



# REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

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## Sponsor Statement HB 218

### **“An Act relating to cost recovery fisheries for private nonprofit hatchery facilities”**

Salmon hatcheries in Alaska continue to be positive contributors to the economic development of coastal regions. Over the years, hatcheries have provided great benefit to the commercial fishing industry and to other users of fish by enhancing the strength of salmon returns and by creating jobs in our communities. The commercial salmon industry has paid into this program through the Salmon Enhancement Tax since 1980.

HB 218 relates to the methods by which hatcheries generate revenue to cover their operating and capital expenses. These methods are referred to as “cost recovery.” Under current practices, hatcheries contract with processors to purchase part of the returning run of fish that are caught in areas known as Special Harvest Areas immediately in front of hatcheries or at remote release sites where enhanced runs of fish have been developed. Typically only a handful of commercial vessels actually participate in the harvest of these cost recovery fish.

HB 218 provides language that would allow hatchery operators to choose to recover their costs through fisheries open to commercial fishermen, allowing the fleet to access more fish. In return for this increased access, the industry would pay an assessment of up to 50% of the value of the fish to ensure that the users of the resource continue to pay for the costs of the hatcheries. Hatcheries were created to enhance the natural production of salmon so that the common property users would have a more abundant resource to harvest. The hatchery system should work toward the goal of minimizing the amount of fish that hatcheries sell directly to processors. However, because each hatchery has a unique financial situation, this alternative type of cost recovery will not be immediately applicable to all hatcheries. For this reason, HB 218 merely provides permissive language. It in no way will force a hatchery to change its current practices.