

**State of Alaska
FY2015 Governor's Operating Budget**

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

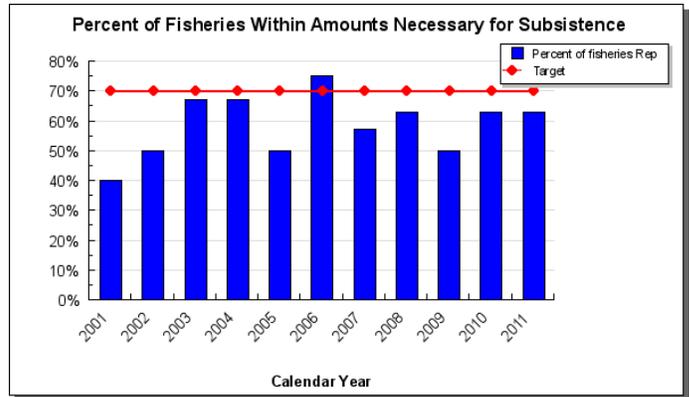
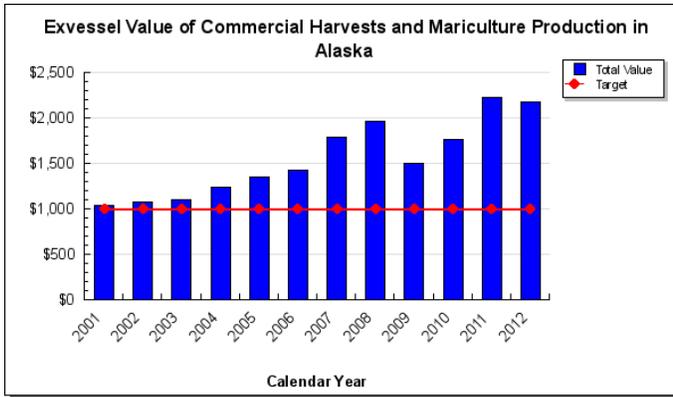
Commercial Fisheries Results Delivery Unit

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 <https://omb.alaska.gov/results>.)



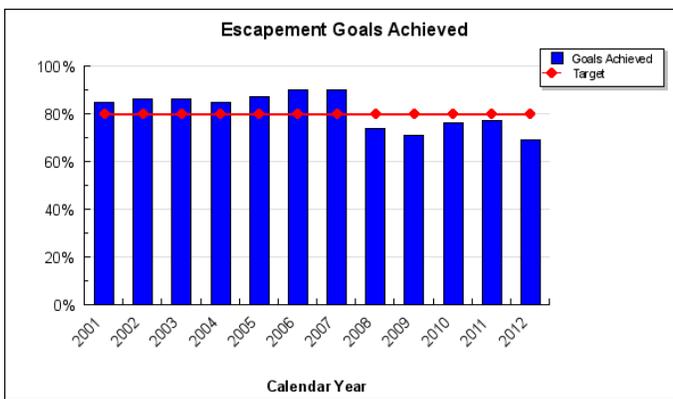
Core Services

- 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 <https://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 2013

Salmon Harvest Value Approaches New Record

The 2013 commercial salmon fishery, powered by a record pink salmon harvest of 219 million fish, ranks as the second most valuable on record. At \$691.1 million, 2013 is only exceeded by 1988 which came in at \$724 million.

These values are based upon ex-vessel prices and do not include post season bonuses or price adjustments. It is possible that after final prices are determined, the 2013 season, without accounting for inflation, could surpass 1988 as the most valuable salmon harvest in history.

Western Alaska Salmon Stock Identification Program

This past year saw the culmination of the Western Alaska Salmon Stock Identification Program (WASSIP) with publication of results in nine reports presented at the Board of Fisheries (BOF) work session and area regulatory meetings during the 2012-2013 regulatory cycle. Funded largely with general fund dollars, WASSIP was a unique collaboration among stakeholders and scientists to address long-standing questions about harvest patterns of chum and sockeye salmon in Western Alaska fisheries. Spanning more than eight years, WASSIP is the largest salmon genetics study ever attempted, analyzing hundreds of thousands of tissues from four sample years to determine stock-specific compositions, harvests, and harvest rates of sockeye and chum salmon in coastal subsistence and commercial fisheries from Chignik Bay to Kotzebue Sound. Created by a group of eleven signatories to a memorandum of understanding in 2006, WASSIP provided opportunity for representatives of major regional fisheries interests to collaborate with technical experts on design of scientific studies to inform regulatory decisions.

WASSIP was unprecedented in its magnitude and scope, collecting sockeye and chum salmon samples from coastal fisheries stretching over 3,000 km of shoreline. During the four years of fishery sampling, approximately 320,000 samples were collected and 156,000 samples were analyzed by the Alaska Department of Fish and Game (ADF&G) Gene Conservation Laboratory to estimate stock composition of fishery harvests with the finest resolution possible. Additional populations were added to genetic baselines for both species and the number of DNA markers was greatly expanded to provide increased stock resolution for these species. For the first time a comprehensive summary of escapements and total run sizes for western Alaska stocks of chum and sockeye salmon have been assembled, making it possible to estimate harvest rates in these fisheries. All WASSIP final reports can be found on the ADF&G website, along with a series of specific technical documents, meeting minutes, and other relevant documents. WASSIP results have already impacted management and allocation decisions in the regulatory arena and we expect that the many genetic and biometric advances achieved in this huge effort will contribute to our basic understanding of Western Alaska chum and sockeye salmon stocks for many years to come.

Commercial Fisheries Information Technology

Commercial Fisheries Information Technology (IT) section has now implemented 'tLandings' in 70% 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, to properly record fish ticket data. 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 IT continues to migrate to a single reporting and analysis system for fisheries management. The data warehouse and business intelligence toolset now contains over 47 different subject areas such as commercial harvest, inseason preliminary harvest, escapement, test fisheries, vessels, Commercial Fisheries Entry Commission permits, and various biological data. Significant additions for FY2013 included the Gene Conservation Lab and several Region III subject areas. IT staff have delivered over 10 training sessions focused on training ADF&G staff to be able to produce analysis for fisheries management as well as create dynamic data for the public website. This project also supports the elimination of multiple technologies for reporting, provides a single portal for data, and supports the major goal of historical data rescue and preservation of one of the most valuable and comprehensive datasets of commercial fisheries history.

Crab Total Allowable Catch

The department established the 2013-2014 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: 8.60 million pounds for the Bristol Bay red king crab fishery, 53.98 million pounds for the Bering Sea snow crab fishery, 1.46 million pounds for the Eastern Bering Sea Tanner crab fishery, 1.65 million pounds for the Western Bering Sea Tanner 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 St. Matthew blue king crab fisheries) were closed to commercial fishing in the 2013-2014 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 2013, impacts of low Chinook salmon productivity and abundance continued for many Alaskans in the Yukon, Kuskokwim, and Cook Inlet regions. 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. Building upon a successful Chinook salmon symposium among scientists and stakeholders, the ADF&G science team developed a detailed research plan focused on 12 indicator systems throughout the state, designed to better assess Chinook run sizes and understand the causes behind this unexpected widespread decline. With funding supported by Governor Parnell and the Alaska State Legislature, 15 major projects will begin in FY2014 with many additional efforts slated for future years. 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 will continue to work closely with the BOF 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 of collaboration with constituents to evaluate fishing gear and management strategies that conserve Chinook salmon while allowing selective harvest of more abundant species. Use of dip nets on the Yukon River to harvest abundant summer chum salmon while releasing king salmon un-harmed was very successful during the 2013 fishing season.

Bering Sea Crab Research Funding

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 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 performed research during FY2013, 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.

Federal funding has been reduced by one-third over the past three years and further reductions for FY2015 could result in less funding than is needed for the "base" research program and affect staffing levels (i.e., a reduction in or elimination of the permanent and seasonal regional staff devoted to Bering Sea Aleutian Islands crab research and to the entry, maintenance, and distribution of data collected by the state's at-sea crab-fishery observer program). 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.

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, St. Matthew blue king crab, and cod fisheries have been certified by Global Trust with flatfish fisheries certification 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.

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 completed analysis of approximately 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 represented a tremendous challenge for the division, and was 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 \$5 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.

Federal Groundfish Fisheries

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, halibut, and Chinook and chum salmon in groundfish fisheries off Alaska; rebuilding an overfished crab stock; implementing annual catch limits to guard against overfishing; ongoing modifications to the federal groundfish observer program to improve quality and utility of observer data; modifying fishery management plans 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 development coordinator to address recruitment and retention challenges. 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. The division has also contributed to the development of the University of Alaska's Fisheries, Seafood, and Maritime Workforce Development Plan.

Acknowledging the 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. Generally speaking, applicant pools for entry level positions have improved in recent years; however, the division continues to suffer from weak applicant pools for higher level or specialized positions such as Fishery Biologist IVs, Biometricians, Regional Supervisors, and Deputy Directors. Attracting job applicants in smaller or remote communities is often difficult.

The division continues to address these problems 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 six research and several support vessels and five 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. We expect to go out to bid in FY2014 for the replacement of this vessel. The challenge will be bridging the gap between the actual cost of replacement and the capital funds appropriated for this project.

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. Safely operating and maintaining aircraft within existing budgets is always a challenge.

Significant Changes in Results to be Delivered in FY2015

No significant changes.

Contact Information
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**Commercial Fisheries
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2013 Actuals				FY2014 Management Plan				FY2015 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.	8,939.3	0.0	0.0	8,939.3	9,685.8	0.0	92.0	9,777.8	10,195.1	0.0	92.0	10,287.1
Central Region Fisheries Mgmt.	9,227.0	0.0	0.0	9,227.0	9,604.6	0.0	0.0	9,604.6	9,524.1	0.0	0.0	9,524.1
AYK Region Fisheries Mgmt.	8,380.0	0.0	0.0	8,380.0	8,580.0	0.0	0.0	8,580.0	8,540.1	0.0	0.0	8,540.1
Westward Region Fisheries Mgmt.	9,246.8	0.0	0.0	9,246.8	10,300.1	0.0	0.0	10,300.1	10,696.3	0.0	0.0	10,696.3
Headquarters Fisheries Mgmt.	11,506.4	0.0	0.0	11,506.4	12,141.8	0.0	0.0	12,141.8	13,344.6	0.0	0.0	13,344.6
Comm Fish Special Projects	4,407.1	7,109.1	8,154.8	19,671.0	4,005.2	9,874.3	9,686.1	23,565.6	1,577.7	10,068.0	9,222.9	20,868.6
Totals	51,706.6	7,109.1	8,154.8	66,970.5	54,317.5	9,874.3	9,778.1	73,969.9	53,877.9	10,068.0	9,314.9	73,260.8

Commercial Fisheries
Summary of RDU Budget Changes by Component
From FY2014 Management Plan to FY2015 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>
FY2014 Management Plan	50,044.3	4,273.2	9,874.3	9,778.1	73,969.9
Adjustments which will continue current level of service:					
-SE Region Fisheries Mgmt.	209.6	-1.0	0.0	0.0	208.6
-Central Region Fisheries Mgmt.	-336.0	-0.5	0.0	0.0	-336.5
-AYK Region Fisheries Mgmt.	-565.6	-0.3	0.0	0.0	-565.9
-Westward Region Fisheries Mgmt.	420.6	0.6	0.0	0.0	421.2
-Headquarters Fisheries Mgmt.	1,037.7	0.0	0.0	0.0	1,037.7
-Comm Fish Special Projects	-2,888.4	-3.8	-33.8	-24.2	-2,950.2
Proposed budget decreases:					
-SE Region Fisheries Mgmt.	-19.3	0.0	0.0	0.0	-19.3
-Central Region Fisheries Mgmt.	-17.0	0.0	0.0	0.0	-17.0
-AYK Region Fisheries Mgmt.	-49.0	0.0	0.0	0.0	-49.0
-Westward Region Fisheries Mgmt.	-25.0	0.0	0.0	0.0	-25.0
-Headquarters Fisheries Mgmt.	-84.9	0.0	0.0	0.0	-84.9
-Comm Fish Special Projects	-69.3	0.0	-72.5	-439.0	-580.8
Proposed budget increases:					
-SE Region Fisheries Mgmt.	320.0	0.0	0.0	0.0	320.0
-Central Region Fisheries Mgmt.	273.0	0.0	0.0	0.0	273.0
-AYK Region Fisheries Mgmt.	575.0	0.0	0.0	0.0	575.0
-Headquarters Fisheries Mgmt.	250.0	0.0	0.0	0.0	250.0
-Comm Fish Special Projects	534.0	0.0	300.0	0.0	834.0
FY2015 Governor	49,609.7	4,268.2	10,068.0	9,314.9	73,260.8