(Ryan Kapp): In Sitka Sound.

Bruce Twomley: Sitka Sound. And what was that experience?

(Ryan Kapp): It was good. Yes, it was good. Everything - I can't remember anything notable about it. We went and we did it for two years.

Bruce Twomley: How many folks authorized to participate?

(Ryan Kapp): It was a group of - boy I want to say probably 10 permit holders. But everybody contributed and stuff like that. Either time or monetarily to make the thing happen.

Bruce Twomley: Did they commit their whole season?

(Ryan Kapp): No, no, the sac roe - we fished the sac roe fishery concurrently.

Bruce Twomley: Okay.

(Ryan Kapp): We did it at the same time. So in the end - so we showed that it could be done and maybe (F&G) got their conversion numbers off it, you know, so they know that roughly, you know, 100 tons of roe herring can produce 50,000 pounds of roe-on-kelp product. You know, so there's a conversion when the eggs are hatched and there's hydration. And so we've managed to determine some things that way. It was the same study essentially that we did in San Francisco when we started that fishery.

But at the end of the day I think what happened back then was when the actual rules were established that it wasn't set up to where anybody wanted to participate. And that still may happen down the road here. But when the rules were set up we got booted out of the Bay Area where we did the experimental fishery. Because the tribe didn't want us there and, you know, just all these other things. And then we couldn't get anybody, not even us, and we had all the equipment to do it. It just wasn't shaped up regulatory-wise into a shape that we wanted to do. So now some time's passed and we thought we'd take a look at it again.

Bruce Twomley: Let me see if there are any questions from us here.

(Benjamin Brown): (Ben Brown). I would just ask what are your thoughts about the changes in the actual demand side of the market between when this experimental fishery was prosecuted and today.

(Ryan Kapp): Well it's gone down.

(Benjamin Brown): And do you think that's something that needs to be taken into account?

(Ryan Kapp): Well you have to figure out a way to get it back.

(Benjamin Brown): On the demand side as well?

(Ryan Kapp): Yes. Or just keep shrinking into what we have now which is essentially a real, real small market. And it's not forecast to get any bigger. So the people that I talk to - where's the biggest chance for demand? Because their economy's changed over there since the recession hit for them. They've put clamps on corporate gift giving which used to be a huge deal for them. We used to process this stuff in Bellingham.

You do it (it's a pan sac cut) and then you line it up in a little box and we sold it at duty-free shops so we had it in San Francisco, L.A.X., New York, Seattle. And so the foreign travelers would come over and it's a big holiday thing. They used to shut down for three days during the holiday. That was a huge "mine time" because people would stalk pile this stuff. So between that and the corporate gift giving you had this big pile and it was largely coincided with the New Year's holiday. And again still running through essentially this one guy over there.

The problem is it's got a shelf life of two years. So if you do build up any inventory yes you're a little bit hopped because this guy's got absolutely no incentive to move it because it lasts forever, you know. So there's a problem there. But as we were doing it now you have the holiday thing has changed. They got grocery stores opened. So you're looking for something that's a little bit more year-round consumption. The people I talk to that have been marketing this stuff for 30 years - sac roe has a hard time breaking out of that traditional year-end moniker.

Jumbo thick product has a tough time breaking out of that year-end moniker. Thinner product where you can showcase the kelp and get away from the

herring eggs a little bit more. And the freshness and the flavor of the kelp and health aspects of the kelp - that's got the biggest chance to break out into a year-round market that would handle the volume. But you can't do it without consistent clients.

Bruce Twomley: Thanks. (Brannon Finney) has her hand in the air. I'm not going to invite a dialogue between the witnesses but you may put a question to us and - if you care to.

(Brannon Finney): I see the merit in what he's saying about changing the nature of the market to incorporate more low-end product that will suit your more average consumer but I'm wondering if it's - I still don't see why we would remove Sitka from roe-on-kelpers when we're the most experienced and the most - the best people to create that product. Why would you take Sitka from the people who have the permits -- the roe-on-kelp permit -- to create new permit holders that don't know what they're doing for a fishery that's completely different if you're going to open up Sitka and try this new experimental market. Like, to create a more medium grade product then why wouldn't you just leave that up to the established roe-on-kelpers, that people that paid for the opportunity to do that.

Bruce Twomley: Okay (Brannon) I'm going to note your comment for the record and I think we'll move on from there.

((Crosstalk))

Bruce Twomley: And I see another hand. (Larry Demmert). And again you're welcome to pose the question...

((Crosstalk))

(Larry Demmert): I wanted to get on record when the (unintelligible) how many years ago it was.

(Ryan Kapp): It was a long time (Larry). It was '98? '97-'98.

Bruce Twomley: Okay. Are there any questions from us for (Ryan). (Craig) (Pillar).

(Craig) (Pillar): So was it open in the experimental years there in Sitka Sound on - was that open-pounded? And that's why there was a product that was called sort of a medium grade lower grade or...

(Ryan Kapp): Yes. Yes it was all open pound. So no nets, no catching.

Bruce Twomley: Any further questions? If none thank you (Ryan).

And that brings me to (Ryan) (unintelligible). I don't quite have your last name....

((Crosstalk))

(Ryan Blake): Yes I'm a Sitka permit holder. I actually didn't come here to testify but I decided I would.

Man: And where are you a resident of?

(Ryan Blake): I'm a resident of Alaska - (Cordova), Alaska. I bought my permit in 2010 and the guys have paid a ton of money for it. The thing that nobody's brought up - you know, you couldn't hardly give away a pink salmon, right, for ten years. So while I don't know what the market's going to bring -- you know, nobody does -- but what I want to say is if I was these guys right here - if I would have

bought a pound permit I'd be sitting right there where they are. I'd be scared to death about what this proposal could do to them. So anyway that's all I wanted to say.

Bruce Twomley: Okay. Hang on one second. Any questions for (Ryan)?

Man: No. Thank you.

Bruce Twomley: Okay. Thank you (Ryan).

And let me ask do we have anybody in addition signed up.

Man: Yes.

((Crosstalk))

Bruce Twomley: Okay. Well in that event I'm going to call on our operator. Operator?

Operator: Thank you ladies and gentlemen. If you would like to register a question please press the 1 followed by the 4 on your telephone. You will hear a three-toned prompt to acknowledge your request. If your question has been answered and you would like to withdraw your registration please press the 1 followed by a 3. If you are using a speakerphone please lift your handset before entering your question. One moment please...

((Crosstalk))

Bruce Twomley: And operator could I interrupt for a second. We're happy to take more of the questions. We wanted to give the people on the line the same opportunity to

testify as we have the people in the room. So if you could -- in the order you can identify -- invite testimony to us from people online that would be great.

Operator: And our first testimony comes from the line of (Brad) Scudder. That's S-C-U-D-D-E-R from Boise, Idaho. Please proceed.

(Brad) Scudder: Chairman Twomley thank you for the opportunity to testify. This is (Brad) Scudder.

As I understand it what we're discussing today is the area definition between Northern Southeast roe-on-kelp area and Sitka. Is that correct? That's the main topic and not particularly the market conditions and so forth?

Bruce Twomley: Oh that's correct. We're - in the course of working through our proposal we're not going to get to the merits of 126. We're thinking primarily about whether or not we have complied with our own statutes. But there are also - I mean, all of those testimonies informative and so I'm not - I'm certainly not curtailing any testimony. I'd like to hear anything that anybody thinks is relevant.

(Brad) Scudder: Okay. Well very good Mr. Chairman. I will start with some discussion about the area definition. I have been involved in herring in Alaska. I have (seine for herring) in every (seine) district in the state. I'm involved in Northern and Southern and I have been a past permit holder in Sitka sac row.

The area between the Northern Southeast roe-on-kelp in Sitka - that encompasses (Salisbury) Sound. Those stocks are in question. And you earlier stated that why these areas are the way they are is you're not really certain. I've had extensive conversation with (Bill Davidson) about herring and I've seen them change places. For instance (the Kashecks) fishery. Those

fish have migrated to a net island in (Bing) Canal. That doesn't really even happen anymore.

You have significant spawning events going on in (Casbay) and (Lizianski). The (Salisbury) fish we really don't know where they're going. They're included in the Sitka Sound biomass estimates and fishery. A lot of people think they've seen them going north through (Surgus) (Sounds). People think they belong to Hoonah Sound. We've lost a lot of those fish there. We don't know if they've gone over to (Cas) or wherever.

The natives named these fish the ghost fish because they can pull up anchor and move. It's the nature of the fish. That's what they do. So I think a large area to anticipate some of these movements is wise and I think it's a good idea to look at this stuff over a very long period of time because they do move. And it's the history of the fish. It's what they do. And there's no guarantee the fish are going to be in Sitka forever. They could move around and sometimes they're down at (unintelligible).

So that's my opinion on that. I think I have quite a bit at risk here. I'm involved in a seven permit group. We have three limit (unintelligible) involved and seven people. We've got permits in both areas and if we need roe-on-kelp we should ask the roe-on-kelp people that have the permits and have paid for the permits to fish them and not cut them out. That doesn't make any sense to me.

Further, it appears to me Mr. (Kapp) has a market issue and not - I really don't want to entertain let's give my area that I own a permit for to somebody else. I'm not going for that. I really hope you would not entertain that idea. Where does it stop?

Those are my main points. I have written you a letter Mr. Chairman and I think I'll probably just save that for the rest of it if we're just going to be speaking about the area. Those are my main points. Thank you for the opportunity.

Bruce Twomley: Thank you. Let me see if we have any questions from here. Any questions for (Brad)?

Man: No.

Bruce Twomley: Okay. (Unintelligible) (Brad) thanks very much for your testimony.

(Brad) Scudder: Thank you.

Bruce Twomley: So operator we can go to the next person in line.

Operator: Okay ladies and gentlemen as a reminder to give your testimony please press the 1 followed by the 4. And we do have a testimony coming from the line of (James) Barnes B-A-R-N-E-S from Craig, Alaska. Please proceed.

(James) Barnes: Hello?

Bruce Twomley: Hi (James). Welcome.

(James) Barnes: What I'm getting from what this man is saying is he's saying that all he wants is he wants to serve this market by flooding it with a bunch of sub-par product. Right? That's not going to work. How can you keep flooding the market over and over and think it's going to work? There's not really - there's not another market out there so this the one market. (Unintelligible) product you're going to have to (unintelligible). And I think if he wants to be include

in the herring (unintelligible) he needs to either (unintelligible) or (unintelligible) and let everybody take a shot at it like they do everything else.

(Unintelligible) and have the option like they do down here (unintelligible).

But I don't see how you can be changing one gear type for another. That doesn't make sense to me. If I've got a (unintelligible). But I don't agree with this at all. I don't agree with the changing of the (unintelligible) then the people that invested in those permits should have the first shot at it and the only shot at it unless these other guys want to buy into it. So that's all I have to say.

Bruce Twomley: (James) you're - hold on. Let me see if there are any questions from my group here. Any questions for (James)?

Man: No. Thanks.

Bruce Twomley: (James) I could just mention - and I guess I feel maybe I should mention - there are in the Commission's history there have been changes of gear types within fisheries and it's just something's that there. I think I should mention it just so you folks have some of the same information I have.

But the first and somewhat striking change was that the Board of Fisheries eliminated Southeast salmon set netters just at the point Limited Entry was being entered into effect. And the Commission allowed, authorized, former set netters who'd been put out of business to apply for gill net within (unintelligible) permits. And some of those people demonstrated an entitlement and one gentleman I recall (unintelligible) real land got a permit in that fashion so they know him. But that's one sort of historic example.

And a more recent one was in the sablefish and this is in Prince William Sound. And this is limited about the same time that we were limiting roe-on-kelp fisheries in Southeast but in the sablefish in Prince William Sound sablefish fishery we limited the fishery for fixed gear and for pot gear and for net gear. And at some point after that the Board of Fisheries authorized both the fixed gear permit holders and the net gear permit holders to fish pot gear provided they submitted to the regulatory (unintelligible).

But I mean I just want to mention that just to, I mean, just so you know that and have that as a background. It's something I have been thinking about.

(Larry Demmert) has his hand raised. Let me acknowledge. (Larry)?

(Larry Demmert): Just upon what you said there. So does that mean that Northern Southeast permit holder I can change my permit to (unintelligible) or is a Sitka Sound permit because if you're changing that gear type and basically eliminating my (unintelligible) can I change it over to Sitka (unintelligible) in that area?

Bruce Twomley: It does not. And I mean - I think - our understanding of the statute today is this kind of thing could only happen if the Commission could find that the change was consistent with the purposes of the Limited Entry Act. And so that's the control on it. We would have to make that affirmative finding or some kind of a proposal like that to go forward. But I did want to mention these two events and there are some similar transactions but just to indicate that this is not - well this is what's gone on in the past. I just wanted to make sure you had the same information I had.

(Brannon)?

(Brannon): The example that (unintelligible) gave were a difference in gear change though and we're talking about difference in areas. You didn't take the Prince William Sound area from one gear and give it to another. And that's what's on the table for us right now.

Bruce Twomley: Yes. And that's important. So (James)...

((Crosstalk))

Bruce Twomley: I suspect that was the case. Yes.

Man: (Unintelligible) and what you mentioned here is well when they did this the losing party of this is (unintelligible) in some way. (Unintelligible) and that's it.

Bruce Twomley: Okay. And (James) for the record I don't believe there was compensation involved in the two transactions that I mentioned. It's just a couple of historic things that happened.

Man: I'm not hearing any compensation on this at all, what's happening here. (Unintelligible) because we've got this other permit.

Bruce Twomley: Okay. And (James) any further comments?

Man: No, that's what's I've got to say.

Bruce Twomley: And any questions for (James)? Okay thank you (James). Thank you for your testimony.

((Crosstalk))

Bruce Twomley: I'm sorry?

Man: I do have one more comment.

Bruce Twomley: Okay. Please.

Man: He was talking earlier about them being in a recession there and I'll tell you how that works. When - like when we're in a recession here in this country all our luxury items go. It's the first thing that people do. The luxury items go such as Starbucks, eating out, stuff like that. If they're in a recession over there (unintelligible) stuff like that.

You know the (unintelligible) all this stuff is what's going to go first and that's what they'll stop buying first when they're in a recession. It's no different than here. So to put another fishery on that that fishery's going to produce a lot more product that they're already not buying and it's not going to work. It sounds like nonsense to me to flood an already saturated market. And that's all I've got to say.

Bruce Twomley: Well thank you (James). Thank you for your testimony.

And operator I think we can go to the next person in line.

Operator: Mr. Twomley there are no further testimonies at this time.

Bruce Twomley: Okay.

Operator: One moment I do have one. So we have a testimony from the line of (Jeff) F-E-L-D-P-A-U-S-C-H from Sitka, Alaska. Please proceed.

(Jeff) Feldpausch: Mr. Chairman my name is (Jeff) Feldpausch. I'm a resource protection direction for the Sitka tribe in Alaska. Just for the record the Sitka tribe won't be providing official comment today but I am sitting in a room here with a few tribal citizens, one of which would like to provide comment today if that is all right with you.

Bruce Twomley: That would be fine. Could your witness please identify himself and maybe spell his name for our benefit.

(John Duncan): Yes hello my name is (John Duncan). I'm a long member here in Sitka, Alaska. I've been a life-long subsistent user with herring. Herring roe on the (unintelligible). And the question I have and the problem I have with this whole situation is that this is not a new fishery you're talking about.

This is a fishery that was done years ago with not only the native people in Southeast Alaska but all people in Sitka area and the villages and Hoonah and (Cake) that would come over here and make (unintelligible) and that was taken away from them from the Department of Fish and Game stating that we were ruining the kelp.

And I think in all that it's really discriminating against our people that did that by taking that away and now putting it up for commercial people that have permits already. I think that all the people that were entitled to that should be entitled to it with permits that did that here.

Okay. Number two. Actually should be number one. We already have a problem with the fishery here - trying to control that and not knowing what's happening to the herring here. Now we want to start another fishery that could

do more damage to the herring around in this area. And we're still going into more problems.

Some of these areas that are used for subsistent use are down to maybe 25% of the areas that we used to get it. And putting more fisheries in these areas would cut our chances of getting our herring eggs even more. The other places that people are talking about - the miles and miles and spawn means a lot of milk, no eggs.

But our people are really entitled to have a say so on this. I mentioned it before that we are being discriminated against and I'm sure that there's going to be a lot of lawsuits before that can even be passed or if you pass it there will be. That's what I have to say. I'm 100% against opening this herring sac roe fishery in Sitka Sound. Thank you.

Bruce Twomley: (John) thank you. Let me see if there are any questions for you. Questions for (John)?

Man: No, thank you.

Bruce Twomley: Okay. No questions so (John) thanks very much for your testimony.

Operator: Ladies and gentlemen as a reminder to give your testimony please press the 1 followed by the 4 on your telephone.

We have a testimony from the line of (John) Carle, C-A-R-L-E from (Hydaberg), Alaska. Please proceed.

(John) Carle: Hello Mr. Chairman. My name is (John) Carle, resident of (Hydaberg), Alaska. And I've been kind of listening to the testimony and you know I'm a

permit holder in both Northern and Southern Southeast areas. I'm also a Sitka Sound sac roe permit holder at the time. I've been involved in the roe-on-kelp fishery since I believe '92 if I'm not mistaken. And, you know, I've seen a lot of changes in the way we conduct our business as roe-on-kelpers. We've tried to get better product forms, how we've tried to develop different markets. I've spoken directly with our largest buyer in Japan, (Kinea), and from his standpoint that it is a very limited and shrinking market. And I don't see how putting more product on the market is going to help that.

I believe that if we have just the potential of a roe fishery at Sitka Sound, roe-on-kelp fishery, it will destroy the market. If we have two or three areas open the buyers go into that season and set the prices lower based on that before we even produce anything. And if you had the potential of another fishery on top of it they're going to drive the price down before we even see how much volume's out and once that's driven down we don't get a kickback at the end. We don't get to handle the product. The product gets delivered and it gets shipped off and we get what's left over after they sell it.

I believe this will destroy two existing fisheries right now. You know, the thing is we went to the Board of Fish just this last year and put in a proposal for conservative reasons and for market reasons to lower our blade count to try to and produce less product, to try and use less fish. And now we're going to have a fishery that comes in behind us that wants to try to make up for anything that we're trying to get off to market on our own to try to help ourselves out.

It just seems counterproductive at this point. And you know I don't know - you might make - I just don't know how you could make more money on this product because we produce plenty of number twos and threes as it is. I mean some years that's all we produce. And it just depends on the fish and the blade

count and you know right now this market is hurting and the only thing going for it right now is that we actually have a couple less fisheries and maybe it will turn around for us. But that's about all I have so thank you.

Bruce Twomley: (John) thank you. Let me see if there are any questions for you.

Man: No, thank you.

Bruce Twomley: Okay. (John) thank you for your testimony.

Operator: Our next testimony comes from the line of (Ron) Porter. P-O-R-T-E-R from (Ketchkin), Alaska. Please proceed.

(Ron) Porter): Yes Chairman Twomley thank you very much for giving me the time to speak. My name is (Ron) Porter. I'm a resident of (Ketchkin), Alaska. Alaska born, lived here my whole life. I've been involved in the roe-on-kelp fishery in (Pluma) Sound and the sac roe fishery in Sitka since both of their inception and I think you guys have probably heard the best of the testimony from the different individuals that have - are working this thing on a daily basis. It's my opinion that this situation is not broke in any way shape or form and doesn't need to be fixed.

I think it needs to be just left status quo. I make my assumption on that I have family members that are involved in both fisheries and I hear all the talk about the markets and trying to find more markets. This new market that we're talking about at the present time does not exist and so we're going to go try to find it and have to put some product in front of it before we can go find it. That doesn't make much sense to me.

I'm curious what happened to the roe-on-kelp fisheries in California and down the coast. Are they still viable or are they closed?

Bruce Twomley: I can't tell you. Is there anyone - (Larry Demmert) has his hand...

(Larry Demmert): I believe California is still operable.

Bruce Twomley: (Larry Demmert) says he believes California is still operative but with smaller quotas.

(Ron) Porter: Well thank you much for your time and like I say I think everything is doing as well as it could possibly do and it's not broken anywhere that I can see so let's leave it like it is and I'm opposed to any changes.

Bruce Twomley: Okay (Ron) let me see if there are any questions for you. No. Okay seeing none thank you (Ron) for your testimony.

(Ron) Porter: Thank you.

Operator: And our last testimony comes from the line of (Michael) Svenson S-V-E-N-S-O-N from Sitka, Alaska. Please proceed.

(Michael) Svenson: Yes hi. My name's (Michael) Svenson and I'm from Sitka. Anyway I just wanted to call on behalf of the Sitka sac roe and northern roe-on-kelp and on your statement of whether of course we will have the right to reserve judgment until we have heard all the public testimony as to whether or not it is consistent with the purpose of the limited entry act. Anyway I sent a letter back a few weeks ago on this and I wanted to add on top of it that by you guys adding more permits - because when I was 12-years-old I first bought a Southern sac roe permit - a Southern roe-on-kelp permit.

And that was my first investment and since then it's done well for me. But by adding more permits and giving them out basically for free that would diminish the value of my investment and others and I just feel like where would it stop? I mean would this add more permits to other fisheries and I don't know. I just feel like this could be total chaos and I feel like it should stay the course of what it is right now.

Bruce Twomley: And I'm a latecomer to Limited Entry. I wasn't here at the inception and so that stuff is sort of history to me and I can't really comment on that. I don't know what led to those decisions.

(Michael) Svenson: Well just the legal aspect - what's the priority (unintelligible) disbursed it has a priority over anything that follows it in history.

Bruce Twomley: And that's an argument.

(Michael) Svenson: I just wanted to get that out there.

Bruce Twomley: (Michael)...

Man: And just to clarify what you just said historically those fisheries were shut down because the kelp forest would be destroyed so much and they were really nervous about kelp back then so they stopped those fisheries (unintelligible).

And also wanted to comment on all of us have talked about we worry about the (unintelligible) value of our investment that should be noted and you guys should know we have a lot more invested than just our permits. The gear that we've invested in over the years is pretty substantial and it's a mountain of

gear for this fishery (unintelligible) and our nets that are built exclusivity for these fisheries. It's pretty substantial and I'm not sure you guys are aware that all of these - all roe-on-kelp fisheries in both districts you can't do it alone. It's - they're all combines. Every single fisherman that's in these two fisheries -- and most of us are in (unintelligible) fisheries -- we're in these groups, it's a collective group and basically the only way it could work is one of these fisheries in Alaska that I know if is unique in that regard.

Bruce Twomley: Thank you. Yes.

(Mike Bangs): Just to reflect on what Mr. (Demmert) said about the earlier fishery. And one of the reasons that they closed it is because of the method of harvest in - they were ripping the kelp off the bottom and that is a totally different way from the way it's conducted now of harvesting kelp. We harvest the raw kelp by the leaves and back in those days when they were doing the roe-on-kelp fishery they would wrap around big wads of kelp and just rip them off the vine and destroy the kelp beds. That was the main reason why they closed those two fisheries. The kelp in the southern end around Craig and then the one around Sitka Sound. Because of the method of harvest.

Bruce Twomley: Thank you. That was (Mike Bangs) for the record. Thank you.

Man: Oh one other question. I serve on a Southeast Regional Subsistence Advisory Counsel and there was some testimony at several of the meetings in the past of concern about what interactions were going to take place between the subsistence branch fisherman that their branches into the thick kelp or the thick areas of spawn, the interaction between these open pounding wanting to go into the same areas. I just wanted to make sure that you guys listen to and take head to the comments from the Sitka tribe because I think it's very

important that we consider the subsistence take and how the open pounding is going to impact their methods of harvesting.

((Crosstalk))

Man: ...experimental fishery and we have a report that I failed to bring up but anyway there was an interaction between the subsistence users and our group but the interactions were all positive. (Unintelligible) and they got good coverage and there was no conflicts.

Bruce Twomley: Thank you. And (Brannon)?

(Brannon): Touching on what (Mike) said we, you know, it wasn't sustainable how they were harvesting the kelp before but we have since then we've found better ways of harvesting kelp. We've found what works about how many fish we should put in a pound. We found what the best dimensions are, when you should add the fish, et cetera. We're really experienced at what we do. So I feel like since we're the most experienced in harvesting this product to make it sustainable and economical because we have the most invested in the success of the future of the fishery then if there's going to be anything done in Sitka it should be left up to us.

(Larry Demmert): (Unintelligible) add this to (unintelligible). Since that experimental fishery was done in '98 the tribe has demanded the core area be excluded from commercial harvest of sac roe. And this was where the pond fishery took place back in '97 or '98 - was in that core area. And the ponds in that area were not successful. I don't know if they had it in any other place that were not as successful as they were in the core area - the subsistence area.

Bruce Twomley: Thank you (Larry). (Ryan Kapp).

(Ryan Kapp): (Unintelligible) in a couple other spots other than the core area (unintelligible). Depending on what the Board does they're willing to look at it (unintelligible) into their spot or not or whatever. And kind of let that (unintelligible) for discussion. But we have (unintelligible) outside the area. There's other spots where they spawn (unintelligible).

Bruce Twomley: Okay. Thank you (Ryan).

Man: And I think just to sum it up I don't think anybody here is opposed to how much - I don't think anyone's opposed to like a new market. We certainly are given a market that, you know, we can sell a lesser grade product at a higher price and there's a huge demand for it, I mean, we're taking care of two birds with one stone. At the same time I think that when we talk about it's not already an established market and I mean and presented with research then maybe I could consider it.

But just taking it on the word of well this sounds like this is the way to go. Well when you're talking about a substantial part of my income based on this is how you feel that this should go. And we're also talking about changing gear type and statistical area. And then overall the end product which is really, I mean, a potentially new market, you know.

I mean, that's a lot to change especially if - I guess especially if the people trying to change it aren't assuming that risk. That just seems - it seems like we're trying to do a lot here. And I really don't think anybody, like I said, is opposed to a new market with it. It seems like we're going about it wrong.

Bruce Twomley: Thank you (Nick). I think I'm prepared to call it in to the hearing. I want to remind everybody that you've got a whole other week to comment. You can

do it in writing and those comments will be part of the record if we get them by 3:00 a week from now, Friday November 13. So if this prompts any further thoughts, any further information you want to convey to us we'd sure welcome it. Just remember the deadline 3:00 next Friday the 13th.

And with that I want to thank everybody for your participation and I appreciate your testimony and I just want to thank you. So with that I think I'll conclude our hearing and we will go off the record. Thank you.

Operator: Ladies and gentlemen that does conclude the conference call for today. We thank you for your participation and ask that you please disconnect your line.

END