Materials submitted to
Board of Fisheries Restructuring Committee from
Erick Sabo

relative to 32-foot vessel limit

To: Jim Marcotte, John Jensen, Jeremiah Campbell, & Larry Edfelt

Greetings,

My name is Erick Sabo, for those who I have not met or spoken to yet. Two years ago eight individual Bistol Bay fishermen submitted separate proposals to eliminate the 32 foot limit in Bristol Bay. Specifically, I submitted a proposal 39, which was tabled by the BOF for further consideration.

Attached to this e-mail are three documents (hardcopy being sent out today by USPS): (i) a cover letter addressed to Chairman Jensen, (ii) a completed and electronically signed Restructuring Proposal Form, and (iii) a detailed report, discussing the proposal.

The documents are in response to the Board request for further information about the proposal, and they are being submitting in preparation for the Restructuring Committee's public meeting to be held in April 2008.

Please review these materials. The eight signatories of the report worked hard the past few months drafting and revising the report, and we hope this joint submission, rather than individual submissions, to provide with meaningful information and to better assist you in reaching a decision on this proposal in the near future.

I personally look forward to discussing this matter with each of you at the April meeting. If you have any questions or concerns, please don't hesitate to contact me via e-mail or by phone (253) 341-5617 or (206) 390-0601.

Sincerely,

Erick Sabo

February 14, 2008

John Jensen
Chair of Restructuring Committee
PO Box 681
Petersburg, AK 99833

Dear Chairman Jensen:

Thank you for considering Proposal 39, which asks the Board to eliminate the Bristol Bay 32 foot limit, at the upcoming Restructuring Committee meeting in April 2008.

Enclosed please find the following two documents:

(1) a short answer form to the Board's eleven questions included in the Board's restructuring proposal form; and

(2) a report, including four exhibits referenced therein, which discusses in detail the proposal.

Over the past several months the eight individual proposers for the change have worked hard on completing the enclosed report and jointly submitting this information to the Restructuring Committee. We hope the information and materials will help you and the committee (and the Board) fully consider this proposal and reach a decision in the near future.

If you have any questions or concerns about the report or materials being submitted and if I can be of assistance, please do not hesitate to contact me or any of the other signatories to the report.

Sincerely,

Erick Sabo

cc: Jeremiah Campbell
PO Box 1586
Seward, AK 99664

Larry Edfelt
PO Box 210821
Auke Bay, AK 99821

Alaska Board of Fisheries - Restructuring Proposal Form

Please answer the questions below as completely as possible. Your response will likely require multiple pages and considerable time and effort. Some questions may not be applicable to your proposal. Some questions may be quite difficult to answer; incomplete answers will not necessarily disqualify your proposal.

Please carefully read the instructions on page 2 before answering the questions.

1) What regulatory area, fishery, and gear type does this restructuring proposal affect?

Bristol Bay Salmon Drift Gillnet

2) Please thoroughly explain your proposal. (See Part II, Question 2 of the instructions on page 2 for important guidance on how to answer this question).

To repeal 5 AAC 06.341; Eliminate the 32 foot vessel Limit in Bristol Bay

3) What are the objectives of the proposal?

The Objective is very simple; to wit, to allow larger boats to be fished in the Bristol Bay driftnet fishery. Elimination of the 32 foot limit is necessary to allow fisherman the space necessary to install equipment and provide holding capacity to deliver higher quality fish in a safe manner.

4) How will this proposal meet the objectives in question #3?

Changing or revoking the regulation as proposed will eliminate the 32 foot limit and will directly address the objectives of the proposal.

5) Please identify the potential allocative impacts of your proposal. Is there an allocation or management plan that will be affected by this proposal?

We do not believe there would be any significant impact on allocation with this proposal. Allocation in Bristol Bay is a function of the size and length of net allowed and duration of fishing periods. Please see attached report for complete details.

6) If the total value of the resource is expected to increase, who will benefit?

A higher quality product should result in a higher ex-vessel price paid for Bristol Bay salmon, and all participants (fisherman, suppliers, processors), as well as local communities and governmental bodies should benefit from increased in tax revenues. Please see report for complete details.

7) What will happen if your fishery is not restructured as your proposal recommends, and how is this proposal an improvement over current practices?

If we continue to utilize a 32 foot limit on Bristol Bay drift boats the quality of fish delivered will continue to suffer and safety will be compromised by those that try to reconfigure boats that were not designed to handle the size and weight of refrigeration equipment and/or tanked fish holds. The proposed change to the regulation will allow quality to be maximized and a safer commercial vessel. Please see report for complete details.

8) Considering the history of the commercial fishery, what are the potential short- and long-term positive and negative impacts on:

a) the fishery resource;
b) harvesters;
c) the sector, species, and regional interdependence relationships;
d) safety;
e) the market;
f) processors; and
g) local communities.

Please see attached report.

9) What is your understanding of the level of support for your proposal among the harvesters, processors, and local communities?

We believe there is substantial support from those fisherman and processors who are focused on the long term solutions to increasing product quality and higher ex-vessel prices in Bristol Bay. There is opposition to this change, as there is with any innovation being introduced, from individuals who fear loss of value in their current equipment and those who may not be able to afford or want to invest several thousands of dollars into a new boat or equipment necessary to take advantage of the opportunities to focus more on quality.

10) What are the potential short and long-term impacts on conservation and resource habitat?

We do not believe there will be any significant impact on conservation and resource habitat with this proposal.

11) What are the potential legal, fishery management, and enforcement implications if this proposal is adopted? What other governmental actions may need to be taken into account?

Please see attached report.

Submitted By the following individuals, with authorization (written and or by e-mail confirmation) to electronically sign this form.

Dated this 14th Day of February, 2007.

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In addition the above individuals who originally proposed changing or elimination the 32 foot limit, the follow Alaska fishermen have reviewed attached report and wish to be included as additional supporters of the proposed change.

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PROPOSAL 39, A PROPOSAL TO ELIMINATE THE 32 FOOT LIMIT ON DRIFTNET VESSELS FISHING IN BRISTOL BAY, ALASKA

FEBRUARY 2008

REPORT TO THE SALMON INDUSTRY RESTRUCTURING COMMITTEE

I. INTRODUCTION

Proposal 39, originally presented to the Board of Fisheries at its regularly scheduled Bristol Bay Finfish meeting in December 2006, asked the Board to amend or repeal 5 AAC 06.341 to eliminate the 32-foot limit on vessels used in the driftnet fishery in Bristol Bay. The regulation currently states the following:

> a) No vessel registered for salmon net fishing may be more than 32 feet in overall length. An anchor roller may not extend more than eight inches beyond the 32-foot overall length, and any portion that extends beyond the 32-foot overall length may not be more than eight inches in width or height.
>
> b) For the purposes of this section,
>
> (1) "anchor roller" means a device used solely in aid of deploying and retrieving anchor gear, and does not provide any additional flotation, planing surface, or structural support to the vessel;
>
> (2) "fish drop-out basket" means a device used solely to prevent the loss of fish from a gillnet after the fish leaves the water and before it is brought on board the vessel; a "fish drop-out basket" does not provide any additional flotation, planing surface, or structural support to the vessel;
>
> (3) "gillnet roller" means a device used solely in aid of deploying and retrieving drift gillnet gear; a "gillnet roller" does not provide any additional flotation or planing surface to the vessel;
>
> (4) "outdrive" means part of the propulsion system of a vessel used for either steering or thrust; an "outdrive" does not provide any additional flotation or planing surface to the vessel;
>
> (5) "outdrive guard" means a device of skeletal construction used solely to protect the outdrive unit of a vessel; an "outdrive guard" does not provide any additional flotation or planing surface and is not used for any other purpose such as a bench, platform, or storage area;
>
> (6) "overall length" means the straight-line measurement between the extremities of the vessel, but does not include fish drop-out baskets, anchor rollers, gillnet rollers, trim tabs, outdrives, or outdrive guards;
>
> (7) "trim tabs" means an extension of the bottom of a vessel, at the transom, which is no more than 18 inches long at its longest point; "trim tabs" do not provide any increased flotation, and their sole function is to provide trim to a vessel while underway.[1]

II. PROCEDURAL BACKGROUND

In its December 4-12, 2006 regularly scheduled Bristol Bay Finfish meeting, held in Dillingham, the Board of Fisheries was presented with nine different, but similar, proposals to either eliminate or change the 32-foot length restriction on Bristol Bay Driftnet vessels (Proposals 39-47).[ii]

The nine proposals were grouped with 25 other related proposals and assigned to a subcommittee (Committee C) for discussion. This subcommittee included Board members John Jensen, who was assigned as the chair, Rupe Andrews and Art Nelson.[iii] Presumably based on Committee C's discussion and recommendation, the Board tabled Proposal 39, and took no action on the eight other similar proposals (proposals 40-47). The Board explained that Proposal 39 was tabled to the Board's "Restructuring Committee" for "possible action the next cycle."[iv] Proposal 39, along with the other tabled proposals (proposals 15, 21, but not 121), are scheduled to be discussed in April 2008 by the Board's Salmon Industry Restructuring Panel ("Restructuring Panel").

The Restructuring Panel is a Board appointed subcommittee, and was originally formed in September 2004, by joint agreement between the Board of Fisheries and the Legislative Salmon Industry Task Force, in recognition that "status quo may provide inadequate return on investments and may not provide enough capital to renew the equipment, vessels, and processing facilities needed for the commercial enterprise."[v] In January 2006, the Restructuring Panel submitted a report and recommendation to the Board of Fisheries and the Alaska State Legislature, which included a recommended process to review restructuring proposals.[vi]

Ensuring ample opportunity for review and comment by potentially affected regions and

fishery participants, the Restructuring Panel recommended the following seven-step process:

1. Submit proposal as apart of regular review cycle for a given area. (*Responsibility: Applicant*)

2. Determine if proposal is a restructuring proposal. (*Responsibility: Board*)

3. Publish restructuring proposals in a separate section of the board proposal book or otherwise identify proposal as a restructuring proposal. (*Responsibility: Boards Support Section*)

4. Hold a publicly-noticed work session to determine: (*Responsibility: Board*)
   a. Is proposal complete?
   b. Are there outstanding questions or information needed?
   c. Confirm that board has authority to act on proposal; identify any aspects of proposal where board may need additional authority to make decisions.
   d. Identify whether CFEC, DNR or other agencies need to be consulted on issues raised by the proposal. If so, bring staff together to schedule work and process.
   e. Identify proposal's review process and schedule.

5. Hold information-gathering public hearing within region if needed. (*Responsibility: Board*)

6. Hold other hearings/work sessions as needed. *(Responsibility: Board*)

7. Board of Fisheries decision. (*Responsibility: Board*)

With respect to Proposal 39, it is unknown as to which steps, if any, in the seven-step process have been completed. In September 2007, in telephone conference with Mr. Marcotte and Mr. Jensen, it was explained that the Restructuring Panel was planning on taking action on the tabled proposals in the near future, including Proposal 39. It was further explained that the restructuring subcommittee would consist of at least the three following Board members: Mr. Jensen, as chair, Jeremiah Campbell and Larry Edfelt.

At that time, it was agreed that a more detailed proposal in the form described in the Restructuring Committee's January 2006 report would be helpful to the subcommittee's work. It was also agreed that a jointly signed proposal by all of the original proposers, as well as other groups of fishermen and stakeholders, that supported the change would be beneficial.

Accordingly, this detailed report, along with an abbreviated proposal form, is being jointly submitted by all 8 individual fishermen that proposed the change in the regulation. It is being submitted for consideration by Committee Chairman John Jensen , the members of his working subcommittee for immediate consideration, as well as by the other member of the Board of Fisheries.

III. History Of The Bristol Bay 32-foot Limit

The Bristol Bay sockeye salmon fishery is the world's largest commercial sockeye salmon fishery and produces an annual salmon harvest of 10 million to more than 30 million fish. When measured in volume, as well as economic value, the Bristol Bay salmon fishery is one of Alaska's most important. The calculated preliminary ex-vessel value of the 2007 Bristol Bay salmon fisheries was approximately $108 million, 84% of the 20-year average.[vii]

The fishery occurs in the southeast portion of the Bering Sea and is comprised of five

large geographically remote fishing districts, each designated by the rivers and lake systems that produce the salmon.

When commercial fishing in Bristol Bay was introduced in the 1880s, fishermen used sailboats which were first developed for salmon fishing on Washington's Columbia River and in San Francisco Bay, California (Figure 1).

Figure 1. Typical Bristol Bay sailboat used until the 1951.

These boats were built, purchased and delivered to Southwest Alaska by the canneries. Most of these double ended wood boats were 28 or 29 feet long by 9 feet wide, powered by a single sail that served a double purpose (as a means of propulsion and protection from the elements when the two man crew stopped to brew coffee. Hand pumps, a bailer, and a bucket made up the safety equipment. Fisherman risked their lives on the bay with 22 foot tides and unpredictable currents.

When the runs were favorable, a crew could load their Bristol Bay sailboat with as many as 3,000 fish. However, a small boat with hundreds or thousands of pounds of salmon aboard

had difficulty getting to the cannery dock to unload if the tide and the wind were wrong. No season passed without the loss of life. One fateful year, 136 people drowned. Many of those who died had become marooned on the mud flats, out of the reach of help. More than 8,000 of these sailboats were mass produced for the Bristol Bay fishery with manufacture continuing until 1951.[viii]

Prior to Alaska's statehood and until 1960, the federal government's Department of Interior was responsible for managing the Bristol Bay fishery, as well as all other Alaska fisheries. Early federal regulations for Bristol Bay included: definitions of the areas of the fishing districts; limits on types of gear (set and drift gill nets only); marking requirements for gill nets and vessels; length of gill nets (50 fathoms for set, 150 fathoms for drift), mesh size (minimum of 5 1/2 inch gear for red salmon) and net depth (28 meshes), and the prohibition of any motor-propelled vessels.[ix]

In the late 1940's the U.S. Fish and Wildlife Service entertained several proposals to eliminate the prohibition against powerboats in Bristol Bay. On February 24, 1949, the Service issued a notice stating the following:

> The new regulations make no change in the prohibition of the use of power in gill-net boats in Bristol Bay. It was made known at public hearings last fall, and previously, that the Fish and Wildlife Service proposed to limit the over-all length of gillnet boats in Bristol Bay to 32 feet, and eliminate the restriction on use of power in such boats. Action on this, however, has been deferred this year in view of the possibility that the Congress may consider in the near future legislation that would authorize the Department to control and limit the number of boats and units of fishing gear in each area of Alaska. Such control authority would basically alter the whole approach to the problem of conserving the salmon runs of Bristol Bay.[x]

Approximately one year later, on March 7, 1950, and without passage of any act of Congress providing the Fish and Wildlife Service the anticipated additional authority to control

the number of vessels participating in the fisheries of Alaska, the Secretary of the Interior announced that power boats would nevertheless be able to be used in Bristol Bay beginning in 1951. The birth of the 32 foot limit was accompanied by the following statement:

> The new regulations are based upon investigation and recommendation of Fish and Wildlife Service personnel, testimony presented at public hearings conducted by the Service at 10 places in Alaska and at Seattle, Washington, and upon written briefs submitted by those interested in the Alaska fishing industry.
>
> Bristol Bay Power Boats
>
> Under the new regulations, commencing in 1951, the use of motive power will be permitted in Bristol Bay fishing boats less than 32 feet in length. Advisability of replacing the traditional fleet of gill net sail boats with motor boats has been the subject of controversy for several years. It has been contended on the one hand, that the conservation of the salmon runs would be threatened by such a technological advancement, and on the other, that this obsolete method of transportation is made efficient by the current practice of supplying a large number of auxiliary vessels for towing purposes. However, the Fish and Wildlife Service now possesses sufficient enforcement facilities and scientific knowledge to protect the runs against undue depletion despite the type of motive power utilized in the fishing boats. The amended regulation merely permits, and does not require, the use of power; the one-year delay is provided to give everyone equal and ample opportunity to effect the change-over, if desired.[xi]

The 1950 the federal regulations stated:

> § 104.13 *Motor-propelled gill net boats prohibited.* The use of motor-propelled boats in catching salmon is prohibited: Provided, that this prohibition shall not apply to boats 32 feet or less in length after December 31, 1950.[xii]

Since the passage of this regulation in 1950, the 32-foot limit has been a part of the Bristol Bay fishery.

Figure 2. Examples of Bristol Bay powerboats used following 1951 change in regulations.

Approximately 10 years after imposing the 32 foot limit the Alaska Territory became the State of Alaska, and the newly formed state government took over the responsibility of managing the Bristol Bay fishery. Except for one major change to the fishery in the 1970's, few of the federal regulations have been significantly changed. For example, among other regulations the state adopted the federal 32 foot limit, the size and depth limits on drift and set nets, the fishing season, and the fishing districts. Like the 32 foot limit, many of the federal regulations imposed prior to 1960 survive and are utilized today by the Alaska Department of Fish and Game to

manage the fishery.

One significant change made by the State of Alaska came with the passage of the Limited Entry Act in 1973 (and the state constitutional amendment that authorized this law). Essentially, and what is important here, the Limited Entry Act allows exactly what the federal government alluded to and desired in 1949, the ability to control the number of participants in the fishery.

While the Bristol Bay salmon resource has been well managed for biological sustainability by the state under the limited entry permit system with the total number of drift permits (active and interim) issued each year for Bristol Bay relatively constant,[xiii] issues relating to economic performance and quality production have consistently been a point of contention. Interestingly, in1979 the Board of Fisheries approved the elimination of the 32 foot limit and set a three year time period to implement this change. During the interim, the issue was reconsidered by the Board, and it issued a decision on April 7, 1981, in the form of a published Findings of Fact, #81-92-FB.[xiv] The following Board statement is informative in understanding the reasoning used to overturn their 1979 decision. The Board wrote:

> The action of the Board in 1979 to repeal the 32 foot length limit by 1982 had been based in part on the premise that larger vessels would permit the use of ice to improve quality. However, Bristol Bay processors who imposed 12 hour delivery requirements on fishermen in 1980 showed that more frequent deliveries by existing vessels can adequately improve quality. An increased vessel length that allows the use of ice, chilled brine or special insulation is not necessary to achieve the desired quality improvements at this time.
>
> The Board also reviewed testimony indicating that until recent years the average costs of the Bristol Bay gillnet vessels were in the $5,000 to $20,000 range. In recent years 32 foot vessels costing as much as $150,000 are being construed to participate in the fishery. The use of these larger capacity, more expensive boats has, in some cases, resulted in over capitalization by fishermen and is believed to have contributed to lengthy price disputes and threats of violence prior to the

1980 price settlement as fishermen felt obligated to achieve continued high prices to meet boat payments. Repeal of the 32 foot limit will interfere with production economies of scale associated with construction of standard size vessel. Unlimited size will therefore exacerbate the problem of overcapitalization in the Bay area.

During the public hearing, Representative Joe Chuckwuk testified that repealing the 32 foot limit in 1982 would work a hardship on the Bristol Bay fishermen who had already invested in newer, larger-capacity 32 foot boats. In addition the Board also received the results of a January 1981 mail survey of all setnet and drift gillnet limited entry card holder and interim use permittees in the Bristol Bay salmon fishery. Of the 2,668 ballots mailed out, 81% of the 2,003 ballots returned favored reestablishment of the 32 foot length.

The conduct of the Bristol Bay fishery has been based upon the 32 foot length vessel for more than 30 years. Continuation of the length restriction will promote stability and predictability in the fishery.

Although the Boards' reversal on lifting the 32 foot limit provided a short term appeasement of processors and fishermen favoring the status quo, market conditions allowed the underlying issues to be set aside for a time. With growing economic clout and demand for frozen headed and gutted sockeye salmon, many new Japanese buyers entered the market so that prices rose dramatically for several years following this decision by the Board. However, as nominal prices have fallen to less than 16% of more than $2.50 per pound ex-vessel in 1988 to 40 cents per pound in 2002, the inconsistent quality and marketability of fish caught in the Bristol Bay fishery is once again an impediment to economic health of fishermen, processors, support industry, the region and state. In hindsight, had fishermen, processors, and the Board considered long term trends and focused more on providing industry with the tools to enable quality improvement, the recent "financial insolvency" of the Bristol Bay fishery, may have been completely avoided or at least moderated.

While, the decline in value of Bristol Bay salmon can be correlated to the rise and

production and market penetration of farmed salmon, the relatively poor quality of product coming out of Bristol Bay is a well established factor that limits market options. The following references provide a sampling of recent comprehensive reports and studies documenting the reasons and causes of the precipitous fall in the value of the Alaska salmon in general and specifically Bristol Bay salmon. They are:

> (i) Greenberg, Herrmann, Geier, & Hamel, *Wild Salmon Risk Management in Bristol Bay Alaska: Draft Final Report*, University of Fairbanks, a Report to the United States Department of Agriculture, January 1, 2002, also found at www.faculty.uaf.edu/ffmlh/Research/**Draft_Final_Report**.doc;
>
> (ii) Link, Hartley, Miller, Waldrop, Wilen, & Barnett, *An Analysis Of Options To Restructure The Bristol Bay Salmon Fishery*, prepared for the Bristol Bay Economic Development Corporation ("BBEDC") and the Joint Legislative Salmon Industry Task Force, March 2003, also found at www.bbsalmon.com;
>
> (iii) Knapp, *Projections of Future Bristol Bay Salmon Prices*, Institute of Social and Economic Research, University of Alaska Anchorage, October 2004, also at ww.cfec.state.ak.us/pita/Knapp_BB_Price_Projections_October_2004.pdf ; and
>
> (iv) Schelle, Iverson, Free-Sloan and Carlson, *Bristol Bay Salmon Drift Gillnet Fishery Optimum Number Report*, CFEC Rpt 04-3N, October 2004, also found at www.cfec.state.ak.us/RESEARCH/04_3n.htm.

Each of these lengthy and comprehensive reports deals with the issues in a different ways, but a common thread lies in the need to enhance quality as a prerequisite to substantially increasing the ex-vessel price. The 32 foot limit, which not utilized in any other salmon drift fishery in the State of Alaska, is noted as one unnecessary impediment to achieving a more quality-driven production process. (For ease of reference and conservation of paper, a hardcopy of each these reports is only being attached to the hardcopy of this report being submitted to Chairman Jensen, marked as Exhibits A, B, C & D, respectively.)

In characterizing the Bristol Bay drift fleet as it has developed with the 32 foot limit and

regulatory structure, the 2002 report prepared for the USDA states the following:

> Drift gill net harvesters have responded to the regulatory requirements and extreme conditions of Bristol Bay by developing a highly specialized fleet of fishing boats. Harvesters have compensated for the 32 foot vessel size restriction, potentially limiting fish hold capacity, by building unusually wide vessels. This compromises vessel speed and maneuverability. Bristol Bay vessels are also built with shallow drafts. This design feature accommodates the severe tidal fluctuation of Bristol Bay that frequently requires boats to fish in shallow waters. The reduced stability of Bristol Bay salmon vessels makes them unsuitable for open-sea travel beyond Bristol Bay. Accordingly, vessels are dry-docked in the boatyards of Naknek and Dillingham during the off season (some harvesters also participate in Bristol Bay herring fisheries).
>
> Aluminum boats are preferred in Bristol Bay due to common aggressive and accidental ramming incidents that occur on the crowded fishing grounds (boats jockey for position prior to fishery openings, maneuvering as close to the geographical boundary of the fishing grounds as possible; once the fishery is underway, they must maneuver around other boats and gear in search of prime sets). Aluminum hulls are more durable and easier to repair then fiberglass or wood hulls, although they still may have high maintenance costs because repairs require specialized welding skills. Despite their awkward and inefficient design, Bristol Bay boats must also be fast so that fishers can out-race their competitors for prime sets. However, boats must also be highly maneuverable in order to avoid other boats and their gear. These factors cause Bay harvesters to incur higher than normal costs as more and more boats are built with twin engines, bow-thrusters, and jet propulsion.
>
> The purchase and maintenance costs of a competitive Bristol Bay salmon boat dwarf those of typical boats in other Alaska salmon fisheries, making these among the most expensive commercial fishing craft for their size. Vessel costs are highly variant depending on hull type, engine type, gear, electronics and hydraulics. A top of the line fully outfitted aluminum vessel may cost $150,000+. Alternatively, a lower performing fully outfitted vessel can be purchased for under $40,000.[xv]

Although vessel prices have increased the last couple of years in response to large returns of fish and financial expectations, few, if any, new vessels have been launched due to the high cost of new construction for competitive modern vessels that can accommodate adequate refrigeration and chilling systems. Realizing that substantial ex-vessel price increases are

unlikely without significant quality-enhancing changes to the fleet, the alleged "overcapitalization" argument used by the Board to sustain the 32 foot limit in 1980 is no longer valid.

While there are a number of other Bristol Bay management regime changes that can also promote quality-driven production of fish, we the undersigned parties and many others, believe that elimination of the 58 year old traditional 32 foot limit is a significant step in the right direction.

IV. DISCUSSION

The problem is easily identified – poor ex-vessel prices that are insufficient to provide an adequate economic base for the industry, communities and support structure that has developed to harvest the available biologic surplus. Some of the economic issues are related in the following excerpt for the Bristol Bay Economic Development Corporation (BBEDC) and Joint Legislative Salmon Industry Task Force commissioned report of 2003:

> Average "profits" per permit fished [in Bristol Bay] were positive over the 1983 through 1996 time period both in nominal dollars and real 2003 dollars. Average nominal profits per permit peaked in 1990, then tended to decline thereafter. Average profits per permit fished turned negative in 1997 in both nominal and real 2003 dollars, and remained negative thereafter with the exception of 1999.
>
> The declines in these net return estimates per permit fished and the negative estimates of average profits per permit fished since 1997 have occurred despite dramatic declines in the number of permits fished. This decline in the number of permits fished in recent years is a clear indication that the fishery has been unprofitable for many permit holders.
>
> While some of the decline in net returns is attributed to the drop in average pounds harvested over the 1997 through 2003 time period, a substantial decline in ex-vessel prices has also been a major factor. Sockeye ex-vessel prices in real 2003 dollars were lower over the 2000 through 2003 time period than any sockeye ex-vessel prices experienced over the entire 1975 through 2003 time period.

> An important factor associated with the decline in ex-vessel salmon prices is the dramatic growth in the annual worldwide supply of farmed salmon and trout. Farmed salmon and trout are market substitutes for wild salmon; they compete either directly or indirectly with commercially harvested wild salmon. As the supply of farmed salmon and trout has increased, prices of farmed substitutes have declined substantially, impacting ex-vessel prices of all wild salmon species. The "high-valued" commercially harvested wild salmon, including chinook, coho, and sockeye salmon, have suffered substantial declines in real exvessel prices in recent years.[xvi]

While the problem may be easily identified, an immediate cure is a bit more elusive. Nonetheless, as further pointed out by the above referenced report, financial insolvency is a very real issue.

> The calls to restructure the Bristol Bay salmon fishery stem from a desire by those in the industry to innovate – to find new and more efficient ways to harvest fish and to improve the value of the harvest. As would be expected, the motivation to find new ways of doing business is as strong ever because the industry is on the verge of financial insolvency.[xvii]

As previously noted, elimination of the 32 foot limit will provide one option for the industry to invest in vessel and equipment that can better fulfill world market demands.

(A) Objectives: Quality & Safety

The benefits of this proposal to eliminate the 32 foot limit can be separated into two aspects – quality and safety.

(i) Quality

Some believe additional marketing can improve ex-vessel prices, but this will not have great effect without first improving quality. The consensus of industry is reflected in the 2003 BBEDC/Legislative Task Force Report, noting:

> Far and away the most common input we received from **harvesters and processors** was that the quality of the catch had to improve from its current state and the industry must better market the final product [omitted]. A higher quality harvest

> from Bristol Bay would clearly be worth more than a low-quality harvest regardless of whether any more money was spent to market the harvest and Bristol Bay has a track record of producing modest and low-quality harvest, (emphasis in bold added).[xviii]

Bristol Bay is unique. It is remote and over half of the United States' sockeye salmon production comes from this fishery and 65% or more of the harvest is taken in a two-week period. Harvest levels routinely exceed two million fish –not pounds – per day at the peak of the fishery. This compressed harvest, has in large part created an industry that focuses more on volume than quality. To produce a high quality fish, fishermen must either obtain and use ice or use a refrigerated sea water system, both limiting the overall capacity of their vessel. Almost everyone who responded to the BBEDC study believes that an improvement to the quality of the harvest would create new wealth from the Bristol Bay fishery.[xix] A significant change when compared to the Board's 1981 mail survey of fishermen and processors regarding quality and the use of ice.

In recent years the Board, Processors and fishermen have made attempts to further increase quality in Bristol Bay. For example, like in 1981, processors, the Board of Fisheries, and the Department of Fish & Game have worked together to coordinate fish openings to maximize the value of the resource. In 2003, the Board allowed the Bay to open up early in a General District to harvest more fish during the first week of the salmon run. Also in recent years, the Department has also been giving fishermen shorter "pulse" fishing periods, which results in fish being delivered to processors within 6 hours or less hours of being caught. Combined with lower brailer limits (brailer limits of 500 to 1000 pounds are now common) imposed by processors, quality has improved in recent years, but more can be done.

The State of Alaska, processors and the BBEDC have all invested more time, equipment, and funds to supply fishermen with ice, totes and slush ice bags, as a way to subsidize and promote

quality improvements. The State of Alaska's Department of Commerce, Community and Economic Development has supplied millions of dollars in matching funds to help small vessel owners, tenders, and processors develop and improve on salmon quality, including the use of ice and RSW systems.

In May of 2006, the Bristol Bay drift net fleet agreed to tax themselves on their gross catch value and approved the formation of the Bristol Bay Regional Seafood Development Association ("BBRSDA"). In December 2007, the BBRSDA announced that its solution to increasing ex-vessel prices in Bristol Bay is the use of ice, and it hopes to facilitate and partner with the processors to get ice delivered to the entire fleet.[xx]

Efforts by fishermen in recent years to improve fish quality are encouraged and have been handsomely rewarded by processors. In February 2007, the President of Ocean Beauty Seafoods, Mark Palmer, testified in front of the House Special Committee on Fisheries. The committee meeting minute's state the following, "One of the most limiting factors in that area of the state [Bristol Bay] is the availability of ice, [Mr. Palmer] noted. He suggested that the state consider additional ice barges in areas of the more remote fisheries where there isn't the ability to service the fleet. Mr. Palmer explained that once the fish is taken out of the water, the marketing effort has to increase the amount of high quality raw material in order to support product development."[xxi]

Fishermen who are using slush ice and RSW systems are being paid a premium price. In February 2007, Snopac announced that it was planning on paying its fishermen a 12-14 cent/lb premium for fish that had been slush iced or floated in an RSW system.[xxii] In the past, most processors generally paid on up to a ten (.10) cent premium for chilled fish. Also noted is Leader Creek Fisheries use of a fleet of all RSW equipped boats, and on average, Leader Creek fishermen

have been the top paid fishermen in Bristol Bay for several recent years.

Again, we have seen a significant change since the 1980's, focusing more and more on our need for better quality. But, you can only do so much to improve quality when you are operating a 10 to 12 foot wide 32 foot vessel during the peak periods. As alluded to above, during the peak of the run a 150 fathom net is often loaded with 500 or significantly more sockeye salmon within a short period of time. Most Bristol Bay boats were designed to handle a large volume of fish at a time when using knotted brailers, weighing more than 2500 lbs, in deep fish holds, often more than four feet deep, was standard.

With smaller brailer size limits, fishermen still put the same number of fish in the holds simply with more brailers often stacked on one another. Despite the clear return of investment and effort to improve quality, many fishermen still do not or cannot use ice and/or an RSW system. Nearly 80 percent of the Bay boats are still "dry," meaning they don't chill their fish.[xxiii] In sum, Bristol Bay fish are still not being handled in a way to maximize quality. The boats being used are not designed to take into consideration the need to focus more quality, not just volume.

The following example illustrates the difficulties encountered in refitting a vessel to accommodate quality focused improvements. One fisherman recently decided to install a RSW system in his boat relatively modern 13 foot wide, flushed decked, Baycraft boat. Prior to installing the RSW system, the boat held approx.14,000 lbs under the hatches in four holds on each side (8 total) and one middle hold, located behind the net reel. The vessel, designed to hold an expected high end catch of 14,000 lbs dry, was well within safety parameters, and it could easily handle that kind of load in tough sea conditions.

To refit the boat to improve fish quality, the owner eliminated the use of his middle hold,

installed the RSW equipment in that space, and insulated his outside holds. Now, the boat will only pack approx.10,000lbs in a tanked RSW system. The RSW equipment and insulation sacrificed over 30% of his holding capacity. When fishing is moderate to heavy he routinely has to put fish on the deck and in deck brailers. With a 10,000 lb load of fish and several hundreds of gallons of chilled water, the freeboard and hence safety of the vessel are compromised, as the boats squats down much lower in the water. While this particular vessel may remain afloat under all the extra weight, a smaller traditional Bristol Bay boat cannot accommodate the space needed for an RSW system or handle well the weight of the water needed to tank fish in an RSW or slush/ice system along with a modest load of fish. These smaller boats simply were not designed for catching, storing, and delivering fish in this manner. They are not designed to produce the type of quality fish desired in today's competitive market place. Even the more modern, wider 32 foot Bristol Bay boats are sacrificing load capacity to squeeze in the equipment needed to run an RSW system and continue to lose quality when larger loads are caught during the peak periods.

Elimination of the 32 foot limit would allow fishermen and boat builders to design vessels with quality concerns in mind, without sacrificing that ability to handle the larger volume of fish being caught in Bristol Bay peak two weeks. A longer vessel could be designed with more deck surface area and more, smaller capacity fish holds (minimizing damage from weight of fish). Longer vessels could be designed to accommodate refrigeration equipment and insulating needs to keep more fish cold immediately after being caught.

Eliminating the 32 foot limit would allow boats to be designed for quality as well as keeping aspect ratios (length to width) that are more energy efficient. Larger, longer vessels would be able to accommodate small generators that could be utilized to run the chilling equipment more

efficiently than using hydraulic systems hooked to the main propulsion engines. In short, eliminating the 32 foot limit would allow for construction and refitting of vessel more appropriately set up to accomplish the task of safely producing a higher quality fish and ultimately the value of Bristol Bay fish.

The Board should provide fishermen in Bristol Bay the same opportunity given to gillnet fishermen in other parts of the state of Alaska who are improving the quality of their catch on boats longer than 32 feet. The 32 foot limit, implemented by the federal government in 1950, has no bearing on the modern day management of the resource. Bristol Bay fishermen should be given the opportunity to innovate and take full advantage of equipment and technology that will allow them to deliver higher quality catches, obtain higher ex-vessel prices, and help processor realize higher prices for their higher quality products.

(ii) Safety

If quality is a goal, then use of the additional machinery and equipment and methods to achieve quality must be accomplished in a safe manner and environment. Thus, safety is a significant interrelated objective to the proposal to eliminate the 32 foot limit.

Generally, a larger vessel would be able to handle some of the more severe weather conditions fishermen often face in Bristol Bay. A larger, longer vessel would be able to handle the load capacities in Bristol Bay much more safely. A larger, longer vessel would better accommodate the machinery, equipment and load requirements to produce a higher quality product.

Currently, the typical 10 to 12 foot wide 32 foot boat cannot accommodate an RSW system. The boat simply does not have the space to safely install the chiller, compressor,

condenser, circulation pump, plumbing and larger hydraulics needed to run an RSW system. As discussed above the smaller Bay Boat was not designed with quality in mind and it cannot safely tank its fish holds with ice and water and deliver a modest load of fish. If you can imagine a 10-12 foot wide older bay boat with a load of over 10,000 lbs and then try and imagine how that amount of fish could possibly be iced or placed in brine tank chilled by an RSW system, I think you understand the problem (Figure 3).

Figure 3. 12ft wide Bristol Bay dry boat loaded on a calm day (photo provided by Todd Granger).

We all know, or have heard about the guy who has put over 20,000 lbs in his smaller bay boat (including fish in the cabin to keep as much weight forward as possible), but we also know that every time a boat is loaded in such a manner, the boat and its crew are in danger of that one larger wave or small shift in weight that could cause a catastrophic loss. Can you imagine a smaller Bristol Bay boat using insulated fish holds, chilled water tanked in the holds with either an

ice or RSW system, trying to pack loads of even 5,000 to 7,000 lbs of fish across the shallow waters and sand bars in Bristol Bay. Imposing a 32 foot limit while asking the fishermen to use tanked holds with RSW or slush ice will undoubtedly increase the danger involved in the fishery.

In any event, an observer does not have to walk far into a boat yard in Naknek, Egegik or Dillingham before finding a 32 foot boat that has been modified to the point of no return. As earlier noted much of the fleet has become "unsuitable for open-sea travel beyond Bristol Bay." The recent methods to improve quality will add significant weight and reduce capacity and thus, it will further push the bounds of the safety envelope on a 32 foot vessel.

Allowing larger boats will increase safety while at the same time it will not impose or require boat owners to comply with any significantly stricter safety regulations enforced by the state or U.S. Coast Guard ("USCG"). In recent years the USCG has taken on a more active role in conducting vessel safety inspections in Bristol Bay. However, Bristol Bay boats, often operate exclusively within the state's three mile territory, and thus, a boat owner does not necessarily have to document the vessel with the USCG. While most Bristol Bay boats are USCG documented vessels, a substantial number of vessels are merely registered with the State of Alaska.

The State's safety guidelines and laws are significantly less stringent than the USCG regulations. For example, the state laws have no requirement for immersion suits or survival craft. Also, the state makes a distinction between vessels that are over 40 feet length, but only with respect to the number of fire extinguishers kept on board and the type of sound producing device. However, the proposers would hope that with the repeal of the 32 foot limit, the state would consider imposing safety requirements and regulations more in line with the USCG. It is noted that the USCG has recently initiated legislation to impose further safety requirement on

smaller uninspected fishing vessels.[xxiv]

Regardless, the undersigned proposers support the role of the USCG and the reasons for the regulations – vessel maintenance and safety of our fisherman and crews. Again, safety is a primary concern of the proposal, and the proposers would encourage the subcommittee and the Board to initiate discussions with the other state agencies necessary to bring the state's vessel safety regulations up to par and in line with the USCG safety standards.

A review of the USCG regulations provides the following observations with respect to changes in vessel length in Bristol Bay. First, the federal boundary line does not reflect the state's three mile territorial line. Thus, when Bristol Bay fishermen travel anywhere west of a line drawn from Protection Point to Goose Point, they are beyond the federal boundary line[xxv] and the operator must adhere to stricter safety regulations regardless to the length of their vessel.

The USCG regulations change, but not that significantly, when a boat exceeds 36 feet in length. The most important consideration would be given to the use of survival craft. USCG regulations require vessels to carry a certain type of survival craft, unless the vessel is under 36 feet long and operates with 3 or fewer individuals on board within 12 miles of the coastline. Accordingly, most 32 foot Bristol Bay boats are not required to carry survival craft (however, if a 32 foot Bristol Bay boat operates outside the federal boundary, it must carry an approved "buoyant apparatus"). If the vessel exceeded the USCG's 36 foot limit it would be required to carry some type of survival craft equipment regardless of where it operated.

Moreover, if a vessel exceeds 36 feet in length, visual and audible high water alarms must be provided at the operating station to indicate high water levels in lazarettes, spaces subject to flooding from sea water piping within the space; and spaces with a non-watertight closures.[xxvi]

(Many insurance policies already impose a similar requirement on Bristol Bay boats.)

Finally, consideration of a change in the Bristol Bay 32 foot limit could raise the USCG's requirement to carry an EPIRB. USCG regulations require any vessel 36 feet or more in length, traveling beyond the three mile territorial sea to carry a 406 MHz Category I EPIRB.[xxvii] Other than these considerations, (each being triggered if a vessel exceeds 36 feet in length) if a vessel exceeds 40 feet in length it must carry additional fire extinguishing equipment.[xxviii]

In sum, significant safety advantages of a larger vessel would be realized in its ability to better handle the weather, the load capacities, and the extra weight and space requirements needed to efficiently utilize ice or RSW systems and related equipment to improve quality. The few additional USCG regulations imposed on vessels greater than 36 feet or 40 feet are reasonable and would further promote a safe environment on board Bristol Bay fishing vessels.

(B) Beneficiaries

The direct beneficiaries of a repeal of the 32 foot limit include all Bristol Bay fishermen and processors. Higher quality, as explained in all the reports, and as seen in experiments and efforts made recent years, is a key component to the financial health and stability in the Bristol Bay fishery. Other direct beneficiaries include boat designers, builders, welders and suppliers of the materials, goods and services used to construct and redesign boats for owners that wish to focus more on providing a quality product.

Indirect beneficiaries include all governmental agencies, (local, state, and federal) that rely on tax revenue income. As the fish prices rise with quality improvements, so will taxable income, as well as disposable income.

It is hard to think of any party that will not benefit from this proposal in the long term.

(C) Opposition/Status Quo

Opposition to the proposal has come from fishermen who worry that they would not be able to compete on equal footing if the 32 foot limit was relaxed, due to the fear that larger boats would have a significant advantage over the smaller boats. They fear the disparity created would drive those that cannot afford to take advantage of the technology out of the fishery. Some fishermen also voice concern that eliminating the 32 foot limit would significantly reduce the value of their existing boats.

These arguments are similar, if not exactly the same, to the concerns voiced when fishermen debated whether or not power boats, rather than sailboats, should be allowed to work in the Bristol Bay fishery in the 1940's. These arguments are similar to the Board's concerns in 1981 when it decided the 32 foot limits should remain in place to, in part, "promote stability and predictability in the fishery." While it is human nature to oppose change and to fight against technological and reasonable advancement in favor of tradition, recognition of the changed times is overdue. We don't have a per week fishery schedule of the 1950's; we don't have the overcapitalized fishery we had in the 1980's; we don't have the $1.00/lb -$2.00/lb price for sockeye salmon to allow any significant over investment in boats and equipment.

As discussed above, the importance of quality and the importance to embrace the opportunity to take full advantage of making quality improvements cannot be ignored. The arguments made in opposition to the proposal are insignificant when viewed in light of the recent downturn in demand for Alaska salmon and the need to focus on the long term health of the fishery.

The opposition's fear of inability to compete and lost value are based on flawed logic.

First, the root cause of fishermen not being able afford to invest in the fishery to either buy larger better equipped boats or just make the minimal improvements to their 32 foot vessels,[xxix] is the low prices fisherman have been paid in recent years. Prices will not get better unless more effort is made to improve quality, to meet and create greater demand for Bristol Bay salmon. To accept the argument that some fishermen cannot afford to build new larger boats or make the minimal investment to improve quality, the Board will force Bristol Bay fishermen to continue to achieve low ex-vessel prices for the salmon and the continuation of smaller profits. Under this premise fishermen will never be able to afford to ever do anything to innovate and make the long term investment necessary to build an economically healthy fishery.

Lost value in current 32 foot vessels is similarly flawed. In the short term, values of 32 foot vessels may diminish some, but this would depend on the particular vessel and most importantly, this loss of value would be insignificant when compared to the value of a healthy economically feasible fishery. Bristol Bay boat values, just like permit values, are based on the health of the fishery. In 2002, Bristol Bay boat and permit values dropped to all time lows when the price of fish dropped to unprecedented lows. If quality improvements can be made to improve demand for Bristol Bay fish, the values for both boats and permits will increase, not decrease. The argument at that level is that simple.

In recent years, as prices have moved from .40 cents to .62 cents per pound, the values of boats and permits have risen. Albeit, the demand and price of a more modern, flushed decked vessel equipped with an RSW system have increased more than a traditional "dry" boat. A boat equipped with an RSW system should be worth significantly more, since the price of chilled fish is up to .14 cents more per pound from some company's (Peter Pan in 2006 and Snopac in 2007), and

more than that if you fish an RSW boat for Leader Creek Fisheries.

The more quality fish that is sold fresh, frozen, fillet and vacuum packed out of Bristol Bay with higher margins of profit, fewer fish will be available to be canned. The more high quality products will reduce the supply of fish that can be canned. If demand for canned fish remains stronger, higher canned prices should be able to be realized as well. Accordingly, if processors can sell more high end, value added products from Bristol Bay, theoretically they should be willing to pay more for fish from "dry" boats as well. Significantly, all boat owners, (even those that choose not to use slush ice or RSW and choose to continue to fish a 32 foot boats) will benefit by having more boats being equipped with RSW and/or able to otherwise produce a higher quality product.

Finally, the opposition's argument that they will not remain competitive is also a red herring. Each boat fishes the same length of net for the same amount of time. The only difference would be how is handled after it is caught and how many of the fish can be handled in a way that promotes quality.

There are advantages, but also disadvantages to having an RSW system. If you have an RSW system, as noted above, you lose capacity, and you cannot safely load as many fish on your boat. If you have an RSW system you will have to keep an engine and pump running for several extended hours, increasing the maintenance and fuel costs of running your boat. If you have an RSW system or you use slush ice, you have to pick up the ice and take time to maintain equipment, reducing the amount of time you can have your net in the water catching fish. Using an RSW system or slush ice adds significant weight to the boat, reducing its ability to traverse or fish shallow water.

Even if the Board changes or repeals the 32 foot limit, fishermen will not choose to use larger vessels unless they individually see clear economic advantages for doing so. A very important aspect of fishing is the competitive nature of fisherman. Not very many fishermen will ever agree that there is only one way to catch fish. We see this independence in the design of fishing boats used throughout Alaska. Some fishermen prefer faster, shallower bowpickers, with little room for crews of four or five. These fishing platforms work the flats and make several sets every hour, constantly rotating their gear. In contrast, others may prefer more room in the living quarters, smaller more fuel efficient engines, a crew of only two or three, and longer drifts between picks. To each his own, the point is that diversity and economics will drive innovation, if given the opportunity.

With the diversity of fishermen, the fact that longer boats would be able to be used in Bristol Bay does not equate to the elimination of the 32 foot boat. If the Board would eliminate the limit, and not impose any restriction whatsoever, the fishery will not be taken over by 100 foot drift gillnet vessels. A 100 foot vessel will not be able to fish a 150 or 200 fathom drift net very well in any of the sand bay laden channels of Bristol Bay. Likewise, a 50 or 40 foot gill net boat will not be able to get up into and out of the shallow waters as easily as a similarly designed 20 to 30 foot vessel. Only economics will dictate what size of vessel will work best, and there will be barriers, costs, advantages, and disadvantages to every size and design. The fact is that many of today's 32 foot boats are well equipped and designed to be fished in a very specific manner, and these boats will remain competitive for many years to come.

One of the greatest natural barriers to designing a Bristol Bay boat is the fact that Bristol Bay is a relatively large very shallow body of water. Add the fact that sockeye salmon seem to

prefer to run in the shallowest parts of the districts, and you end up with the need or desire to have the shallowest draft boat possible. The balance of having a shallow boat, while maintaining a size sufficient to accommodate engines (horsepower), propulsion systems (shaft or jets), hydraulic systems, nets, net reels, water, refrigeration equipment, and large loads of fish, creates a challenge to maintain safety and workable designs. Other important aspects to designing a drift gillnetter would include, the wind and weather, crew size, and rising fuel costs. Each of these factors imposes limits on what designs work in Bristol Bay.

Significantly, the choice of size will be limited by natural and economic concerns. Whether one fisherman wants to use a "dry" boat to maintain an edge in his or her ability to catch more fish or use a quality equipped boat to produce higher quality is a choice for the individual.

If the Board would simply eliminate the 32 foot limit, fishermen would be free to experiment, free to innovate, and free to respond fully to the quality concerns of the market in the best way given his or her particular circumstances. Whether fishermen find advantages in a 58 foot vessel or a 29 foot sail powered double ended dory, whether fishermen can afford or prefer to fish one type of vessel over another, should be the fishermen's choice. The choice should not be imposed by the comfort and stability aspect of the status quo. The future health of the fishery is too important to hold onto the oars of tradition.

V. CONCLUSION

In sum, the Bristol Bay fishery, like other Alaska gill net fisheries, has been successfully managed in recent years with simple restrictions placed on the length (150 fathoms) and depth of net (29 meshes deep), mesh size limits, and fishing periods announced during the emergency closure period, often announced on an hourly basis. Today's ability to communicate and track the

number of fish being caught and escaping into spawning grounds does not compare to period when the 32 foot limit was imposed as a management tool for he fishery over 50 years ago.

The 32 foot limit on fishing vessel length has no affect whatsoever on the current modern management of the fishery. It is important to note that the 32 foot limit on the length of drift gill net vessels was promulgated in 1950 when 48 transfer wait periods were not routinely used, communication between fish managers and the fishing fleet was very limited during the season, and fishing was based on a pre-announced schedule, not the hourly schedule during an emergency closure period that is utilized by the ADF&G today.

Likewise the issues or reasons the Board rejected the repeal of the 32 foot limit in 1981 are outdated. At that time the Board found that quality concerns were being met and the "use of ice, chilled brine or special insulation is not necessary to achieve the desired quality improvements at this time." The Board also found that the fishery was overcapitalized and that unlimited size would exacerbate the problem and impose a hardship or instability in the fishery.

Unlike in the 80's and early 90's when fishermen and processors were feeding off of strong Japanese demand for sockeye salmon and roe, today and in most recent years fishermen have struggled to make a profit at 40 to 60 cents per pound. Fishermen have not had money to put back into the maintenance and repair of their boats or money to retain experienced crews for several seasons. Very few new boats have been built in recent years for use in Bristol Bay, and many boat builders are no longer in the business of building 32 foot boats for the fishery.

The recent low values have given us the most opportune time and/or need to face the reality that we need to focus hard on a long term solution - to create and maintain a diverse and consistent demand for Bristol Bay sockeye salmon. As evidenced by the driftnetters recent

approval of the (BBRSDA, as well as the State's Department of Commerce's Vessel Upgrade Grant programs, drift fishermen in Bristol Bay are taking significant steps necessary to focus more on quality – to compete with the farmed fish production that has invaded the market place. And, just like when fisherman converted to the use of power in their boats in 1950, fisherman, now more than ever, realize the need to make the necessary investment in technology, whether it is using ice, RSW, or CSW, and in combination with smaller brailer size limits being imposed by processors.

Besides being an inadequate and obsolete tool for managing the fishery, eliminating the 32 foot limit would provide significant benefits. The two main benefits are (i) efficient design and use of space on a vessel to accommodate ice, RSW, and/or CSW systems and (ii) safety. The opposition to this proposal is based on short term vessel values, not the long term health of the local communities and the Bristol Bay fishery.

To safely float our fish in chilled water prior to delivery to the processors, to maximize the fishery's ability to change and adapt to the need for quality products in the market place, Bristol Bay fishermen, like other Alaska fisheries, should be given the opportunity to utilize larger vessels, if they so choose.

The Board should eliminate the outdated, traditional 32 foot limit.

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i. 5 AAC 06.341.

ii. Alaska Board of Fisheries, Bristol Bay Finfish December 2006 Meeting Proposal Book at page 33-34, found at http://www.boards.adfg.state.ak.us/fishinfo/meetinfo/2006_2007/BBfinfish06.pdf

iii. Alaska Board of Fisheries, Bristol Bay Finfish, Tentative Committee Roadmap, November 22, 2006, at page 1.

iv. Alaska Board of Fisheries, Preliminary Summary of Actions, December 13, 2006, at page 2; found at http://www.boards.adfg.state.ak.us/fishinfo/meetinfo/2006_2007/BB06-presum.pdf.

v. Alaska Board of Fisheries Salmon Industry Restructuring Panel, Goal Statement and Restructuring Proposals in Board Process, April 2005, found at

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vi. Alaska Board of Fisheries Salmon Industry Restructuring Panel, Report and Recommendations to Alaska Board of Fisheries and Alaska State Legislature, January 2006, found at http://www.boards.adfg.state.ak.us/fishinfo/sirp/meetinfo/panelfinalrep06.pdf.

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ix. 50 C.F.R. §§ 204.1 - 204.20 (1939).

x. Department of Interior, Fish and Wildlife Service, P.N. 52304, dated February 24, 1949, available at http://www.fws.gov/news/historic/1949/19490024.pdf.

xi. Department of Interior, Fish and Wildlife Service, P.N. 71843, dated March 7, 1950, available at http://www.fws.gov/news/historic/1950/19500307.pdf.

xii. 50 C.F.R. §104.13 (1950).

xiii. PERMIT STATUS REPORT, STATE OF ALASKA - COMMERCIAL FISHERIES ENTRY COMMISSION, available at http://www.cfec.state.ak.us/pstatus/x_s03t.htm.

xiv. Alaska Board of Fisheries, Findings of Fact, Bristol Bay 32 Foot Vessel Length, 5 AAC 06.341, #81-92-FB, April 7, 1981, found at http://www.boards.adfg.state.ak.us/fishinfo/regs/ff81092x.pdf.

xv. Greenberg, Herrmann, Geier, & Hamel, *Wild Salmon Risk Management in Bristol Bay Alaska: Draft Final Report*, University of Fairbanks, a Report to the United States Department of Agriculture, January 1, 2002 at page 7.

xvi. Knapp, *Projections of Future Bristol Bay Salmon Prices*, Institute of Social and Economic Research, University of Alaska Anchorage, October 2004, at pages 74-75.

xvii. Link, Hartley, Miller, Waldrop, Wilen, & Barnett, *supra*, at page 22.

xviii. *Id.* at page 59.

xix. *Id.* at page 60.

xx. Laine Welch, *Simple switch to using ice could help Bristol Bay sockeye,* Bristol Bay Times, Dec. 6, 2007, at 12.

xxi. ALASKA STATE LEGISLATURE HOUSE SPECIAL COMMITTEE ON FISHERIES, February 2, 2007,

found at http://www.legis.state.ak.us/pdf/25/M/HFSH2007-02-020836.pdf.

xxii. Letter to Bristol Bay fishermen, dated February 27, 2007, also found at http://snopac.typepad.com/snopac_news_and_events/2007/02/slush_ice_progr_1.html.

xxiii. Laine Welch, *Ice to heat up Bristol Bay sockeye market*, Anchorage Daily News, Money Section, December 1, 2007, also found at http://www.adn.com/money/story/9490771p-9401607c.html.

xxiv. See H.R. 2830: Coast Guard Authorization Act of 2007.

xxv. 28 C.F.R. §. 7.175 Alaska Peninsula, AK to Nunivak, AK.

(a) A line drawn from the northernmost extremity of Goose Point at Egegik Bay to Protection Point.
(b) A line drawn from the westernmost extremity of Kulukak Point to the northernmost extremity of Round Island; thence to the southernmost extremity of Hagemeister Island; thence to the southernmost extremity of Cape Peirce; thence to the southernmost extremity of Cape Newenham.
(c) A line drawn from the church spire located in approximate position latitude 59[deg]45[min] N. longitude 161[deg]55[min] W. at the mouth of the Kanektok River to the southernmost extremity of Cape Avinof.

xxvi. 46 C.F.R. § 28.250.

xxvii. 46 C.F.R. § 28.150; 46 CFR § 25.26.

xxviii. 46 C.F.R. §§25.30, 28.155, 28.160.

xxix. To complete a minimal upgrade to a traditional 12 foot wide Bristol Bay aluminum boat its costs an average of $25,000 to $50,000, which would include creation of a flush deck (which minimizes the handling of the fish) and insulating the fish holds (to utilize slush ice). If you have space for an RSW system, add another $25-35,000 to the upgrade.