

State of Alaska FY2014 Governor's Operating Budget

Department of Fish and Game Commercial Fisheries Results Delivery Unit Budget Summary

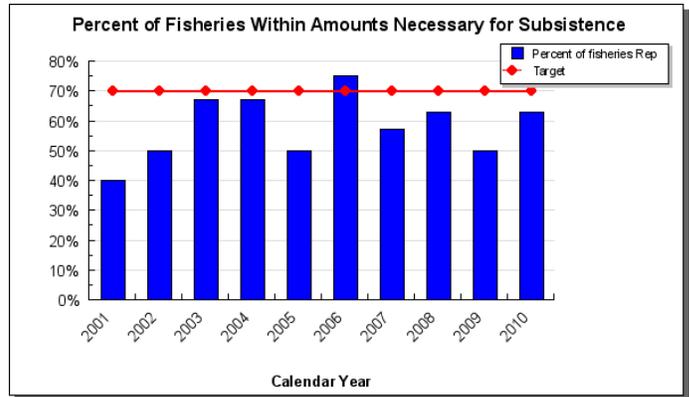
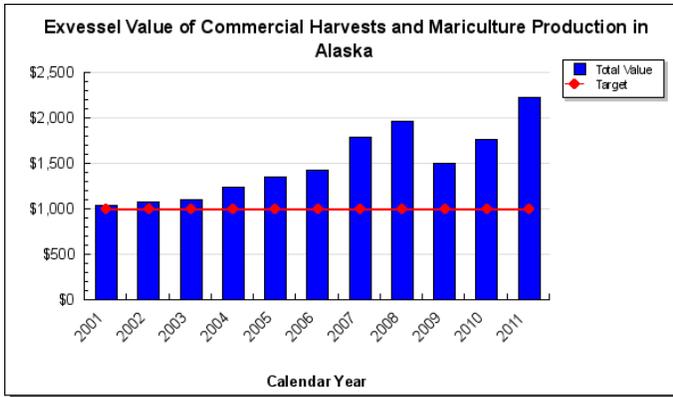
Commercial Fisheries Results Delivery Unit

Contribution to Department's Mission

The mission of the Division of Commercial Fisheries is to manage subsistence, commercial, and personal use fisheries in the interest of the economy and general well being of the citizens of the state, consistent with the sustained yield principle, and subject to allocations through public regulatory processes.

Results

(Additional performance information is available on the web at <http://omb.alaska.gov/results.>)



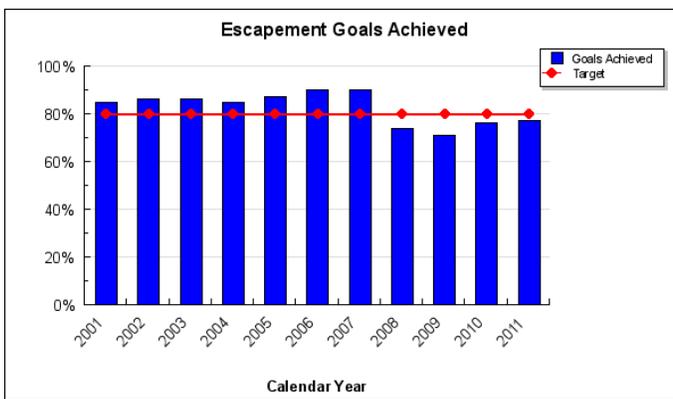
Core Services

- Ensure the conservation of natural stocks of fish, shellfish and aquatic plants based on scientifically sound assessments.

Measures by Core Service

(Additional performance information is available on the web at <http://omb.alaska.gov/results.>)

1. Ensure the conservation of natural stocks of fish, shellfish and aquatic plants based on scientifically sound assessments.



Major RDU Accomplishments in 2012

- The 2012 salmon harvest of 123.8 million fish generated an estimated preliminary value to commercial fishermen of \$505.7 million. This estimate is based on inseason information and will be revised after final information is received from salmon processors, buyers, and direct marketers in the spring of 2013. Typically, the revised figure

is significantly higher than the preliminary inseason estimate. For example, the 2011 inseason estimate was \$603 million, but the revised estimate topped \$641 million. This post season estimate boosted the 2011 catch to the second most valuable commercial salmon harvest since 1975.

- Commercial Fisheries Information Technology section has implemented 'tLandings' in 40% of the salmon fisheries to date. TLandings is the onboard application for salmon tender operators who work with processors that use the interagency electronic reporting system, eLandings. The implementation of tLandings has multiple benefits to tender operators, processors, fisheries management, and the public as it supports quicker and more accurate data for all parties. Implementation in the salmon fisheries was funded by a Capital Improvement Project which is projected to end in FY2014.
- Commercial Fisheries Information Technology section implemented two subject areas for commercial harvest and one inseason subject area using the production data warehouse and business intelligence tools. This toolset is referred to as Oceanak (*pr. Oceanic*). Many reports on the public website are now dynamically generated from Oceanak and we anticipate adding many more. This tool will eventually incorporate all commercial fisheries data sets and provide a single tool and data source for analysis and reporting of fisheries, as well as dynamic reporting for the public website. Oceanak has saved the regions many staff hours which were previously spent going to multiple systems and joining datasets in spreadsheets. A single analysis or dashboard can replace up to 30 different reports that had to be maintained by programmers before. This project also supports the major goal of historical data rescue and preservation of one of the most valuable and comprehensive datasets of commercial fisheries history.
- The division is addressing challenges posed by withdrawal of federal funds for crab observer training. Beginning in July 2012, Alaska Department of Fish and Game (ADF&G) Westward Region staff assumed responsibility for crab observer training. Observer training began in Kodiak during September 2012, with ADF&G staff instructing observer candidates. Funding is provided by crab rationalization and test-fish funds.
- The department established the 2012/2013 season total allowable catches for the state-federal co-managed crab fisheries in the Bering Sea and Aleutian Islands that met the conservation and economic benefit objectives and requirements of state and federal regulations: 7.85 million pounds for the Bristol Bay red king crab fishery, 66.53 million pounds for the Bering Sea snow crab fishery, 1.63 million pounds for the St. Matthew blue king crab fishery, 0.5 million pounds for the Norton Sound red king crab fishery, and 6.29 million pounds for the Aleutian Islands golden king crab fishery. Three Bering Sea crab fisheries (the Pribilof red and blue king crab, and Bering Sea Tanner crab fisheries) were closed to commercial fishing in the 2012/13 season for stock conservation. The department worked within the federal process to assure that the expertise within the department is directly utilized in setting the annual catch limits that federal regulations require to be established for the Bering Sea and Aleutian Islands king and Tanner crab fisheries in order to minimize risk of overfishing.

Key RDU Challenges

Alaska Chinook Salmon Fishery Disaster

In 2012, many Alaskans in the Yukon, Kuskokwim, and Cook Inlet regions suffered the effects of low productivity of Chinook salmon. Fishery closures and restrictions necessary for conservation resulted in a great burden on Alaskans who rely heavily on Chinook salmon for food and income. The state of Alaska recognizes the hardships that management restrictions have caused subsistence, sport, and commercial fishermen, as well as guides, local fish processors, and other local and regional businesses. Governor Parnell and Commissioner Campbell announced that a team of fisheries scientists are working on a comprehensive research plan to better understand Chinook salmon abundance and productivity, and increase understanding behind this unexpected widespread decline. The science team, including a number of ADF&G staff, held a successful Chinook salmon symposium that included fishery experts and scientists, and was well-attended by interested stakeholders. In some cases, Chinook salmon that require conservative management are co-mingled with chum or sockeye salmon runs with large harvestable surpluses. This creates a challenge for management and research staff to accurately assess run sizes and make correct management decisions inseason. The department needs improved capability to 1) assess run size early so that management decisions accurately reflect run size with a higher degree of precision than previously available, 2) provide information to and solicit input from users along the river, and 3) in some cases, develop information and analyses that will allow the state to prevent intrusion of the federal subsistence program into management of state fisheries. Consistent with the state's constitutional and statutory mandates to manage renewable resources to provide sustained yield, ADF&G plans to work closely with the Alaska Board of Fisheries (BOF) in the upcoming board cycle to ensure that Chinook salmon are conserved, while providing for opportunities on the more abundant species of salmon where possible. ADF&G is engaged in efforts in collaboration with constituents to evaluate fishing

gear and management strategies that conserve Chinook salmon while allowing selective harvest of more abundant species.

Bering Sea Crab Research

The multi-year federal grant that had supported Bering Sea crab research and fishery data collection and distribution for several years was discontinued in the federal FY2008 budget. The state provided one-time funding in FY2009 and federal funds were received again in FY2010 to support this program. The department continues to rely on federal funds again in state FY2013 to continue this important research work and essential data collection and distribution. Secure, long-term funding is needed for this program to maintain the research and data collection and distribution program necessary for sustainable management of the highly-valuable Bering Sea and Aleutian Islands crab fisheries. The division is working to assess reproductive potential and to estimate other important productivity parameters of the Bering Sea snow crab stock, a stock that provides the largest crab harvest in Alaska, although harvests are presently much lower than historical levels. The department also performs triennial surveys to improve stock assessment of king crab stocks that are not surveyed, or not adequately surveyed, by the National Marine Fisheries Service (NMFS) trawl survey and has initiated research, in cooperation with industry, to collect much-needed data for assessment of the remote Aleutian Islands golden king crab stock. Improved stock assessments will allow the department to maximize harvests and avoid overfishing, which is especially important to industry during periods of low stock productivity. The division maintains and distributes the data collected by at-sea observers and dockside samplers, as is essential for fishery management.

Marine Stewardship Council Transition to Industry Client/Third-Party Sustainability Certification

In the fall of 2008, the department informed the Marine Stewardship Council (MSC) that the ADF&G would no longer continue as a client for certification of the Alaska salmon management program. The client role was taken over by the Alaska Fisheries Development Foundation (AFDF) in February, 2010. In January, 2012, eight Alaskan salmon processors announced they no longer desired certification of Alaskan salmon fisheries through MSC. In response, AFDF announced its withdrawal as MSC client, and its intent to proceed only with actions necessary to maintain MSC certification of Alaska salmon through October 29, 2012. (AFDF continues as the client of record for MSC certification of Pacific Cod in the Bering Sea/Aleutian Islands and the Gulf of Alaska). Shortly thereafter, responding to desires of one Alaskan salmon processor to maintain MSC certification for Alaskan salmon fisheries, Purse Seine Vessels Owners Association (PSVOA) became the new client for MSC certification. Over the past several years, the Alaska Seafood Marketing Institute has been working with Global Trust to develop a third-party sustainability certification program for all Alaskan fisheries. Alaska's salmon, halibut, black cod, pollock, Bristol Bay red king crab, and St. Matthew blue king crab fisheries have been certified by Global Trust and cod fisheries certification is underway. ADF&G has been working with both Global Trust and MSC clients to provide information necessary for fisheries certification. While both processes are less onerous than original efforts through MSC, we are now faced with satisfying the needs of two separate certification bodies.

Karluk Lake Sockeye Salmon Reduced Runs

Sockeye salmon returning to Karluk Lake the past four years have been substantially lower than the past, resulting in poor escapements and restrictions to the commercial fishery. Karluk Lake sockeye salmon typically represent the largest runs in the Kodiak Management Area and dictate most commercial fisheries management decisions throughout the west side of Kodiak Island. User groups have expressed significant concern regarding recent run sizes and the department has put considerable effort into exploring the causes for the reduced runs, likely recovery scenarios, and ways to prevent low runs in the future. The department has initiated pilot projects, such as feasibility of a DIDSON sonar at the Karluk Lagoon and an early-season test fishery to explore methods to improve management of the stock. Fisheries and limnology research has been expanded at Karluk Lake (including a smolt enumeration project in 2012) to assess freshwater rearing limitations and potential "bottlenecks" to sockeye salmon production.

South Peninsula Pink and North Peninsula Sockeye Salmon Stocks

Pink salmon runs to South Peninsula streams declined substantially in 2010, even more significantly in 2012. Severe overwinter conditions are suspected to have contributed to these declining stocks. Similarly, North Peninsula sockeye salmon stocks have experienced poor production, also likely due, in part, to environmental conditions. In 2012, all South Peninsula pink and chum commercial fisheries were closed early, as were most Northern District sockeye salmon fisheries (except some scheduled weekly periods in Nelson Lagoon and Black Hills sections). Stakeholders are concerned with the economic viability of their fisheries and have asked the department to extend or expand stock assessment programs. The Aleutian's East Borough requested the department to assess some

fisheries (Nelson Lagoon) for potential disaster declarations in 2010 and 2012. The department recently re-evaluated escapement goals in the Area M management area, and continues to maintain operation of weirs and an extensive aerial survey program; however, stock assessment is challenging with the remoteness of the area and the cost of operating field assessment projects and flying surveys. Additional funding is proposed for FY2014 to stabilize or expand these projects and establish research projects that specifically address the reasons for the productivity declines. The department has redirected some funding in order to opportunistically deploy a DIDSON sonar to count sockeye salmon and sample sockeye rearing lakes for limnology data. Aerial surveys were increased for some areas in 2012.

Rebuilding Salmon Fisheries Research Program

The division's statewide salmon research program has been strengthened through concerted rebuilding efforts following retirements of key personnel in recent years. A key fishery scientist position was filled, a statewide biometrician was recruited, and a new supervisor for the Mark, Tag, and Age Laboratory has been hired. The biometrician is currently funded through federal funds that will no longer be available after FY2013. A general fund increment is proposed for FY2014 to pay for this effort. As management of Alaska's salmon fisheries becomes more complex, it is essential to maintain continuity of this program into the future.

Genetic Stock Identification

As Alaska's salmon fisheries become more complex, the department and the public have identified the need for increased genetic stock identification capability. This increased capability can help the department inform fishery allocation issues, meet treaty obligations in Southeast Alaska and on the Yukon River, assess the effect of management actions, improve estimation of stock productivity, and set escapement goals that provide for maximum sustained yield. To fulfill objectives of the Western Alaska Salmon Stock Identification Program, the Gene Conservation Laboratory is completing analysis of ~140,000 tissues collected from Western Alaska salmon stocks to determine stock-specific contributions of chum and sockeye salmon in Chignik, Alaska Peninsula, Bristol Bay, and Arctic-Yukon-Kuskokwim Region fisheries. Analysis and reporting of data for this project represents a tremendous challenge for the division, and will be completed during the 2012-2013 BOF regulatory cycle. Although current lab capacity is five to ten times that of most other fisheries genetics labs, the laboratory struggles to meet current demand, while keeping up with ever-changing technologies. The laboratory is accumulating samples valuable for future analyses from baseline and mixture collections that are either irreplaceable or expensive to replace (conservatively worth \$2 million). The laboratory is facing challenges finding climate-controlled space for archiving these samples. Potential Endangered Species Act (ESA) listings also point out the need to expand lab capabilities to better deal with genetics of such diverse species as beluga whales and Pacific herring. The division is seeking to expand its capabilities into marine species to answer a variety of questions related to ESA listings, federal fisheries management, and mariculture.

Federal/State Subsistence

In order to minimize disruption to state residents, to protect state fish resources, and minimize federal intrusion into state management, significant staff time is spent interacting with the federal system of Regional Advisory Councils, which represent federal subsistence users, the federal Office of Subsistence Management, and the Federal Subsistence Board. The division and the department must find ways to ensure that federal decisions do not adversely impact conservation of fishery resources or unnecessarily restrict non-federally qualified users. A subsistence liaison team leader was hired in November 2010 and efforts continue to hire a wildlife liaison.

Federal Fishery Rationalization

The North Pacific Fishery Management Council (NPFMC) has a number of initiatives underway that affect state-managed fisheries and distribution of benefits from the harvest of federally-managed fishery resources off Alaska. These include bycatch reduction measures for crab and salmon in groundfish fisheries off Alaska; rebuilding overfished crab stocks; implementing annual catch limits to guard against overfishing; restructuring the federal groundfish observer program to improve quality and utility of observer data; modifying fishery management to protect endangered species; and applying lessons learned from over a decade of experience with fishery rationalization programs off Alaska to better meet state policy objectives. State managers and researchers must work through the NPFMC process to minimize negative impacts of federal management programs on nontarget species, habitat, state fisheries, and coastal communities as rationalization programs evolve.

State-Federal Co-Management of Bering Sea – Aleutian Islands Crab Fisheries

The federal Fishery Management Plan (FMP) for the Bering Sea and Aleutian Islands king and Tanner Crabs establishes a state-federal cooperative management regime that defers crab management to the State of Alaska with federal oversight. Changes to the Magnuson-Stevens Fishery Conservation Act (MSA) in recent years and resulting federal regulations stipulating management measures that must be applied to federal FMP fisheries (e.g., federal overfishing definitions, federal stock status determinations, federal annual catch limits), have increased demands on Westward and Headquarters staff for data gathering, analysis and reporting.

Employee Recruitment and Retention Efforts

The division continues to work with the department's workforce planning coordinator to overcome recruitment and retention difficulties. As part of these efforts, the division is collaborating on a department wide level and is partnering with other state agencies and outside entities such as the Association of Fish and Wildlife Agencies, Management Assistance Team, other state fish and wildlife agencies, and the National Conservation Leadership Institute. Acknowledging the importance of continuing importance of such efforts, the division has assigned a staff member with oversight of the division's personnel development programs and coordination with department efforts.

The division continues to suffer from insufficient applicant pools for many positions, especially higher level positions such as Fishery Biologist IIIs and IVs, Fisheries Scientists, Biometricians, Regional Supervisors, and Assistant Directors. However, the division was heavily involved in a recent class study that resulted in the addition of a new fish and game coordinator classification that provides additional career laddering of biologists who manage multiple species or single species with federal or international involvement, have a scope that exceeds regional boundaries, or provides technical expertise to policy level executives. The class study also resulted in changes in entry-level minimum qualifications to the Biologist I series and recognized time as any biologist as qualification for advancement in any of the three biologist specialties in the department. The division still struggles with insufficient applicant pools in general, however, and continues to address this through broader recruitment efforts, workforce development for new and existing employees, and development of a program to interest young Alaskans, especially from rural areas, in careers with ADF&G.

Vessels and Aircraft Maintenance and Replacement

The division has five research and several support vessels, and four small aircraft, which require regular maintenance and periodic overhauls. They are integral to a variety of stock assessment programs and provide platforms for inseason management. Maintenance must be provided to protect this capital investment, assure efficient operations, and meet safety requirements. Additionally, three of the division's vessels have reached replacement age and the division must find funds to replace them in the near future. The division did receive capital funds in FY2013 to begin the replacement process for the *R/V Resolution*, which services Westward Region. Maintaining a high quality aircraft program for salmon stream surveys depends on the ability to recruit and retain excellent pilots experienced in rural Alaska and flying low altitude and float equipped planes.

Support for Aquaculture

Both private nonprofit (PNP) salmon hatchery operators and aquatic shellfish farmers depend on the division for planning, permitting, disease prevention, and other technical services. The division is now better able to provide the level of support desired because of improved funding and staffing; however, technical service requests from hatchery operators and aquatic farmers have increased substantially in recent years, which in turn, have increased challenges for staff. We have completed a review of hatchery operations and permitting in the Kodiak area and have moved from there to Cook Inlet. Cook Inlet will be followed by Prince William Sound and the Southeast region. This review is to assure hatchery management plans are up to date and that programs are adhering to policies. We are also reviewing the status and condition of state-owned facilities that are leased to PNP hatchery associations. The division is following, and has permitted, private efforts to research and develop techniques for enhancing depressed shellfish populations like red and blue king crab, and to reestablish lake enrichment programs to restore and enhance sockeye salmon production in the Kodiak Island area. The division made significant improvements in the time it takes to process and issue permits. The division continues to work with industry on key issues of concern to promote aquatic farm development and growth. The division continues to address the challenge of supporting and helping these various aquaculture and hatchery programs develop while protecting wild stocks.

Significant Changes in Results to be Delivered in FY2014

See component level.

Contact Information

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**Commercial Fisheries
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2012 Actuals				FY2013 Management Plan				FY2014 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
SE Region Fisheries Mgmt.	8,247.8	0.0	83.7	8,331.5	8,962.7	0.0	92.0	9,054.7	9,512.7	0.0	92.0	9,604.7
Central Region Fisheries Mgmt.	8,748.2	0.0	0.0	8,748.2	9,223.9	0.0	0.0	9,223.9	9,380.2	0.0	0.0	9,380.2
AYK Region Fisheries Mgmt.	7,206.2	0.0	0.0	7,206.2	8,391.1	0.0	0.0	8,391.1	8,476.1	0.0	0.0	8,476.1
Westward Region Fisheries Mgmt.	8,977.8	0.0	0.0	8,977.8	9,332.0	0.0	0.0	9,332.0	10,132.7	0.0	0.0	10,132.7
Headquarters Fisheries Mgmt.	10,597.3	0.0	0.0	10,597.3	11,515.6	0.0	0.0	11,515.6	11,417.0	0.0	0.0	11,417.0
Comm Fish Special Projects	3,661.7	7,483.4	8,438.1	19,583.2	5,090.4	9,290.4	10,331.6	24,712.4	4,084.7	9,755.6	9,531.6	23,371.9
Totals	47,439.0	7,483.4	8,521.8	63,444.2	52,515.7	9,290.4	10,423.6	72,229.7	53,003.4	9,755.6	9,623.6	72,382.6

Commercial Fisheries
Summary of RDU Budget Changes by Component
From FY2013 Management Plan to FY2014 Governor

All dollars shown in thousands

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	47,625.1	4,890.6	9,290.4	10,423.6	72,229.7
Adjustments which will continue current level of service:					
-SE Region Fisheries Mgmt.	-320.0	0.0	0.0	0.0	-320.0
-Central Region Fisheries Mgmt.	1.3	0.0	0.0	0.0	1.3
-AYK Region Fisheries Mgmt.	-250.0	-390.0	0.0	0.0	-640.0
-Westward Region Fisheries Mgmt.	0.7	0.0	0.0	0.0	0.7
-Headquarters Fisheries Mgmt.	1.4	-100.0	0.0	0.0	-98.6
-Comm Fish Special Projects	-534.0	0.0	0.2	0.0	-533.8
Proposed budget decreases:					
-Comm Fish Special Projects	0.0	-1,005.7	0.0	-800.0	-1,805.7
Proposed budget increases:					
-SE Region Fisheries Mgmt.	870.0	0.0	0.0	0.0	870.0
-Central Region Fisheries Mgmt.	155.0	0.0	0.0	0.0	155.0
-AYK Region Fisheries Mgmt.	725.0	0.0	0.0	0.0	725.0
-Westward Region Fisheries Mgmt.	500.0	300.0	0.0	0.0	800.0
-Comm Fish Special Projects	534.0	0.0	465.0	0.0	999.0
FY2014 Governor	49,308.5	3,694.9	9,755.6	9,623.6	72,382.6