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Sponsor Statement

HOUSE CONCURRENT RESOLUTION NO. 28

“Relating to the socioeconomic impacts of salmon harvesting cooperatives.”

The purpose of this resolution is to request the University of Alaska to further study the broader socioeconomic effects of allocative salmon harvesting cooperatives.

In early 2002, the Alaska Board of Fisheries passed regulations that provided a means for the Commercial Fisheries Entry Commission (CFEC) permit holders in the Chignik salmon purse seine fishery to form a harvesting cooperative. 77% of the Chignik permit holders then formed the harvesting cooperative that has operated for the past two years.

The formation of the Chignik harvesting cooperative represents a clear departure from the current structure and management of Alaska’s salmon industry. For the first time, limited entry permit holders were allocated a percentage of a fisheries total allowable catch. Everywhere else in the state, limited entry permits only authorize the ability to competitively fish for a part of the total allowable catch.

Chignik is, in many respects, the ideal place to conduct this structural experiment. It is isolated from other fisheries, has only one hundred permit holders with only one gear class, and has relatively simple biological and management conditions. Yet, this isolated coastal community and the salmon cooperative have become the center of a statewide controversy.

Proponents of the cooperative point toward the benefits of efficiency, decreased costs, and improved quality. Opponents argue that harvesting cooperatives unfairly disadvantage processors, allow non-participants to benefit from the fishery, decrease the number of jobs in the industry, and decrease the number of dollars circulating through communities.

As the Joint Legislative Salmon Industry Task Force (JLSITF) considered these opposing viewpoints, and considered potential legislation to address policy issues, it became clear that there was very little definitive information on the broader social and economic effects of harvesting cooperatives. The JLSITF did not forward any bills to the Legislature related to harvesting cooperatives, but did form a sub-committee on the issue and also supported [this resolution](#) requesting the University of Alaska to research this complicated question.