PROPOSAL 22

5 AAC 40.XXX. Private Nonprofit Salmon Hatcheries.

Limit the number of each salmon species harvested in cost recovery fisheries, as follows:

Request that the BOF adopt a regulation to cap or otherwise numerically limit for each salmon species the amount of hatchery-produced fish returning to a hatchery that a hatchery operator may harvest for so-called "cost recovery" purposes.

What is the issue you would like the board to address and why? When hatcheries were originally established under the auspices of ADF&G, the hatcheries' capital and operating costs were financed with State funds. State employees managed the hatcheries. These employees were under no obligation or pressure to produce a certain amount of fish or to sell hatchery fish to generate revenues for hatchery operations.

Eventually the Legislature enacted statutes that permitted private nonprofit corporations to take over the State hatcheries, subject to ADF&G's oversight. ADF&G performed this oversight by requiring the approval of an annual management plan and issuance of a permit to the private corporation. The new statutes expressly allowed the corporations to harvest and sell fish (including their eggs) returning to the hatchery for so-called "cost recovery" purposes. Harvesting returning fish for cost recovery has, however, led to unintended, adverse consequences.

An overriding problem is that hatcheries naturally have concentrated their efforts on pink salmon because they are easiest to rear successfully and thus when harvested upon their return to the hatchery will ensure some measure of cost recovery. But this in turn has resulted in the high seas and inshore Alaskan waters becoming flooded with hatchery-bred pink salmon that compete for food and habitat with wild species of salmon, the adverse consequences of which are just now becoming well known to ADF&G and the BOF (see reports by Rogge, et al.).

Moreover, there is increasing evidence of hatchery-bred pink salmon returning to Alaskan waters only to stray to non-natal streams, where they may genetically intermix and threaten wild stocks, or cause the spread of disease into wild stocks. These adverse consequences directly conflict with ADF&G's Genetic Policy for wild salmon stocks as well as with the goals and standards for the protection of wild fish stocks set out in Alaska statutes and ADF&G/BOF regulations.

Initially, a hatchery's need or desire to produce and thereafter harvest large numbers of pink salmon for cost recovery was restrained by hatchery annual management plans. These plans established relatively tight limits on cost recovery harvests in order to make hatchery fish available for harvest in the common fishery. For example, the 1994 Basic Management Plan for Cook Inlet Aquaculture Association's Tutka Bay Lagoon Hatchery in lower Cook Inlet included the objective that the hatchery produce 5 million adults and "produce revenues from the harvest and sale of returning fish that are at least equal to the costs of hatchery operation and operate efficiently so that at least 2/3 of the fish are harvestable by common property fisheries." Id. p. 1, sec 1.3 Objectives (emphasis added).

Over the ensuing years, however, the language of this Objective was weakened. The most recent plan, the 2018 Annual Management Plan, indicated that of the 1,735,850 adult pink salmon

expected to return to the hatchery, up to 317,000 would be needed for brood stock and escapement and the "remaining fish will be available for common property and cost recovery harvests." Id. p. 2, Section 1.2.4. Since no harvest report is available for 2018, it is unknown how many fish were left for the common fishery after cost recovery. In the intermediate years after 1994, however, published reports show that Cook Inlet Aquaculture Association harvested most of the returning pink salmon for cost recovery and only negligible numbers were left for the common fishery. In other words, the hatchery's pursuit of cost recovery has meant that the common fishery has largely been shut out of the harvest of returning hatchery fish.

In sum, while applicable statutes may allow hatcheries to harvest returning salmon for cost recovery purposes, there is a need for the BOF to establish by regulation some cap or other numerical limit on the percentage of returning fish, species by species, that a hatchery may harvest for cost recovery purposes. A limit is needed in order to eliminate the unintended adverse consequences of hatcheries producing too many pink salmon solely for the purposes of fulfilling its revenue targets and to otherwise serve the overall statutory goal of hatcheries, which is to restore and enhance depleted fish populations for the common fisheries.

PROPOSED BY: Mike Frank (EF-F19-124)