

**State of Alaska
FY2003 Governor's Operating Budget**

**Department of Fish and Game
Commercial Fisheries
Budget Request Unit Budget Summary**

Commercial Fisheries Budget Request Unit

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BRU Mission

The mission of the Division of Commercial Fisheries is to manage, protect, rehabilitate, enhance, and develop fisheries and aquatic plant resources in the interest of the economy, consistent with the sustained yield principle and subject to allocations through public regulatory processes.

BRU Services Provided

The mission of the Commercial Fisheries division is accomplished by researching the status of exploited fish stocks, establishing biological guidelines to protect reproductive biomasses, rehabilitating or enhancing where possible, and managing harvests within acceptable limits. The division implements decisions of the Board of Fisheries, which allocates fishery resources to commercial, personal use, and subsistence uses. Fishery resources consist of shellfish (crab, shrimp, clams, scallops), herring, five species of salmon, and some groundfish populations.

The Fisheries Management Components contain the division's regional and statewide basic resource management and administrative programs, such as resource assessment, fisheries monitoring, inseason regulation, vessel support, administrative support, fiscal and program planning, data processing and project review. The Fisheries Development Component contains the division's fisheries rehabilitation, enhancement and development programs, such as oversight and technical support to the state's private and public salmon hatcheries and mariculture industry, developing techniques for rehabilitating depressed fish populations, and enhancing healthy, but less productive populations, and support for the development of new fisheries. The Special Projects Component contains authority to allow the division to receive funding from various contracts and grants to further our mission. The CIP Positions Costs component contains authority to document personal services costs for employees working on CIP Projects.

BRU Goals and Strategies

1. Provide for healthy, sustainable, and economically viable commercial fisheries.
 - Assist the commercial fishing industry respond to changing market conditions.
 - Develop new fishing opportunities that will strengthen and broaden the economic base of Alaska's commercial fisheries.
 - Conduct research to help understand and anticipate major changes in salmon production.
2. Provide for subsistence harvest of fish, shellfish, and aquatic plants as the priority use consistent with the sustained yield principle.
3. Manage Alaska's fish, shellfish, and aquatic plant resources based on sound science, good management principles, and a fair and open public process.
 - Manage for sustained yield following objectives set by division managers and the Board of Fisheries.
 - Utilize the best available scientific information and technology to ensure well-informed, sustainable fisheries management.

Key BRU Issues for FY2002 – 2003

State-Federal Subsistence

The division is increasingly involved in new tasks related to dual State-Federal management of subsistence fisheries in the general categories of management coordination, regulatory coordination, and cooperative research and monitoring.

Steller Sea Lions

Several division staff have been named to an Alaska Steller Sea Lion Restoration Team, which was formed by Governor Knowles to provide an assessment of the factors likely to have promoted the recent decline in western Steller sea lion populations, the need for recent and future restrictions to commercial fisheries in order to protect and restore sea lion populations, and recommendations for adaptive research to test whether such restrictions are necessary, beneficial or harmful.

Salmon Markets

Market conditions for Alaska salmon are very poor at present and not likely to improve in the near future. Salmon prices in general are depressed primarily because of the abundance of farmed fish. In this highly competitive global market, the fishing industry must find ways to reduce costs and consistently produce high quality products. Reducing costs will require greater efficiencies which may mean consolidation of permits, pooling or sharing arrangements, changes in gear limits, and modification of area restrictions. It might be necessary to modify seasons, openings, and the pace of a fishery to enhance quality and reduce unnecessary costs. Division staff will be assisting in the process of identifying the most useful and appropriate specific tasks that can be undertaken to address the challenges facing the Alaskan salmon industry.

Developing Fisheries

In recent years there has been a growth in the exploitation of previously under-utilized species, such as sea cucumbers, sea urchins, and clams. These growing industries, however, are exploiting stocks not normally assessed or managed by the division. In order to take advantage of these development opportunities, more assessment and management planning will be required. The division, in cooperation with the industry, the Board of Fisheries and the Legislature, is developing policies that will guide the development of new fisheries. These policies will address sustainable harvest strategies, funding, markets, product quality, resident employment, and distribution of benefits.

Declining Salmon Returns to Western Alaska

Poor salmon returns to western Alaska in recent years have resulted in severe hardships for residents of the area that are heavily dependent on the salmon resources for commercial salmon fishing income and subsistence. The division is developing a federally-funded, research plans that will assist in understanding and anticipating major changes in salmon production. The research plan will be coordinated with other divisions, agencies, and entities conducting research aimed toward understanding changes in fish production in the Bering Sea.

Fisheries Allocations

The allocation of fisheries resources among various users continues to be one of the most significant issues facing state policy makers and natural resource managers. The number of allocation issues is increasing in complexity and scope. In many cases, the division does not have adequate funding to gather and analyze the data needed by the policy makers to address these more complex issues, nor does it have the funds needed to carry out allocative management decisions that require new or expanded programs for implementation.

Vessels and Aircraft Maintenance

The division has five large research and support vessels and four small aircraft, with a total replacement value in excess of \$12 million. These vessels and aircraft require regular maintenance and periodic overhaul. They are integral to a variety of finfish, shellfish, and groundfish stock assessment programs, and also provide platforms for inseason management of several specific fisheries. Maintenance must be provided to protect this capital investment, to assure efficient operations, and meet department and federal safety requirements. A request for funds for major maintenance work is contained in the Fish and Game CIP request.

Recruitment/Retention Difficulties

The division is experiencing acute difficulties in recruiting, retaining, and promoting well-qualified and experienced staff members in the biological science positions. Substantial competition currently exists for available applicants and insufficient lists of applicants during instate recruitment requires managers to recruit out of state for nearly all positions.

In the last two years, at least 20 staff have retired or resigned and accepted positions with the federal government, other state agencies, or private firms.

Major BRU Accomplishments in 2001

The 2001 Alaska commercial salmon catch of 173.4 million fish was well above the forecasted harvest of 142 million. Although this was the 7th highest harvest during the last 123 years, the ex-vessel value of approximately \$210 million was significantly below average due to low fish prices. Although overall salmon returns to the AYK Region were poor for the fourth consecutive year, improvements were noted for some species and subsistence needs were generally achieved.

The division is developing a federally-funded research plan that will assist in understanding and anticipating major changes in salmon production in the Norton Sound area where salmon returns have been very poor in recent years. This research plan will be coordinated with other divisions, agencies, and local organizations.

New federal and private funds have been obtained to continue the division's ongoing efforts to develop new fishing opportunities that will strengthen and broaden the economic base of Alaska's commercial fisheries.

The State manages groundfish in the 0 to 3 mile territorial sea in concert with federal groundfish management actions. The department, in concert with local communities, the industry, and the Board of Fisheries, has developed some small, slower-paced fisheries that will benefit Alaska coastal communities.

Efforts continue to promote efficiencies and achieve cost savings by reprogramming resources toward the highest priority issues, consolidating or eliminating programs, utilizing staff attrition to downsize the workforce, and developing cooperative resource assessment projects with private entities.

Key Performance Measures for FY2003

Measure:

The number of escapement objectives met compared to the total number of objectives set per region.
Sec 69.b.1. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The current status of this measure is reflected in the table below. In 2001, of the 166 streams and rivers actively monitored for escapement by the Alaska Department of Fish and Game, 86% were within or above their escapement goal range. Lack of markets helped cause over escapements in many systems.

Region	Number of systems within goal range	Under range	Over range	Unknown	Percent within or above goal range
Southeast	10	2	10		91%
Central	36	3	7		93%
AYK	25	14	2	15	66%
Kodiak	21	4	32		93%
Total	92	23	51	15	86%

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other agencies or jurisdictions because it measures progress in achieving specific sustainable escapement goals for Alaska's waters.

Background and Strategies:

One measure of the performance of commercial salmon fisheries management is the success in achieving salmon escapement goals. Escapement goals are established by the department on the basis of the best available scientific information consistent with the Salmon Escapement Goal Policy and the Sustainable Salmon Fisheries Policy

regulations. Fisheries are opened and closed by local department area managers by emergency order to ensure adequate escapements are obtained and surplus returns are harvested.

Measure:

The number of allocation objectives met compared to the total number of objectives set per region.
Sec 69.b.2. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The current status of this measure is reflected in the table below. Of the 15 fisheries with a regulatory requirement to actively manage the fishery to achieve allocation goals, in 2001, 60% of these fisheries fell within 10% of their allocative goal.

Region	# of fisheries with a regulatory requirement for active mgmt. to meet allocation goal	#of fisheries +/- 10% of their allocation goal	Percent +/- 10% of their allocative goal
Southeast	5	3	60%
Central	8	4	50%
Kodiak	2	2	100%
Total	15	9	60%

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other agencies or jurisdictions because it measures progress in meeting regulatory allocations for specific Alaska fisheries or gear groups.

Background and Strategies:

The department opens and closes fisheries to obtain regulatory allocations established by the Alaska Board of Fisheries for some specific fisheries or gear groups. This measure should be refined to identify those fisheries where managers are required to achieve annual allocations versus long term allocation percentages that are reviewed by the Board of Fisheries.

Commercial Fisheries
BRU Financial Summary by Component

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures	None.											
Non-Formula Expenditures												
SE Region Fisheries Mgmt.	4,265.7	460.5	633.1	5,359.3	4,252.1	533.9	646.4	5,432.4	4,323.0	542.4	651.1	5,516.5
Central Region Fisheries Mgmt.	5,176.6	0.0	711.7	5,888.3	5,186.9	0.0	971.9	6,158.8	5,288.5	0.0	977.3	6,265.8
AYK Region Fisheries Mgmt.	3,983.8	0.0	32.9	4,016.7	4,035.0	0.0	168.5	4,203.5	4,112.4	0.0	169.2	4,281.6
Westward Region Fisheries Mgmt.	5,499.7	0.0	1,103.6	6,603.3	5,601.5	0.0	2,224.0	7,825.5	5,687.5	0.0	2,234.9	7,922.4
Headquarters Fisheries Mgmt.	3,267.4	0.0	723.4	3,990.8	3,314.6	0.0	733.6	4,048.2	3,333.8	0.0	733.6	4,067.4
Fisheries Development	2,121.5	0.0	45.4	2,166.9	2,254.3	0.0	2.3	2,256.6	2,294.2	0.0	2.3	2,296.5
Comm Fish Special Projects	0.0	8,124.5	2,513.8	10,638.3	0.0	11,649.3	5,049.2	16,698.5	0.0	11,756.9	5,061.3	16,818.2
Comm Fish CIP Position Costs	0.0	0.0	0.0	0.0	0.0	0.0	1,155.2	1,155.2	0.0	0.0	1,898.0	1,898.0
Comm Fish EVOS Restoration Projs	0.0	0.0	74.4	74.4	0.0	0.0	246.1	246.1	0.0	0.0	247.0	247.0
Totals	24,314.7	8,585.0	5,838.3	38,738.0	24,644.4	12,183.2	11,197.2	48,024.8	25,039.4	12,299.3	11,974.7	49,313.4

Commercial Fisheries**Proposed Changes in Levels of Service for FY2003**

The division is requesting an increment in the CIP Position Costs Component in FY2003. This increase is needed due to support personal services costs that will be generated through the Norton Sound Research Initiative grant and the SE Sustainable Salmon Fund (via the Governor's Office).

Commercial Fisheries**Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	24,644.4	12,183.2	11,197.2	48,024.8
Adjustments which will continue current level of service:				
-SE Region Fisheries Mgmt.	70.9	8.5	4.7	84.1
-Central Region Fisheries Mgmt.	101.6	0.0	5.4	107.0
-AYK Region Fisheries Mgmt.	77.4	0.0	0.7	78.1
-Westward Region Fisheries Mgmt.	86.0	0.0	10.9	96.9
-Headquarters Fisheries Mgmt.	19.2	0.0	0.0	19.2
-Fisheries Development	39.9	0.0	0.0	39.9
-Comm Fish Special Projects	0.0	107.6	44.2	151.8
-Comm Fish CIP Position Costs	0.0	0.0	19.8	19.8
-Comm Fish EVOS Restoration Projs	0.0	0.0	0.9	0.9
Proposed budget decreases:				
-Comm Fish Special Projects	0.0	0.0	-32.1	-32.1
Proposed budget increases:				
-Comm Fish CIP Position Costs	0.0	0.0	723.0	723.0
FY2003 Governor	25,039.4	12,299.3	11,974.7	49,313.4